

EAST BAY BUSINESS TIMES

Oakland transit village bears sweet fruit

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by David Goll

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The Fruitvale transit village is taking its place as the heart of that Oakland neighborhood.

A pair of three-level, earthtoned structures that comprise a 257,000-square-foot mixed-used development - combining retail, office and residential uses - is attracting major tenants. Later this month, Los Cantaros Taqueria is scheduled to open in more than 5,500 square feet at the eastern end of the development off of East 12th Street.

The chain's third Oakland restaurant is expected to serve as a flagship location that could attract downtown office workers who can hop on BART and make it to Fruitvale Village in only seven minutes.

It replaces a Mexican restaurant that failed in the same location and will become the complex's seventh restaurant, bringing the occupancy rate to 87 percent of the village's 39,000 square feet of retail space.

And now Fruitvale Development Corp. officials are eager to get their second phase under way. It consists of 450 to 500 mostly market-rate condominiums and townhouses to be built in four- to eight-story or taller buildings just south of the existing development on more than three acres owned by the Oakland-based Bay Area Rapid Transit district.

They also have plans to convert a century-old structure across East 12th Street from the village into an indoor-outdoor market with an emphasis on artisan and ethnic foods similar in concept to San Francisco's Ferry Building Marketplace.

Forty-seven market-rate apartments on the village's third level are occupied and there is a waiting list for vacancies.

The earliest completion date for the new housing development, which could add hundreds or even thousands of potential customers for retailers, is late 2008.

"Phase II as a reality remains to be seen, but we hope to apply the appropriate pressure to get it built," said a smiling Jeff Pace, vice president of finance and business operations for The Unity Council.

That nonprofit community development corporation, formed in 1964, created the Fruitvale Development Corp. in the 1990s, which then oversaw construction of the village's Phase I, which opened in 2003 alongside a new 600-space parking garage for BART passengers. Two-thirds of those who regularly use the Fruitvale station come from Alameda or the Oakland hills.

Placement of that garage by BART next to the train station has been a sore point for village advocates, Pace said.

"The majority of commuters come from outside the area, so they tend to park in the garage and walk to and from the station," he said. "They don't have to walk through the village."

Fruitvale Village is hardly bereft of foot traffic, but Pace and merchants contend better placement of the garage would have led to a better integration of the train station and commercial area.

Tenants still have come, including Citibank, Subway, Acapulco Records, DigiComm Wireless and H&R Block. Large spaces are filled by medical offices, the La Clinica de la Raza community clinic and a Head Start early childhood development center.

Lauren Tran, who opened a cafe named Powderface with her husband Michael Tran in August 2004, said business was slow at first, but they have built a loyal clientele of locals and out-of-towners in the spot nearest the BART station.

"We're very busy on weekday mornings until 10 o'clock, so those are all commuters," she said. "But now we have people coming from all over the Bay Area during other parts of the day and on weekends. We've become kind of a destination."

In a region with so many cafes, why would one in the Fruitvale district become a regional tourist attraction? Because of the confection that gives the Trans' cafe its name.

"We specialize in beignets," Lauren Tran said of the powdered sugar-covered pockets of deep-fried dough known simply as doughnuts in New Orleans, where the confection originated. "On the weekends, people come from San Leandro, San Francisco, Walnut Creek, Fremont and even San Jose."

Having grown up in the Chicago area and lived in Houston with her husband, Tran said the couple didn't know much about the Bay Area when they moved here in 2001.

"We knew we wanted to open a cafe," said the former tech industry employee. "We looked all over the Bay Area. We had read about how busy the Fruitvale BART station was so we came to have a look around. It just seemed the perfect place for our kind of business."

Things have gone so well at Fruitvale that the couple is considering opening a second store. "We've had people from Berkeley and San Francisco approach us about coming to those cities," she said.

Despite success stories such as Powderface, the village still faces its share of challenges, according to Pace. Unity Council officials want to attract more retailers and larger businesses to fill second-story office space.

"We have a Class A building in a Class B neighborhood," said Pace. "We have all kinds of events here to establish the village as lively, interesting place, a hub for the neighborhood."

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