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| **From:** | Gallo, Aliza |
| **To:** | jcipolla@savemart.com |
| **Cc:** | Williams, Keira L.; thomas wong; Schaaf, Libby; Kahn, Kelley; Flynn, Rachel |
| **Subject:** | RE: Maxx Value Store in Oakland - Request for Information regarding Store Status and Interest in Coordination |
| **Date:** | Tuesday, February 18, 2014 3:33:11 PM |

Jim

Hello

Thank you for our earlier conversation of today regarding the Maxx Value Store (4055 Mac Arthur Blvd.) in Oakland's Laurel District.

Per our conversation, we discussed the following:

- The 4055 Mac Arthur Blvd. is owned by Save Mart Corporation and the company plans to retain property ownership
- The Maxx Value grocery store will cease operation upon an executed lease with another non-retail user
- The company is under contract with Planet Fitness Gyms
- As a condition of the lease, Planet Fitness must obtain a Major Conditional Use Permit from the City of Oakland
- The grocery store was not viable under the Lucky's or Save Mart brands; Sales were falling and customer usage was limited.
- A contributing factor was the store size, which only works for a price discount format. Another factor was the incidence of store robberies, which were high, despite store security programs.
- You are aware that Planet Fitness is planning a community meeting with the Laurel Business Improvement District and surrounding neighborhood for February 27th; however, Save Mart does not plan to have a representative present at the meeting. Planet Fitness is seeking community input on their proposal for the space
- Save Mart's contract with Planet Fitness will allow them to make significant improvements to the property
- Save Mart received other inquiries from grocery store operators, the offers were not economically viable
- Save Mart prefers not to have a vacant, dark property and will seek another viable tenant if the CUP is not issued

Please let me know if I did not capture our conversation correctly. As I mentioned, I am sharing this communication with:

Council Member Libby Schaaf
Oakland City Council, District 4
(510) 238-7004
lschaaf@oaklandnet.com

Thomas Wong
Manager
Laurel Business Improvement District
(510) 381-2013
laureldistrictassociation@gmail.com

I have also added the following City of Oakland representatives:

Kelley Kahn
Economic Development Director
City of Oakland
(510) 238-6190

kkahn@oaklandnet.com

Rachel Flynn
Planning & Building Director
(510) 238-2229
RFlynn@oaklandnet.com

Keira Williams
Retail Specialist
City of Oakland
(510) 238-3853
kwilliams@oaklandnet.com

Thank you.

Aliza Gallo
Economic Development Manager
Department of Economic and Workforce Development
City of Oakland
250 Frank Ogawa Plaza
Oakland, CA 94612
(510) 238-7405 office
(510) 774-5264 mobile

agallo@oaklandnet.com
www.oaklandnet.com
www.oaklandBAC.com

-----Original Message-----
From: Gallo, Aliza
Sent: Friday, February 14, 2014 5:25 PM
To: jcipolla@savemart.com
Cc: arockwell@savemart.com; Williams, Keira L.
Subject: FW: Maxx Value Store in Oakland - Request for Information regarding Store Status and Interest in Coordination

Mr. Cipolla

Good Afternoon.

I am writing to you to request a response to my inquiry below. I identified you through the ICSC Membership Directory and hope that you could provide correct information regarding the future of the Maxx Value Store, 4055 Mac Arthur Blvd., in Oakland. I have not received an email response to my earlier inquiry.

The City of Oakland is very interested in working with Save Mart Supermarkets. We value Save Marts investment in Oakland and would like to work with you.

The Laurel Business Improvement District and the surrounding neighborhood residents have approached our offices to ask about the store's continued operation; and if the store will close, how will the property be utilized. It would be extremely helpful if we could discuss the company's plans for the site. In September 2013, Mr. Ebbie Nakhjavani, N Consulting Engineers, requested a zoning determination regarding the conversion of the supermarket to a fitness club. The assigned planner responded that a Major Conditional Use Permit and Design Review would be required, which requires a Planning Commission hearing.

If you plan on proceeding with this alternative use, I highly recommend that we speak. The community is interested in meeting with Save Mart company representatives. They would like to have a neighborhood meeting at the end of February. Some community members are also aware of a pending lease with Planet Fitness for the site and there is a strong preference for a grocery store use. In our professional economic development opinion, a replacement grocery store would better serve the needs of the surrounding community.

Please be aware tht the Laurel neighborhood is very active and has taken an interest in recent neighborhood developments;some residents have formed the Commercial and Retail Attraction and Development for the Laurel (CRADL) to dispute recent approvals.

We are available to meet next week. It would be helpful to understand your timeline, intended plans, and we can respond with more details regarding the city requirements. It would also be very helpful to confirm the lease status with the Planet Fitness as well as confirm that Save Mart will have representatives at the upcoming community meeting.

Keria Williams, Retail Specialist, Department of Economic Development or I are interested in speaking with you. Keira can be reached at (510) 238-3853 or kwilliams@oaklandnet.com. My contact information is listed below. Monday, February 17th,city offices are closed due to the holiday.

I would appreciate a response. Please feel free to contact me by cell phone if more convenient over the weekend.
Thank you.

Aliza Gallo
Economic Development Manager
Department of Economic and Workforce Development City of Oakland
(510) 238-7405 office
(510 774-5264 mobile
agallo@oaklandnet.com

-----Original Message-----
From: Gallo, Aliza
Sent: Thu 2/13/2014 9:18 AM
To: arockwell@savemart.com
Subject: Maxx Value Store in Oakland - Request for Information regarding Store Status and Interest in Coordination

Alicia
Good Morning.

I was provided your contact information at the Fruitvale Station - Food Maxx Grand Opening.

Today I am writing to request that you contact me so that we can discuss the status and future plans for the Maxx Value Store, 4055 MacArthur Blvd., Oakland. Our office has been contacted by the Laurel Business Improvement District which represents the surrounding businesses and property owners regarding the future of the store and any alternative plans for the property.

We are interested in confirming Save Mart Corporation plans for the store property. We have heard a number of rumors. If the store is closing, it would help to understand the contributing issues and ways that we may be able prevent the store closure. Additionally if there are alternative plans for the property, it is best that we coordinate in the event, there will need to be planning entitlements and approvals.

Please call me so that we can discuss. It may be a good time to have an overall discussion of Save Mart Store investments and properties in Oakland; we are very interested in working with our national retailers, particularly those serving our commercial corridors.

Thank you.

(I am working from home until 1pm today - so feel free to contact me on my cell phone (510) 774-5264)

Aliza Gallo
Economic Development Manager
Department of Economic and Workforce Development City of Oakland
(510) 238-7405 office
(510 774-5264 mobile
agallo@oaklandnet.com