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SteelWave to develop \$106M mixed-use project on 15 prime acres in Fremont

SteelWave is set to begin developing a mixed-use project on a prime 15-acre Fremont property owned by Ohlone College that has been plagued with false development starts for more than two decades.

Ohlone College's Board of Trustees has approved an agreement to enter into a ground lease with the Foster City-based real estate management and investment firm for the property at 43600 Mission Blvd., where SteelWave is planning a \$106 million mixed-use project.

The company has proposed building 275 residential units alongside a commercial town center with nearly 18,000 square feet of commercial retail and office space.

When the development is completed, SteelWave would pay about \$1.3 million in rent annually. The developer will lease the property for 80 years, with an option to extend it up to 99 years - the longest term a community college can lease land to a single entity.

Ohlone has been eyeing the site for development for decades, seeing the potential ground lease payments as a new source of stable income for the public college.

Carmel Partners was the most recent developer to fall through on plans for the site, which is split up into three adjacent parcels along Mission Boulevard between Pine Street just past Witherly Lane. The San Francisco-based developer had proposed building hundreds of residential units on the land, but ultimately backed out of the deal.

SteelWave still has a way to go before its project is set in stone.

The company has won over the college, but will still need to secure approvals, zoning changes and building permits from the City before construction can start.

College officials last month said they were confident that SteelWave would be the team that would bring project to fruition.

"I think that they are approaching it differently than others may have in the past. They are looking at the political aspect," Susan Yeager, Ohlone's Vice President of Administrative Services told the board last month "These projects are never just about dollars and are never just about traffic ... they do have a political aspect to them and they are aware of that."

Despite the board's confidence, some said they wished it had included more housing set aside for educators or senior citizens. Out of the 275, about 6 percent, or 16 units, will be set aside for those groups.

Some Ohlone College leaders said they would have liked to see more, including Trustee Greg Bonaccorsi, who said he hoped more units could be added for seniors and public servants before development began.

"I feel that if we are a community college we are also sensitive to the needs of the community," he said. "I was very disappointed to see only 16 units."

Even so, the board approved the agreement unanimously. Ultimately, the project will provide funds for the college during economic downturns when states mandate cuts to various programs.

"When the college has to start cutting classes it tends to be a downward spiral and it's hard to come back out of," Yeager said. "We've not yet recovered from the last economic downturn, so ... we are fighting to keep the enrollment we have and then increase it."

This development, if it moves forward, will be that safeguard, college leaders and faculty said.

"I'm sure there are pros and cons to any decision," Leta Stagnaro, Vice President and deputy superintendent at Ohlone said to trustees as she urged them to move forward with the approval. "But at the core of this decision, keep in mind what we're here for: We are here for the students, we are here to help them make they meet their educational goals and to make sure, as a college, we meet the needs of the community."

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