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## The Crossings at El Dorado phase 1 begins; more to come: 400,000 square feet planned



LEONARD GRADO talks to a group Dec. 11 about the new building and plans for a larger retail project called The Crossings. Democrat photo by Pat Dollins

By Dawn Hodson

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A new development project in El Dorado County got a christening party Dec. 11 as Leonard Grado and his partners celebrated construction of their new building at 3916 Missouri Flat Rd in Placerville.

Part of what's called The Crossings at El Dorado, the office building marks the beginning of a \$65 million dollar, 70-acre project that will eventually add 400,000 square feet of retail space and a projected 1,000 new jobs to El Dorado County.

Present for the ceremony was Supervisor Brian Veerkamp and former board member Jack Sweeney. Grado said others invited included planning commissioners, title officers, lenders, members of the El Dorado County Chamber of Commerce and community members.

Divided into three phases, phase 1 of the development will consist of 107,070 square feet of retail space plus a restaurant. Construction is expected to start in April of 2014 and be completed by April 2015.

Grado said 95 percent of phase 1 is already preleased. Firms signed up as tenants include Michaels, Sports Authority, Home Goods, PetCo, and another larger tenant they are currently negotiating with. He said they are also talking to Wendy's, Pollo Loco, Panera Bread and Verizon.

Grado anticipates that tenants in phase 1 will bring in 300 new jobs to the area.

Phase 2 will add another 110,500 square feet of retail space. While no specific tenants are lined up for that part of the project, Grado said the synergy of the first phase will attract them to the new center. "Businesses are looking to establish a storefront in this county," he said.

Phase 3 will consist of 148,000 square feet of additional retail space. Grado said plans include adding a hotel or two during phase 2 or 3. "We're severely lacking in hotel rooms in the county," he said. "It would benefit Apple Hill and the wineries immensely. People could come up for the weekend and stay rather than come for the day and leave."

By 2018, all three phases of the project are expected to be completed with a total of 1,000 new jobs added to the area and an additional \$1.5 million to \$2 million of tax increment going to the county. "That's a huge amount of money," Grado said.

The new building where the ceremonies were held is part of a separate entitlement that fits into phase 1 of the project. Designed using a Craftsman-style motif, the interior of the \$3 million building is only partially complete and won't be finished until mid-March of next year. However, its main tenant, the local Social Security office, is already operating there, taking up about 70 percent of the 12,200-square-foot building.

Once finished, Tan Central and All About Me will relocate from the Kmart center to the new building as well. Grado said a financial services firm may take the remaining space in the building but that's still being negotiated.

"Aesthetically, the whole project will be mirrored by this building," said Grado, noting that the christening party gave everyone a chance to see what the rest of the project will look like when built out.

The Crossings at El Dorado is actually the old Sundance Shopping Center project that was approved back in 1998. However, it's been reduced in scale from 535,000 to 400,000 square feet. "We are preserving all the wetland area that was previously going to be filled," he said.

Saying that he and his partners felt this was the right time to move ahead with the project, he noted, "When tenants say we're ready to go, we rely significantly on their judgment. Bank rates are still favorable for lending and we have good lenders for the project. They like that the project is national tenant driven. It's difficult to get funding for non-publicly traded companies. That's what drives the ship — when the tenants say we're ready to go, we're ready to build for them."

Grado added that there is a huge need for retail in the county.

"We spend far too much money in Folsom and Sacramento County. And it impacts the bottom line of the county, the freeway and our daily lives," he said. "Plus we don't get the benefit of the jobs or the tax revenues. We've done three different studies — a couple commissioned by the county and one by ourselves — that \$600 million a year in retail sales are going out of El Dorado County annually. We need to do everything we can to prevent that from happening."

The developer said this new project will benefit the small mom-and-pop stores in the area as well. "People tend to do

their retailing all in one area. So, if they make a major purchase in one area, they will buy other things as well and eat there too. There's a saying that a rising tide lifts all boats, and that's true. It's also keeps our dollars in this county."

Responding to concerns residents have about preserving the rural nature of the county, Grado noted that, "Only two-tenths of 1 percent of the land area of El Dorado County is zoned commercial, which includes office, high-density residential, industrial and retail. We need to protect revenue generators because even if small in area, they need to be developed for the benefit of the county. I moved here because I was tired of driving the freeways in Southern California. Locating more retail here means less driving for residents. It also maintains the rural environment by reducing commute time and creates a sense of place where the bulk of the population can be where they want to be in five minutes."

Aside from The Crossings being a place to shop, Grado sees it as a destination in itself, saying they are using a town center approach in its design. "It will be a place where people go for events," he said. "There will be a large plaza area of 2 to 3 acres that we can use for a farmer's market or other events. We want something unique that will draw people in for more than just shopping.

"We have a lot of pride of ownership of our projects, but it's not easy. People are very opinionated about how they want the county to stay. But if we intend to keep our kids, we have to provide something they think is worthwhile to stay for such as restaurants, clubs, bowling alleys and other kinds of venues. There has to be something to keep young families here because they are the heart and soul of the community.

"I think El Dorado County needs to be focused on sustaining itself and it can only do it by creating jobs and the market environment to do that and that's exactly what this does," he said. "When it's at full build out, it will chip away at the dollars leaving the county and provide more jobs for youths. It will provide \$65 million of construction work for the county and \$1.5 million to \$2 million in taxes to the county. And more retail will help existing businesses.

"This project really is a game changer for this area," he emphasized.

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