

With revised plans, Lennar to break ground next year on huge Candlestick Point retail project

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Lennar Urban has received key city approvals for development plans to build thousands of residential units, retail and new parks at Candlestick Point in one of the largest projects in San Francisco.

Lennar plans to break ground on the first structure, a 500,000-square-foot shopping center, by 2017. The amended plans also include building a 1,200-seat arts venue and 4,400-seat performance center instead of a 10,000-seat arena, which was part of a proposal approved in 2010. The first phase is expected to cost \$2 billion to \$3 billion, said a Lennar spokesman.



A rendering of Lennar Urban's Candlestick Point project.

“This is another important step toward the creation of a vibrant retail and entertainment community,” said **Kofi Bonner**, president of Lennar Urban, in a statement. “The future of Candlestick Point is beginning to take shape.”

The city's Commission on Community Investment and Infrastructure (OCII) and Planning Commission approved the amended development plans for the first phase of project. Lennar (NYSE: LEN) still requires some additional approvals. Smith Group and **Field Paoli** are the architects.

Lennar is also building 12,000 units at the **adjacent Shipyard project**, which has sold out its first 88 homes. The Candlestick Point and Shipyard projects have a projected budget of \$8 billion for construction across 775 acres and expect 25,000 total residents after construction is completed in the coming decades. They're part of a wave of development that is **transforming the city's southeastern waterfront**.

The Santa Monica-based mall operator **Macerich Co.** (NYSE: MAC) is **partnering with Lennar** on the retail portion of the Candlestick Point project. “We fully expect that the Candlestick Point project will be a magnet for economic activity and community-building,” **Randy Brant**, executive vice president of real estate at Macerich, previously said in a statement.

Candlestick Point's first phase will also include 2,214 housing units, including renovations at the 256-unit Alice Griffith public housing project, over 1 million square feet of commercial space and public spaces. Development is expected to generate \$14.4 million in community benefits.

Infrastructure work is currently in progress on the site, and Candlestick Park, the former home of the Giants and 49ers, has been demolished.

Lennar is one of the largest developers in the Bay Area. It has also partnered with Wilson Meany on the **Treasure Island redevelopment** and its Lennar Multifamily division has **two housing projects planned in Oakland**.

Lennar is also seeking to redevelop the Concord Naval Base, but rival developer Catellus, which is also seeking development rights, **accused Lennar of improper lobbying** city officials and an independent investigator found that Lennar partners **improperly donated** to the Concord mayor. However, Lennar is still in the running to develop the site, and Concord's city council is scheduled to vote on a developer selection on April 5.

Article Corrections Detail

Roland Li covers real estate and economic development