

# retailwest

1105 Battery Street  
San Francisco, CA 94111  
p 415 292 7200  
f 415 775 1858  
www.retailwestinc.com

March 23, 2017

**To: Dollinger Properties  
City of Hayward**

**Re: Coffee/Café @ Lincoln Landing Development**

I wanted to write and address the ongoing push to accommodate a coffee shop and/or café along the creek-walk at the rear of the proposed Lincoln Landing project.

My colleagues have been and are exclusive real estate brokers for Starbucks (1995-2005) and Peet's Coffee (2005-Present), and collectively we have assisted with identifying over 200 new locations for these operators over those periods.

To be sure, locating a coffee shop at the rear of Lincoln Landing will be impossible. I cannot envision a coffee operator going to the "back" of project to set up shop; a location where the operator will have no exposure to any substantial vehicular traffic and will only benefit from relatively minor foot traffic. Coffee shops or cafes want/need visibility and exposure and convenience.

While a few of the local community might shop a café along the creek-walk, the reality is that is not enough business to support a location. Locations work with broad reach and appeal. With food and labor costs rising quickly, the operator needs sales from a large pool of customers to justify the business. You might consider an average weekly gross sales volume for the operator would need to be over \$12,000/week for this location to work. Because the draw to this location would be only very localized (no exposure to Foothill), that is a lot of money to expect the local community to spend. Quite simply, it doesn't work.

All in all, I do like the concept of activating the creek-walk. The developer has done that with landscape and hardscape and actually making a usable space that otherwise has been neglected. Further activating the creek-walk by just pointing a finger and asking a retailer to "go there" is not reasonable and is akin to putting a square peg in a round hole.

Respectfully,  
Retail West



Kent L. DeSpain

