

Good Evening

My name is Kelly Erardi I am a VP for Shapell Industries and I am responsible for the commercial development in Northern California. I have been with Shapell Industries for 21 years. I was and am responsible for the development of the Evergreen Village Center (EVC), which is located just south of the corner of Aborn and Ruby Avenues. I have been involved in the planning, construction, leasing and on going management of the EVC.

I am here tonight to adamantly oppose a portion of the ESP II plan. That portion is the addition of retail to the Evergreen Community College property.

Evergreen Village Center is anchored by Lunardi's Foods. Our Development in light of its remote location was clearly a significant risk. Few cities find private developers that are willing to take the economic risk to provide a very special project that is not at a prototypical location. I can assure you that Shapell Industries would not have taken this risk nor invested tens of millions of dollars if we did not feel we could rely both on the General Plan and the Community Colleges' assurance that this center would be supported by the surrounding community. Building a full service supermarket at the Evergreen Community College will decimate the traffic at the Evergreen Village Center. If you have been out to EVC I think you will agree that this is not a standard strip main on main shopping center. The site plan and architecture are outstanding. It takes a special effort that we believe is worthwhile to make this type of project a success.

One of the fundamental reasons we developed the Evergreen Village Center was because of the assurances given by the Community College that they would not develop any single retail use that was in excess of 20,000 square feet, which would exclude a full service grocery operation. It was clear then (back in nineties) and it is clear now that the Community College site is a superior location for a grocery store. It is in the same trade area as Evergreen Village Center and Lunardi's Foods. The Community College's position is on record and I have copies of the letter commitment from them. With the assurances in writing from the Community College and general plan in place Shapell Industries took the multi million dollar economic risk along with Lundardi's as well as every other merchant in our project. We spent the money; we built a unique and cutting edge project. We continue to spend time, money and effort to make the Evergreen Village Center a

success. An example of our continuing commitment is that Shapell Industries recently submitted to the planning department another phase of the EVC, which is approximately 40,000 square feet. We have kept and will continue to keep our commitment. The type of project we are developing takes time to become successful. We are heading in the right direction.

The proposed additional retail at the Community College is a breaking of their commitment and is simply wrong. It is a renegeing of a commitment that we relied on as well as every merchant in the EVC. Shapell Industries has no choice but to vigorously oppose the retail component. Our failure to oppose the retail component would be an abandonment of the merchants at the EVC.

The City Staff has presented a retail demand study for the ESP II parcels. After a preliminary review by our retail consultant Alfred Gobar and Associates and myself, it is my opinion that the report produced for the task force is at the very best severely overly optimistic and more likely has made many contestable assumptions. It is clear from the first read that separating the Evergreen Village Center Trade area from the Community College retail trade area simply does not pass the common sense test. Our study shows an ample supply of grocery stores in the trade area now and an ample supply of grocery stores at complete build out of the proposed units in ESP II. I am happy to offer the resume of our retail feasibility consultant, Alfred Gobar and Ass. to the City staff and believe a peer review of the City study at the very minimum is in order.

In summary Shapell Industries made and kept a commitment to build the EVC and we expect and request the Evergreen Community College to keep their commitment to not adversely affect our project by withdrawing the retail portion of their land plan. For the same reasons outlined, we request that this task force recommend withdrawal of the retail portion of the Community College land plan. It is the right thing for the Community College to do. Anything less will cut the legs out from under the EVC, decimate the traffic in our center and adversely affect the survival of our project. Any study that says there is more demand for grocery stores simply does not pass the sniff test. Any study that states another grocery store in the EVC trade area will not adversely affect the Lunardi's operation is simply false.

Thank you for your time. I have several copies of the community colleges written commitment for anybody to review. I will be happy to discuss any of the issues I have raised after this task force adjourns.  
Again thank you for your time.