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## Swig Co. eyes two new Oakland towers

Kaiser Center overhaul would add 1.3M square feet of office  
by [J.K. Dineen](#)



Spencer Brown

"This is early spade work," says Meyerson of Swig's proposal to Oakland.

Swig Co. wants to add 1.3 million square feet of new office space to the Kaiser Center in Oakland, seeking permission to knock down two buildings and replace them with a pair of towers that would shoot up 42 and 34 stories.

In the first step of an approvals process expected to take one to two years, Swig filed a "preliminary development plan" March 25. The plan, if approved, would allow Swig to replace the two "obsolete low-rise" structures along 20th and Webster streets with towers of 780,000 and 565,000 square feet, according to Swig Co. CEO Jeanne Myerson. The two existing buildings

represent a total of 95,000 square feet and house a Longs Drugs and a 24-Hour Fitness, in addition to other retail uses.

The existing Kaiser Center office tower, garage and roof garden would remain and be incorporated into the new project.

Both developments would take place on the western portion of the site, with one tower rising at the corner of Webster and 20th streets, and a second tower rising at the corner of Webster and 21st streets. The proposal also calls for 22,000 square feet of new street level retail along 20th and Webster streets, although precise square footage and exact building location, size and design will be hammered out over the next year. As proposed, the redevelopment doesn't include any housing, which Swig had once considered building.

"This is early spade work that will put us in a position to do something in the future," said Myerson.

The redeveloped Kaiser Center site plan calls for a broad pedestrian-friendly concourse with active street-front uses from Webster Street eastward along 20th Street, which Swig hopes would strengthen the connection between downtown Oakland and Lake Merritt. The project is being designed by Skidmore Owings & Merrill design principal Craig Hartman, who also led the design team on the new Cathedral of Christ the Light nearby.

With the existing 28-story Kaiser Center tower, completed in 1960, the proposed towers will create a new focal point for the Oakland skyline, according to Swig. The height and bulk of the proposed towers has been carefully considered to respect issues of light and shadow on the roof garden, the Cathedral of Christ the Light, and Lake Merritt. The Kaiser Center was designed by

architect Welton Becket for industrialist Henry J. Kaiser, to serve as both world headquarters and his personal residence.

Hartman called the project an "urban reuse opportunity" that takes "less than well-used urban land and replaces it with something that is denser." He said the towers would create a "campanile" at the end of Webster Street.

Marge Stanzione, a planner in Oakland's major projects division, said the proposed development is consistent with current zoning.

"There is no height limit in the area and we are encouraging taller buildings," Stanzione said. "It makes sense and is consistent with the vision in the general plan."

Swig paid about \$200 million to acquire the complex in 2005 from Summit Commercial Properties of El Segundo. Myerson said the price was based on the current Kaiser Center and not on future development potential. The Kaiser Center is fully leased with BART occupying about 300,000 square feet and the University of California Office of the President occupying 120,000 square feet.

"We liked the value of what we bought based on what was in place," said Myerson.

Swig Executive Vice President Tomas Schoenberg said the environmental review would take about 10 months to complete.

The proposal comes amid a flurry of office development in Oakland. SKS Investments won planning commission approvals in early March to build a 320,000-square-foot office tower in downtown Oakland, while construction has started on

Shorenstein Properties' 23-story, 500,000-square-foot 601 City Center. Class A office buildings in downtown Oakland have a healthy 8 percent vacancy rate, with overall vacancy rates weighing in at about 10 percent, according to Colliers International's Ken Meyersieck, who is handling the leasing of 1100 Broadway for SKS.

"I think we have gotten to the point where it starts to make sense to push these entitlements through," said Meyersieck.

"Entitlements don't happen overnight and the stars are starting to align for Oakland. If Shorenstein lands a big deal it is going to help SKS land a big deal and help Swig land a big deal. I think it's very smart."

Oakland has traditionally been more of a big user market with major tenants like BART and Kaiser Permanente gobbling up space in multiple buildings. This makes the East Bay market more stable and less likely to go through dramatic upswings and corrections as the Bay Area heads into a possible recession.

"We think there is a lot of opportunity and we hope it lives up to its potential," said Myerson.