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City looks at Visitacion Valley redevelopment

Robert Selna, Chronicle Staff Writer

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(01-25) 16:29 PST -- In 1926, Walter Schlage opened his lock factory and headquarters in Visitacion Valley, San Francisco's southernmost neighborhood, partly because of its proximity to the Southern Pacific Railroad tracks, which helped deliver materials and distribute products.

But the blue-collar jobs that Schlage created for the neighborhood disappeared in 1999 after the company was sold and moved. Since then, the Schlage land has sat vacant and polluted, and the economically depressed area has missed out on much of the investment that has rejuvenated other parts of the city.

Now, with the railroad tracks carrying Caltrain commuters instead of freight and a new Muni line recently extended to the neighborhood, there are hopes that a commuter village will replace the factory grounds and adjacent former railroad land. A plan calls for homes, parks, shops, a grocery store and other neighborhood amenities.

On Feb. 3, the city's Redevelopment Agency Commission is scheduled to decide whether to approve the Visitacion Valley redevelopment plan, which encompasses the 20-acre project site as well as a section of Bayshore Boulevard and Leland Avenue, the area's main commercial strip.

If approved by the commission and the Board of Supervisors, new projects in the area could be eligible for public financing in the form of tax-exempt bonds that then would be repaid through taxes generated by new development.

"The ultimate goal of this project is to take an industrial site and stitch it back into the Visitacion Valley neighborhood and use the transit-rich environment to create connections in and outside of the community," said Tom Evans, the project's lead planner.

Several years in the making, the plan emerged after resident groups fought Home Depot's effort to build there. Neighbors cited traffic and other concerns, and then-Supervisor Tom Ammiano sponsored legislation that blocked big box stores on the Schlage property.

The latest plan took a big step forward in 2005 when Supervisor Sophie Maxwell introduced legislation to create the redevelopment area. In July 2008, the Planning Commission approved the project's environmental review.

If the Schlage scheme goes through, it will take land that once was clam beds and later an industrial site, and transform it into a small village with up to 1,250 homes. Most would be in multiunit buildings of four and five stories and many would have retail stores on the ground level. Two eight-story towers might also be built.

Four neighborhood streets that now end at the Schlage factory wall would be extended into the project and connect to a plaza, three parks and a grocery store. The new neighborhood, built by developer Universal Paragon, and additional projects in the other parts of the redevelopment zone are expected to add an estimated 5,500 residents to a 46-acre area that currently only has 390 residents.

Still, the project's location makes it challenging. It abuts active railroad tracks and the Sunset Scavenger dump - not necessarily selling points for investors or future homeowners.

And despite its proximity to public transportation, the area is nonetheless remote. The Muni trip downtown would take no less than 35 minutes on a good day and the market for those who want to commute south is untested.

The old factory site also is designated as a brownfield, meaning its soil and groundwater are polluted with industrial contaminants. Universal Paragon and state regulators are at work on the cleanup, which is scheduled to take 18 to 30 months.

In the end, Universal Paragon officials said they will plow \$500 million over 10 years into the project and hope to get another \$95 million from public financing. The company also has owned 650 undeveloped acres just to the south in Brisbane for more than 15 years, which it also hopes to develop.

"If you look at the current economic situation, no one is going to be building a lot of housing right now, but the cleanup will take a while and this is an ideal site to build a transit-oriented development in an area that needs an economic boost," said Universal Paragon General Manager Steve Hanson.

Neighbors say the area could use a shot in the arm.

Fran Martin, the chairwoman of the Visitacion Valley Planning Alliance, said her group has been hammering out a plan with neighbors and the city since 1999. A grocery store closed several years ago, and residents typically travel more than mile for basic necessities.

"It's going to totally change this community," Martin said. "Talk about revitalizing - this will put us into a whole new realm."

E-mail Robert Selna at rselna@sfchronicle.com.

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