

FULLY ENTITLED  
MIXED-USE DEVELOPMENT  
OPPORTUNITY

# 1804 BAY ROAD

EAST PALO ALTO, CA  
OFFERING MEMORANDUM

**NEWMARK**

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CA RE License #00640295

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This is a confidential memorandum intended solely for your own limited use to determine whether you wish to express interest in the purchase of the subject property. This memorandum contains selected information pertaining to the described property and has been prepared primarily from information supplied by the Seller and Newmark, agent for the Seller. This memorandum does not purport to be all-inclusive nor to contain all of the information which a prospective investor may desire. Neither the Seller nor any of their employees, or agents, including Newmark, makes any representation or warranty, expressed or implied, as to the accuracy or completeness of this confidential memorandum or any of its contents, and no legal liability is assumed or to be implied by any of the aforementioned with respect thereto. By your receipt of this memorandum, you agree that the information contained herein is of a confidential nature, that you will not, directly or indirectly, disclose or permit anyone else to disclose this memorandum or any part of the contents to any other person, firm or entity without prior written authorization of Seller or Newmark, nor will you use or permit to be used this memorandum or any part of the contents in any fashion or manner detrimental to the interests of the Seller.

The Seller expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in the subject property and to terminate discussions with any party at any time with or without notice.





## EXECUTIVE SUMMARY

Newmark, as exclusive investment advisors, is pleased to present the opportunity to acquire a 100% fee simple interest in 1804 Bay Road in East Palo Alto, California (Assessor's Parcel 063-231-240). The property is fully entitled under the State Density Bonus Law, SB 35, for the development of a 102,753 gross square foot, ( $\pm$ 73,000 net rentable) mixed-use project consisting of 75 residential rental units with the possibility to go to 95 units and approximately 1,900 square feet of retail space. (Parcel size: .99 acres)

**HOWEVER, IF THE PROPERTY IS DEVELOPED FOR AN AFFORDABLE HOUSING DEVELOPMENT PROJECT, THERE IS NO LIMIT ON DENSITY (PLUS AN ADDITIONAL 3 MORE STORIES CAN BE CONSTRUCTED). CALL FOR ADDITIONAL INFORMATION.**

The property is strategically located in the future heart of Downtown East Palo Alto, near Facebook and Amazon, in the center of proposed future development of 60,000 square of new retail space, 2.5 million square feet of new office, 1.4 million square feet of Life Science and 126,000 square feet of civic/community-oriented space.

This offering represents a unique opportunity to capitalize on a fully entitled development that can be vertically subdivided, allowing any purchaser to monetize its investment on an accelerated timeframe.

This site is currently leased and the rents cover the carrying costs.

Sale Price: \$7,950,000.00





# TRANSPORTATION MAP

## DOWNTOWN PALO ALTO

1. THE CHEESECAKE FACTORY
2. THE PATIO
3. LYFE KITCHEN
4. PAMPAS
5. TACOLICIOUS
6. NOLA
7. APPLE PALO ALTO
8. BIRD DOG
9. COCONUTS
10. OREN'S HUMMUS SHOP
11. PLUTO'S
12. JOYA

## STANFORD SHOPPING CENTER

1. SOULCYCLE
2. BLOOMINGDALE'S
3. ANTHROPOLOGIE & CO
4. POTTERY BARN
5. BURBERRY
6. WILLIAMS-SONOMA
7. APPLE STANFORD
8. BROOKS BROTHERS
9. MACY'S
10. GAP
11. TIFFANY & CO
12. PRESSED JUICERY
13. J. CREW
14. NORDSTROM

1804 BAY ROAD



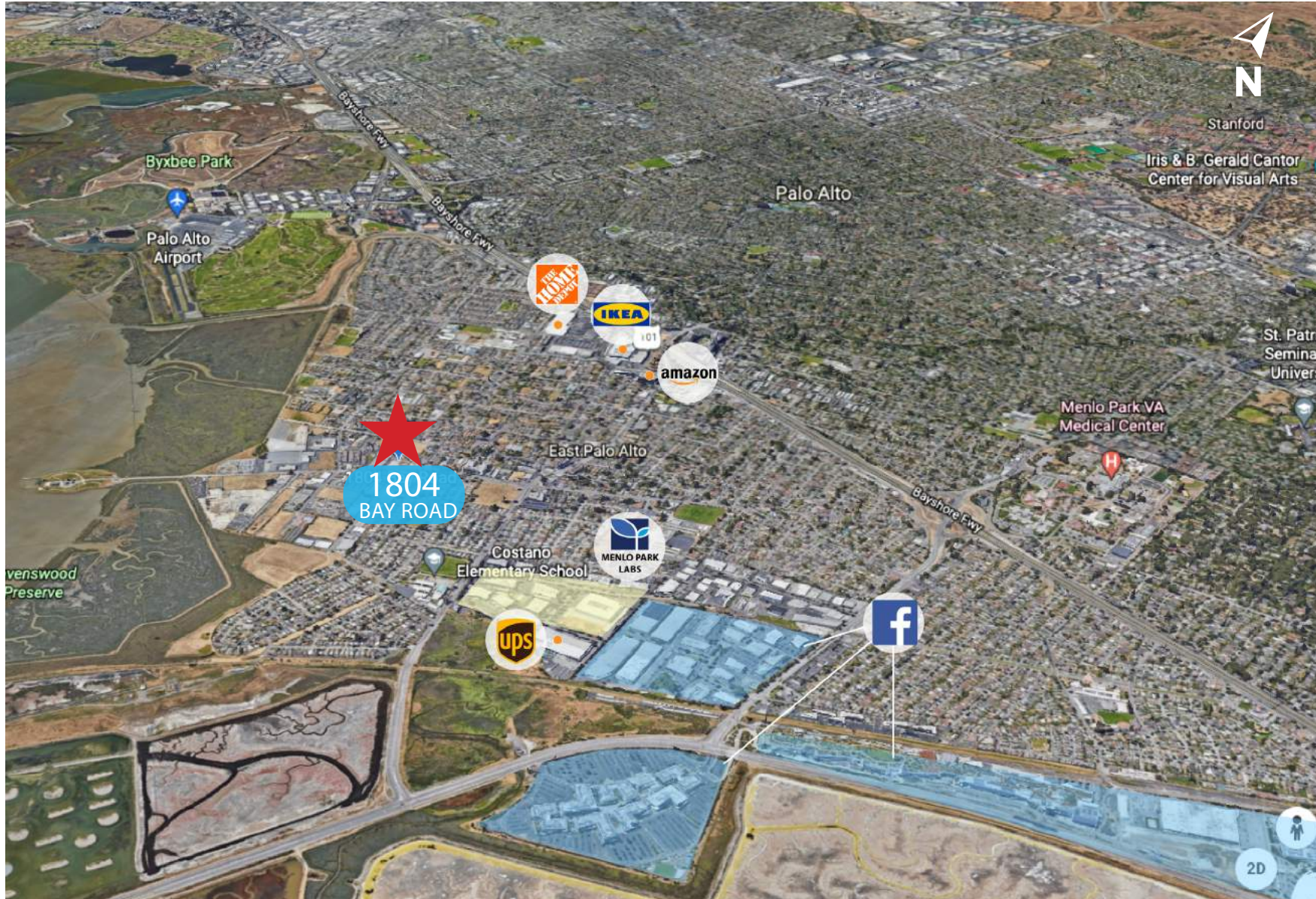
TRAVEL TIMES	BIKE	DRIVE
Downtown Palo Alto	8 min	6 min
Stanford Shopping Center	14 min	10 min
Stanford University	19 min	11 min
Palo Alto Caltrain Station	12 min	12 min
Stanford Research Park	26 min	14 min
Downtown Menlo Park	17 min	15 min
San Jose International Airport	-	16 min
San Francisco International Airport	-	25 min

NEWMARK 7 / 4

Exclusive Shuttle Service

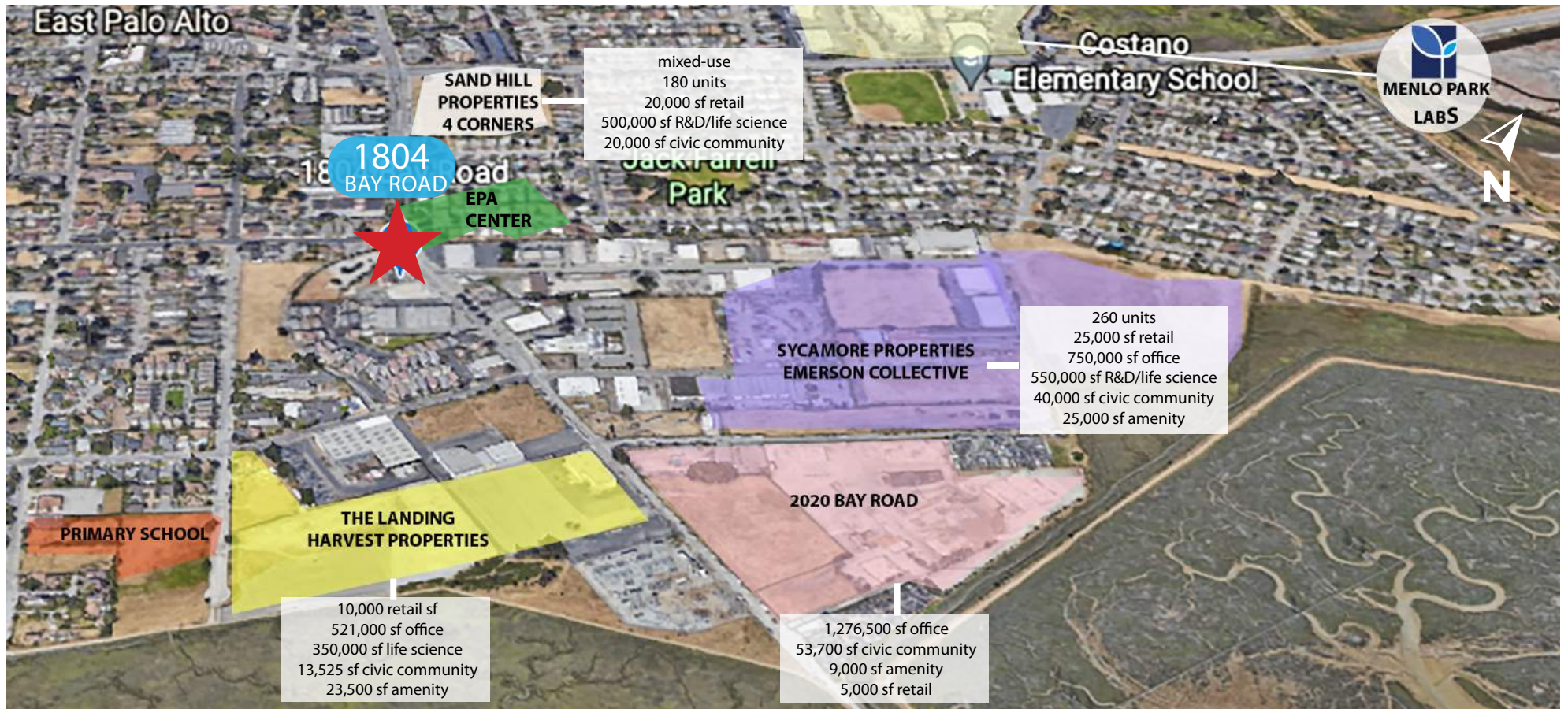


# AERIAL





# EAST PALO ALTO DEVELOPMENTS





Click here for Final Conformed Plan for 1804 Bay Road:

[Final\\_conformed\\_plan\\_1804\\_bay\\_road.pptx](#)

## 1804 BAY ROAD APN: 063-231-240

### STATE DENSITY BONUS LAW / SB 35

#### PROJECT DESCRIPTION

This proposed project will bring 75 1 and 2 bedroom rental units to the City of East Palo Alto. The project site is contained in an 0.99 acre existing site, bounded by Bay Road to the north and the Rail Spur to the South and West. The project will consist of a six-story building with two structures connected by an open air bridge on the upper floors. The project will have ground floor lobby, common spaces, retail, open spaces and parking.

FLOOR AREA	
Name	Area
CIRCULATION	12525 SF
COMMON	5936 SF
RESIDENTIAL	70899 SF
RETAIL	1903 SF

Grand total 91263 SF \*\*

\*\*Per EPA Dev. Code Sec. 18.08

BUILDING AREA	
Name	Area
CIRCULATION	12525 SF
COMMON	5936 SF
COVERED PARKING	5069 SF
RESIDENTIAL	70899 SF
RETAIL	1903 SF
SERVICE	3946 SF
STAIR / ELEV.	2474 SF

Grand total 102753 SF\*

\*Per California Building Standards Code

ON SITE PARKING	
-----------------	--

RESIDENTIAL	
ADA SPACE	1
ADA VAN SPACE	1
STACKER SPACES	58
	60

RETAIL/GUEST	
RETAIL/GUEST	14
RETAIL/GUEST ADA	1

15

75 TOTAL SPACES

ON-STREET PARKING

+4 LOADING SPACES

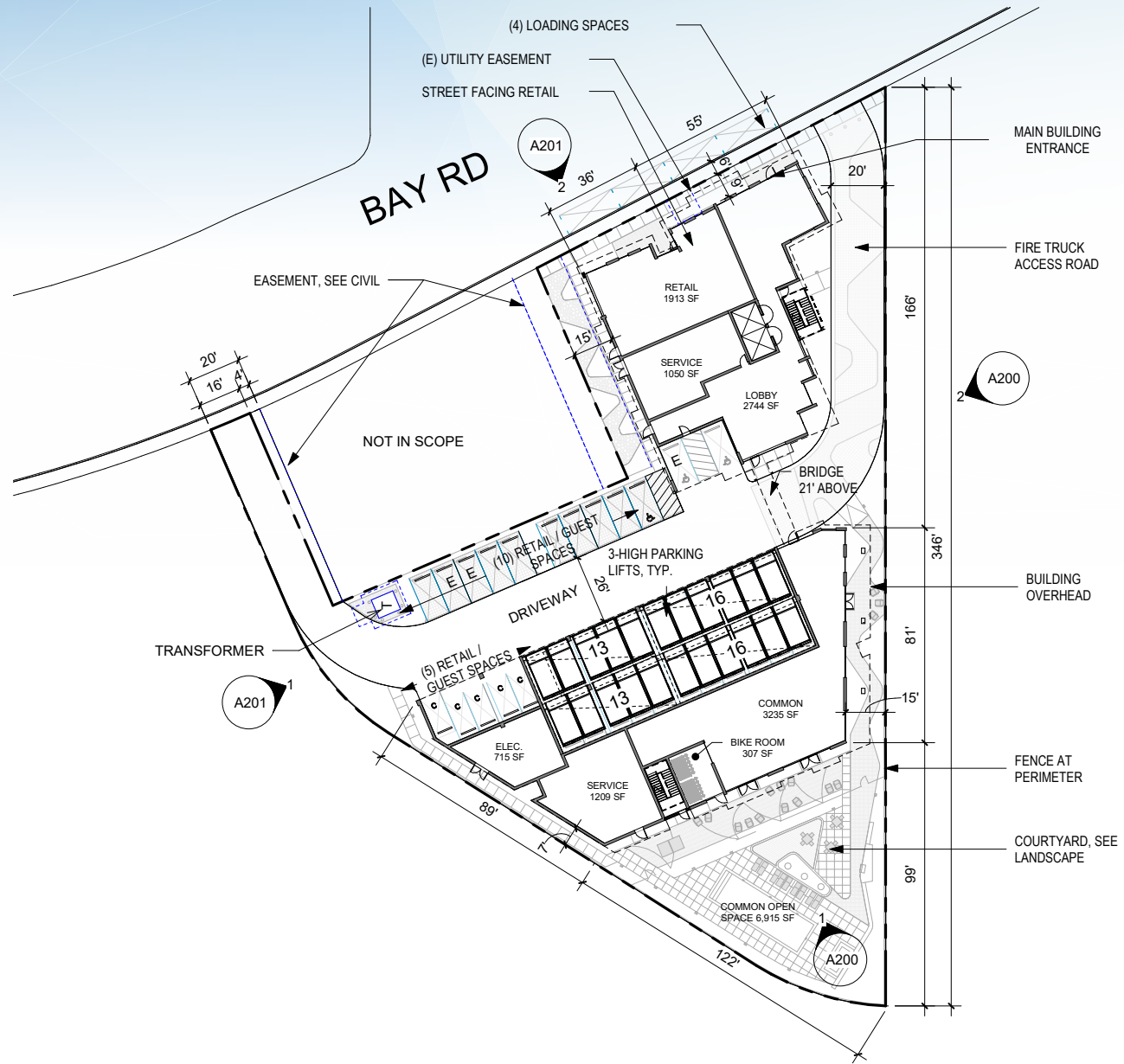
RESIDENTIAL UNITS		
1 BR	35	26813 SF
2 BR	40	43294 SF

75 70107 SF

115 TOTAL BEDROOMS



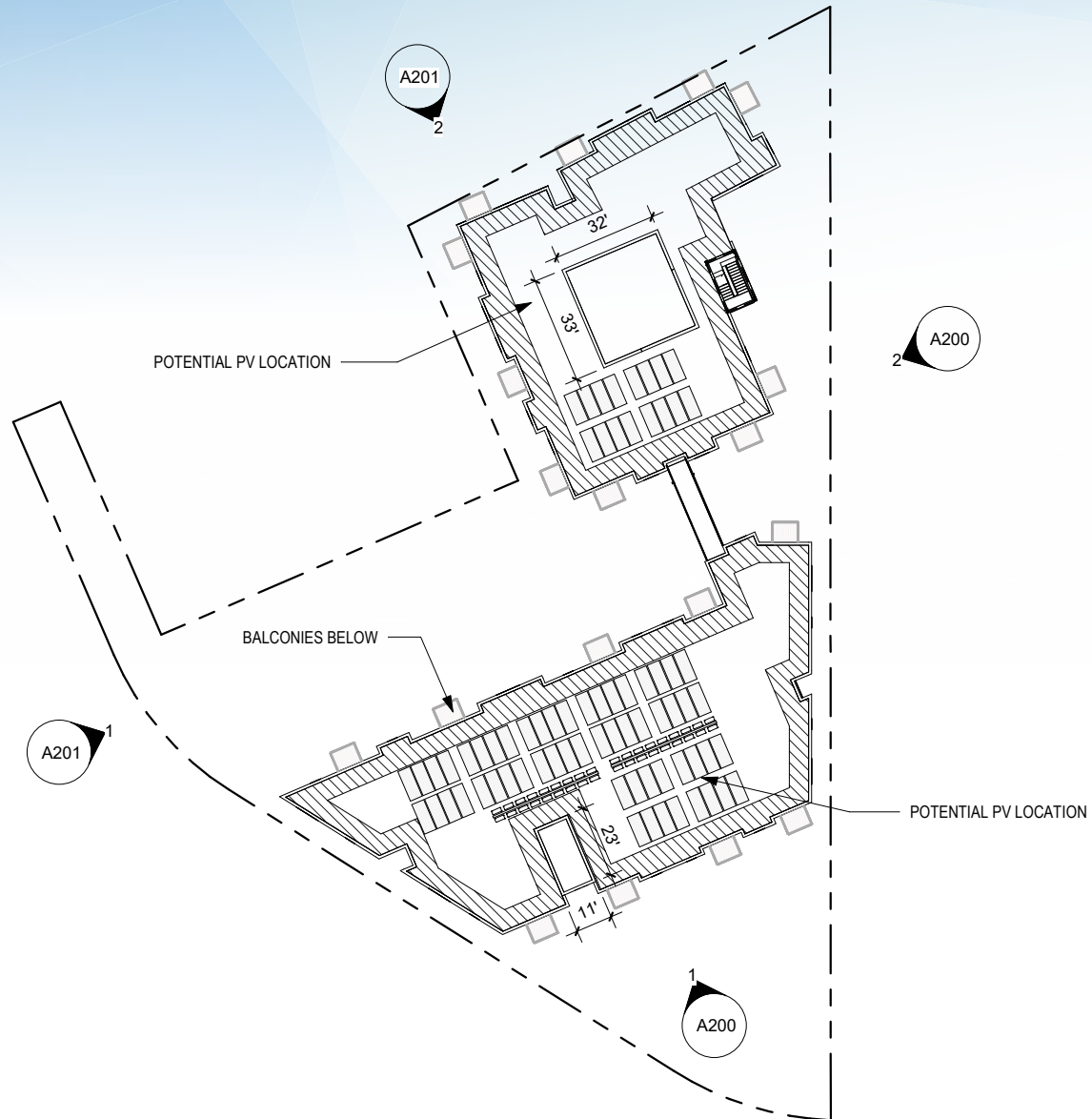
# GROUND FLOOR PLAN







# ROOF FLOOR PLAN





# RAVENSWOOD / 4 CORNERS TOD SPECIFIC PLAN

## CITY OF EAST PALO ALTO



Click here for Ravenswood / 4 Corners TOD Specific Plan:

[https://www.cityofepa.org/sites/default/files/fileattachments/community\\_amp\\_economic\\_development/page/2811/final\\_spec\\_plan\\_feb\\_2013.pdf](https://www.cityofepa.org/sites/default/files/fileattachments/community_amp_economic_development/page/2811/final_spec_plan_feb_2013.pdf)

# INCLUSIONARY HOUSING PLAN

INCLUSIONARY UNIT MIX TABLE						
UNIT TYPE	AMI	BEDROOMS	SQ FT.	# UNITS	TOTAL BEDROOMS	TOTAL SQ FT
UNIT TYPE A	35	1	745	1	1	745
UNIT TYPE C	35	2	1165	2	4	2330
UNIT TYPE A	50	1	908	2	2	1816
UNIT TYPE B	50	1	758	1	1	758
UNIT TYPE C	50	2	1069	2	4	2138
UNIT TYPE A	60	1	732	1	1	732
UNIT TYPE C	60	2	1119	1	2	1119
<b>TOTAL</b>				<b>10</b>	<b>15</b>	<b>9638</b>

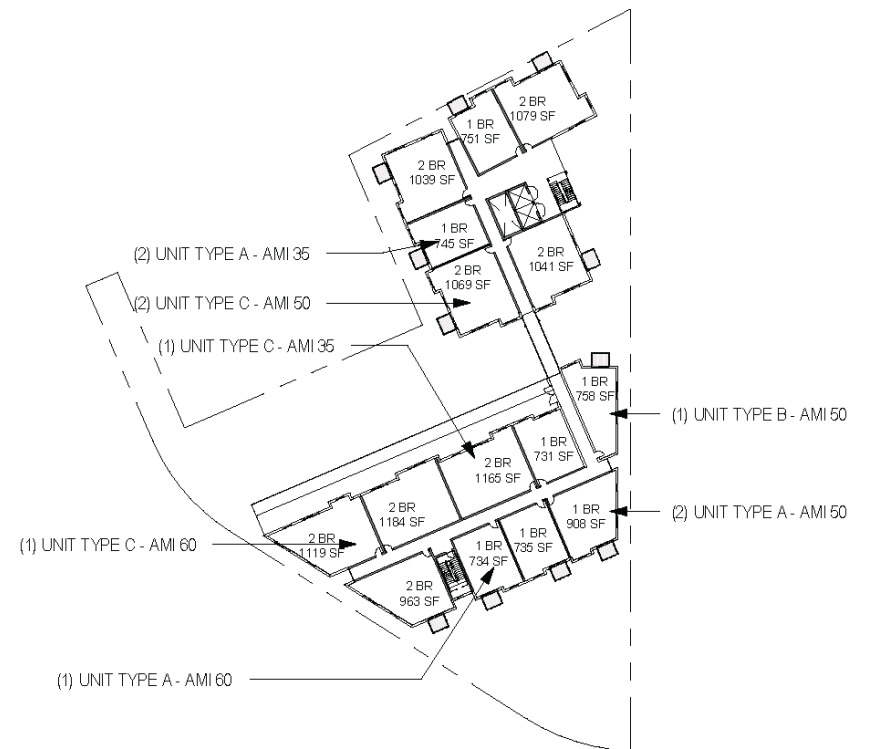
  

MARKET-RATE UNIT MIX TABLE					
UNIT TYPE	BEDROOMS	SQ FT.	# UNITS	TOTAL BEDROOMS	TOTAL SQ FT
UNIT TYPE A	1	751	5	5	3755
UNIT TYPE A	1	745	4	4	2980
UNIT TYPE A	1	731	5	5	3655
UNIT TYPE A	1	732	4	4	2928
UNIT TYPE A	1	735	5	5	3675
UNIT TYPE A	1	908	3	3	2724
UNIT TYPE B	1	758	4	4	3032
UNIT TYPE C	2	1079	5	10	5395
UNIT TYPE C	2	1041	5	10	5205
UNIT TYPE C	2	1069	3	6	3207
UNIT TYPE C	2	1039	5	10	5195
UNIT TYPE C	2	1119	4	8	4476
UNIT TYPE C	2	963	5	10	4815
UNIT TYPE C	2	1184	5	10	5920
UNIT TYPE C	2	1165	3	6	3495
<b>TOTAL</b>			<b>65</b>	<b>100</b>	<b>60457</b>

# of Market Rate units - 65  
 # of Inclusionary units - 10

Inclusionary units are to be dispersed in the project and will have the same construction appearance and quality of the market rate units. All units including inclusionary units will have the same access to private open space, common open space and all other project amenities.

Per fair housing laws the project sponsor will comply with all applicable fair housing laws and not discriminate in sale or rental of inclusionary units on basis of race, national origin, color, religion, gender, disability, familial status, age, income source, or marital status. This includes application of the city's local preference policy



Typical upper floor layout showing unit type; final inclusionary units will not be geographically concentrated within a single level.

Preliminary estimate of location and unit type shown



# LAND USE DISTRICTS



## BAY ROAD CENTRAL

Intended to make Bay Road a lively, inviting place that creates a strong connection between 4 Corners and Cooley Landing. Accommodates multi-story mixed use buildings that have either retail stores or storefront-type offices on the ground floor, with apartments, condominiums, or offices on upper floors.

# ALLOWED USES IN LAND USE DISTRICTS

Land Use	4 Corners Gateway		Bay Road Central		Ravenswood Employment Center <sup>1</sup>	Industrial Transition	Waterfront Office <sup>2</sup>	Urban Residential	Additional Requirements <sup>3</sup>
	Ground	Upper	Ground	Upper					
<b>Residential</b>									
Agriculture, Noncommercial	P	P	P	P	X	P	X	P	
Animal Keeping, Noncommercial	P	P	P	P	X	P	X	P	§ 6310.03
Duplex	X	X	X	X	X	X	X	P	
Emergency Shelters	X	X	X	X	X	P	X	X	
Family Day Care Home, Small	X	P	X	P	X	X	X	P	
Family Day Care Home, Large	X	<sup>4</sup>	X	<sup>4</sup>	X	X	X	<sup>4</sup>	§ 6510 et seq.
Home Occupation	X	H	X	H	X	X	X	H	
Multiple-Family Dwellings	X	P	X	P	X	X	X	P	
Residential Care Facility—Seven or More Occupants	X	CUP	X	CUP	X	X	X	CUP	§ 6515.1 et seq.
Residential Care Facility—Six Occupants or Fewer	X	P	X	P	X	X	X	P	§ 6515.1 et seq.
Single-Family Dwelling, Attached	X	X	X	X	X	X	X	P	
Single-Family Dwelling, Detached—Lot Size No Greater Than 5,000 Square Feet	X	X	X	X	X	X	X	P	

Note: All uses not permitted by right, AUP, H, or CUP are prohibited.

<sup>1</sup> All projects in the Ravenswood Flex Overlay shall be accompanied by a Fiscal Impact Report.

<sup>2</sup> Any R&D projects proposed in the Waterfront Office District or requested zoning changes shall be accompanied by a Fiscal Impact Report.

<sup>3</sup> Section numbers refer to the East Palo Alto Zoning Ordinance. Pursuant to SP Policy LU-5.3, Director can require Fiscal Impact Report of any project.

<sup>4</sup> Permit requirement determined according to the provisions in § 6510 et seq. of the Zoning Ordinance.

<sup>5</sup> Day care as an ancillary use. Bank or Financial Service as an ancillary use.

<sup>6</sup> Schools prohibited east of Illinois St./Clark Ave. and north of Runnymede Street pursuant to Specific Plan Policy LU-6.5.

<sup>7</sup> Parking structures that provide enclosed parking shall be wrapped with another ground-floor use along all street frontages. The ground-floor use shall have a depth of at least 40 feet.



# ALLOWED USES IN LAND USE DISTRICTS

Land Use	4 Corners Gateway		Bay Road Central		Ravenswood Employment Center <sup>1</sup>	Industrial Transition	Waterfront Office <sup>2</sup>	Urban Residential	Additional Requirements <sup>3</sup>
	Ground	Upper	Ground	Upper					
<b>Public &amp; Quasi-Public</b>									
Child Day Care Center	AUP	X	CUP	X	X	CUP <sup>5</sup>	CUP <sup>5</sup>	X	
Community Use, Assembly	AUP	CUP	AUP	CUP	X	X	X	X	
Community Use, Non-Assembly	AUP	AUP	AUP	AUP	X	X	X	X	
Meeting Facility	AUP	AUP	AUP	AUP	X	X	X	AUP	
Park or Recreational Facility	P	X	P	X	P	P	P	P	
Public Safety Facility	P	P	P	P	P	P	P	P	
School, Private <sup>6</sup>	CUP	CUP	X	X	X	X	X	X	
School, Public <sup>6</sup>	CUP	CUP	X	X	X	X	X	P(6)	
<b>Commercial</b>									
Alcoholic Beverage Sales	CUP	X	CUP	X	CUP	X	CUP	X	§ 6506
Animal Sales and Services—Boarding Allowed	CUP	X	CUP	X	X	X	X	X	
Animal Sales and Services—No Boarding	AUP	X	AUP	X	X	X	X	X	
Automated Teller Machine (ATM)	P	X	P	X	X	CUP	X	X	
Automobile Wrecking/Dismantling	X	X	X	X	X	X	X	X	Sec. 6507.9.1

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	Ground	Upper	Ground	Upper					
Bank or Financial Service	P	X	P	X	AUP <sup>5</sup>	X	AUP <sup>5</sup>	X	
Business Support Service	P	X	P	X	P	P	P	X	
Commercial Recreation, Indoor	CUP	X	CUP	X	X	CUP	X	X	
Drive-Through Establishment	X	X	X	X	X	X	X	X	
General Retail	P	X	P	X	X	X	X	X	
Food and Beverage Sales, Convenience	AUP	X	AUP	X	X	CUP	X	X	
Food and Beverage Sales, Supermarket	P	X	P	X	X	X	X	X	
Health/Fitness Facility	AUP	X	AUP	X	AUP	AUP	X	X	
Instructional or Production Studio	P	X	P	X	P	P	X	X	
Maintenance and Repair	X	X	X	X	P	P	X	X	
Medical Clinic or Lab	CUP	CUP	CUP	CUP	CUP	CUP	X	X	
Medical Office	CUP	X	CUP	CUP	X	X	X	X	
Personal Services, Low-Impact	P	X	P	X	X	X	X	X	

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	Ground	Upper	Ground	Upper					
Personal Services, Moderate-Impact	AUP	X	AUP	X	X	X	X	X	
Professional Office	AUP	CUP	AUP	CUP	AUP	P	P	X	
Research Laboratory	X	X	X	X	P	CUP	CUP	X	
Restaurant or Café, Fast Service	AUP	X	AUP	X	AUP	AUP	AUP	X	
Restaurant or Café, Full Service	P	X	P	X	X	AUP	AUP	X	
Secondhand Store	CUP	X	CUP	X	X	X	X	X	
Shopping Center	CUP	X	CUP	X	CUP	X	X	X	
Vehicle Service and Repair	X	X	X	X	CUP	CUP	X	X	
<b>Manufacturing, Wholesaling, and Storage</b>									
Manufacturing and Processing—General	X	X	X	X	P	X	X	X	
Manufacturing and Processing—Heavy	X	X	X	X	CUP	X	X	X	
Manufacturing and Processing—Light	X	X	X	X	P	P	X	X	
Outdoor Storage	X	X	X	X	AUP	CUP	X	X	
Recycling Facility	X	X	X	X	CUP	X	X	X	

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	Ground	Upper	Ground	Upper					
Warehousing, Wholesaling, and Distribution	X	X	X	X	AUP	CUP	X	X	
Transportation, Communications, and Utilities									
Parking Facility	CUP <sup>7</sup>	CUP	CUP <sup>7</sup>	CUP	CUP	CUP	CUP	X	
Public or Quasi-Public Facility	P	P	P	P	P	P	P	P	
Public Utilities—Major	CUP	X	CUP	X	CUP	CUP	CUP	CUP	
Public Utilities—Minor	P	X	P	X	P	P	P	P	
Public Utility Antenna and Satellite Dishes	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	<sup>8</sup>	§ 6518.1 et seq.
Vehicle Depot	X	X	X	X	CUP	X	X	X	

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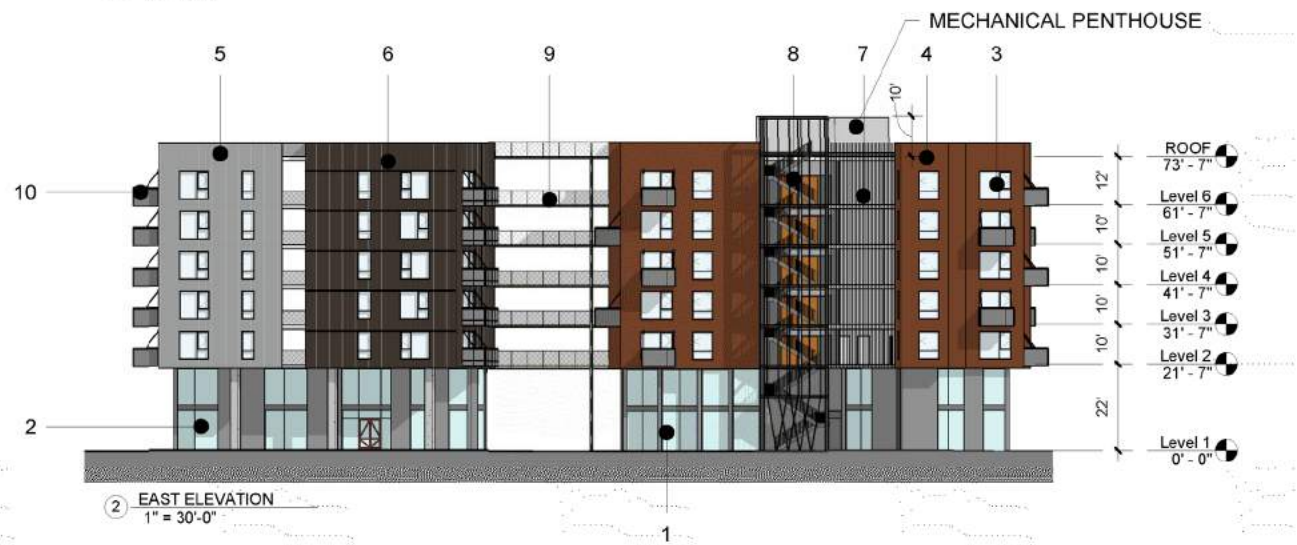
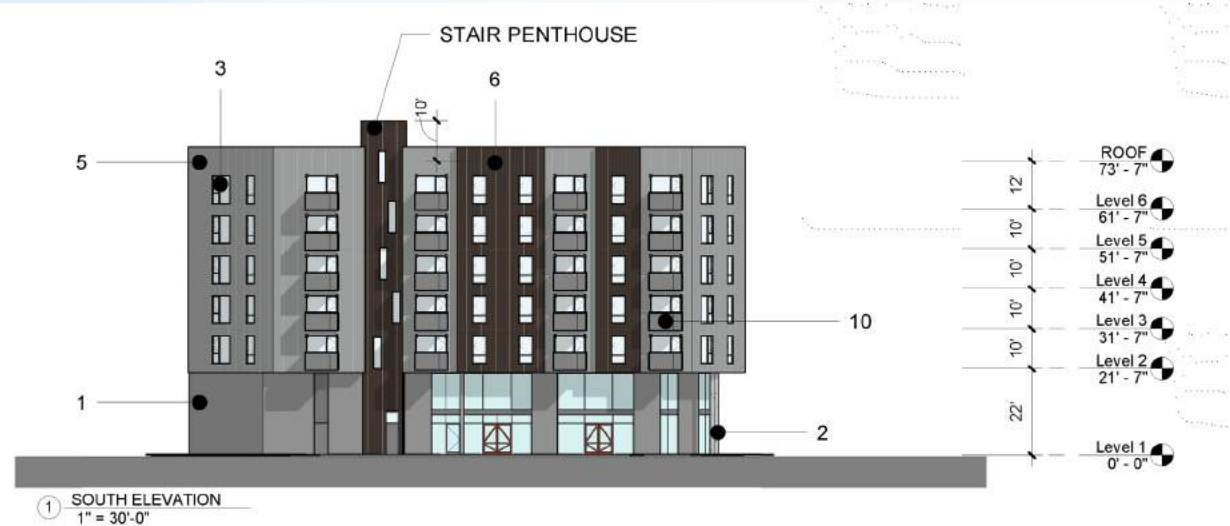
<sup>8</sup> Permit requirement determined according to the provisions in Chapter 24.5 of the Zoning Ordinance.



# BUILDING ELEVATIONS

## EXTERIOR MATERIALS AND SYSTEM

- 1 - Textured Concrete
- 2 - Storefront
- 3 - Dark Anodized Windows
- 4 - Corten Panel System
- 5 - Light Random Batton Siding
- 6 - Dark Random Batton Siding
- 7 - Mesh Guard Rail
- 8 - Green Stair
- 9 - Open Air Steel Bridge
- 10 - Corten Hung Balconies







# MATERIALS



OPEN AIR CIRCULATION /  
CORTEN SCREEN



COMMON SPACE CONNECTION /  
TEXTURED CONCRETE / RANDOM BATTON SIDING



OPEN AIR CIRCULATION / CORTEN SCREEN /  
SUNSHADES / HARDIE PANEL



GROUND LEVEL / WOOD SIDING  
/ TEXTURED CONCRETE

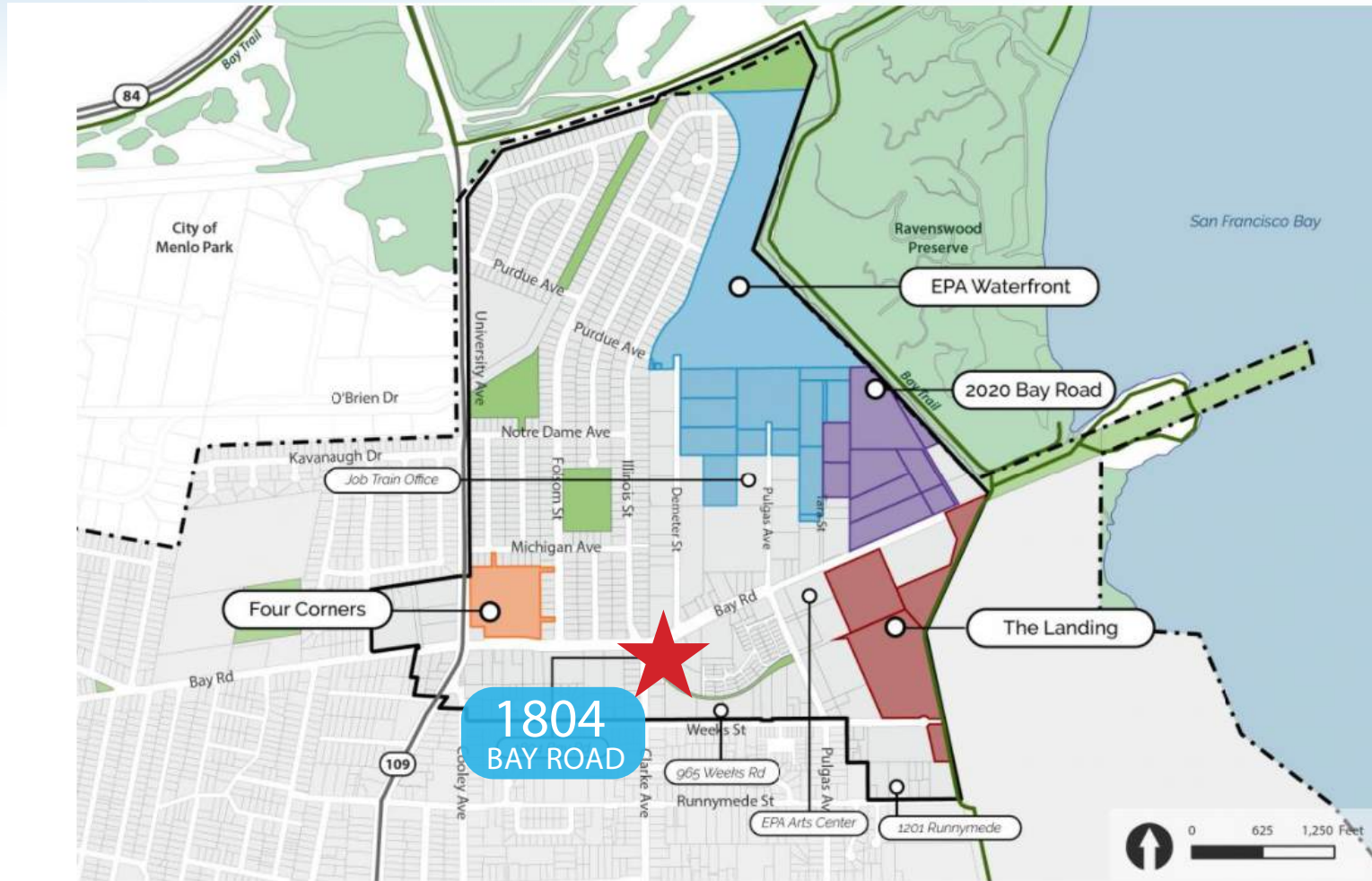


OPEN ENTRY COURT / GLASS STOREFRONT



RETAIL / TEXTURED CONCRETE

# RAVENSWOOD BUSINESS DISTRICT / 4 CORNERS SPECIFIC PLAN UPDATE



The City is currently undertaking a targeted update to the Ravenswood Business District / 4 Corners TOD Specific Plan (originally adopted by the City Council in 2013). This update aims to refresh the existing plan to address new and emerging challenges while also responding to existing opportunities within the area (the City's Priority Development Area.)



# RAVENSWOOD BUSINESS DISTRICT / 4 CORNERS SPECIFIC PLAN UPDATE

## MAJOR PIPELINE PROJECTS IN PLAN AREA

Name	Status	Address	Units	Retail (sq ft)	Office (sf ft)	R&D/ Life Science	Civic/Community	Amenity
2020 Bay Road (Three cities Research)	Design Review	2020 Bay Road	-	5,000	1,276,500	-	52,700	9,000
Four Corners (Sand Hill)	Full App/Review	1675 Bay Road	180	20,000	-	500,000	20,000	-
The Landing Harvest Propts)	Pre-App	1990 Bay Road	-	10,000	521,000	350,000	13,525	23,500
EPA Waterfront (Emerson Collective)	Pre-App	2555 Pulgas Ave	260	25,000	750,000	550,000	40,000	25,000
			<b>440</b>	<b>60,000</b>	<b>2,547,500</b>	<b>1,400,000</b>	<b>126,225</b>	<b>57,500</b>

## MINOR PIPELINE PROJECTS IN PLAN AREA

Name	Status	Address	Units	Retail (sq ft)	Office (sq ft)	Industrial	Community
EPA Center Arts	Under Construction	1950 Bay Road	-	-	-	25,000	-
965 Weeks Street (affordable housing project)	Approved	-	136	-	-	-	-
1201 Runnymede Street	Full App	-	37	-	-	-	-
1804 Bay Road	Full-App	-	75	1,903	-	-	-
Job Train Office	Pre-App	2535 Pulgas Ave	-	-	50,000	-	50,000

## LAND SALE COMPS FOR RESIDENTIAL PROJECTS

### LAND SALE COMPS

Property Address	Property City	Land Area AC	Land Area SF	Sale Price	Price Per SF Land	Proposed # of Units	Estimated Avg. \$ Per Unit	Types of Units to be constructed
1301 Old County Rd	Belmont	2.09	90,871	Confidential	-	250	-	250 APT units Confidential - Call
1008 Carolan Ave	Burlingame	1.47	64,033	\$19,510,000	\$305	NA	NA	NA
1095 Rollins Rd	Burlingame	1.08	46,827	\$18,750,000	\$400	150	\$125,000	150 APT units
22690 Stevens Creek Blvd	Cupertino	0.67	29,185	\$3,100,000	\$106	NA	NA	NA
141 3rd Ave	Daly City	0.66	28,749	\$2,700,000	\$94	15	\$180,000	15 Townhouses
1159 Triton Dr (Part of Multi-Property Sale)	Foster City	4.78	208,216	\$40,300,000	\$194	80	\$503,750	80 Single Family Homes
91 Montague Expy	Milpitas	1.79	78,149	\$10,800,000	\$138	72	\$150,000	72 Condos
707 Bradford St	Redwood City	1.03	44,823	\$9,090,000	\$203	117	\$77,692	117 units, Affordable Housing
120 El Camino Real	Redwood City	0.46	22,038	\$5,350,000	\$267	12	\$445,833	12 Townhomes
3300 College Dr	San Bruno	2.43	105,713	\$27,103,500	\$256	70	\$387,193	40 Single Family Rentals and 30 APT units

# MARKET OVERVIEW

Second Quarter Market Reports for the North Peninsula Office Market, North Peninsula Industrial Market, South Peninsula Office and South Peninsula R&D Market and the San Francisco Bay Area Life Science Market all reflect stronger and positive absorption, reduced vacancy and increasing rents levels. The Bay Area Life Science Market is especially strong with new projects being planned, under construction, including the conversion of existing office space to Life Science. The sentiment is that we are getting through the Covid 19 downturn and that we are on an upward trend.

These positive market developments will enhance the demand for new construction of commercial facilities which will positively impact job growth. With job growth will come the increased demand for additional housing. 1804 Bay Road is within walking distance of planned proposals of 2.5 million square feet of new office, 1.4 million square feet of new life science facilities and 126,220 square feet of civic/community oriented space. There is a limited supply of existing and new apartments in East Palo Alto, which makes the development opportunity at 1804 Bay Road particularly attractive.

With Bay Road current infrastructure construction nearing completion with new underground pipelines, street paving, curbs, gutters and street lamps, the area appearance will dramatically improve. The construction of new commercial buildings at the Landing by Harvest Properties, the 2020 Bay Road project, by Three Cities Research, Four Corners by Sand Hill Property Company, and EPA Waterfront by Emerson Collective and other projects will all contribute to job growth which will increase the demand for new apartments.

These projects are expected to create between 9,871 and 14,321 new jobs. Workers will need a place to live, and 1804 Bay Road fits the requirement very well. It is a tremendous development opportunity in the center of the city's new future downtown core. The fact that 1804 Bay Road, East Palo Alto is fully entitled will allow any purchaser to save time and money in getting its project constructed and fully leased up.

In addition, the owner has obtained entitlements for creating two air space parcels, one dedicated to the ground floor retail and the other dedicated to the residential portion of the building including the ground floor lobby. These two parcels give a prospective buyer maximum flexibility in the future. For example, they can sell the ground floor retail as a leased investment after leasing it out to a tenant or tenants to maximize returns, while retaining the residential portion of the project. The actual approval of the air space parcels will be obtained during the building permit phase. Once a Buyer finalizes its building plans, they can include the Seller's vested parcel map, when submitting for building permit.





FULLY ENTITLED  
MIXED-USE DEVELOPMENT  
OPPORTUNITY

# 1804 BAY ROAD

EAST PALO ALTO, CA  
OFFERING MEMORANDUM

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