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DOWNEY BUYS PETALUMA SHOPPING CENTER PROPERTY

After nearly 10 years of consideration and seven years in escrow, **DSL Service Company**, the realty arm of **Downey Savings & Loan**, has purchased 36.5 acres at the southwest corner of North McDowell Boulevard and Rainier Avenue in Petaluma. It bought the land from the trusts of **Benny Friedman** and **Dick Gray** for \$11.15 million, according to public records. **Tom Laugero** of **Keegan & Coppin** and **Lucy Webb** of **Lucy Webb Real Estate** brokered the \$7/sf deal. **Mr. Laugero** is marketing the 332,000sf proposed Deer Creek Plaza community shopping center with upscale shops planned along North McDowell.

The project has returned to the all-retail design of a decade ago. DSL vice president **David Casty** says prospective retailers at that time insisted on the Rainier interchange, but now, they simply want to be in Petaluma. He points to the city's retail leakage study last year, which noted a 1,170,000sf space shortage and \$250 million annual loss in retail sales.

Steve Arago, principal of **CSW/Stuber-Stroh**, the planner and landscape architecture firm on the project, says entitlements could take nine to fifteen months to obtain. If approved, the center could open in 2006.

Danville-based **Phillip L. Smith Company** has secured construction financing for its proposed 28,000sf **Inglewood Village Office Park** south of St. Helena on Highway 29 at Inglewood Avenue, according to marketing agent **Mike Miller** of **Keegan & Coppin**. Construction is set to start in 30 days for mid 2005 availability. The project calls for a two-story 18,000sf building and a couple of 4,000sf ones.

Many banks require half-preleasing before funding construction, but Smith secured threshold funds from **Napa Community Bank**, according to **Mr. Miller**. An undisclosed St. Helena firm has inked a letter of intent to lease space. Quoted rent is \$2.50/sf NNN with \$30/sf for improvements.

Cotati voters spoke loudly on Tuesday about large retailers at **Newman Development's Cotati Commons** development – namely, a **Lowe's** home improvement store under way there – on the west side of the city. Sixty-two percent voted against Measure P, which would have limited the size of stores on the property.