

Growth on the horizon

By Mike Eiman Staff
Reporter

After spending the past few years in an economic doldrums, things appeared to begin turning around this year with new developments from major retailers like Costco and Hobby Lobby on the horizon.

Construction has already begun to divide the former Wal-Mart building at 12th Avenue and East Lacey Boulevard into several smaller spaces to accommodate Hobby Lobby and other stores that have not yet been determined. Community Development Director Darlene Mata said Costco has applied for a building permit, but one has not yet been issued.

If all goes according to plan, both stores are expected to be open for business by the middle of 2015.

The Costco project already hit a snag in November after the City Council voted 3-2 to approve several requests that would have allowed Helena Chemical Co. to expand its agricultural fertilizer facility on East Lacey Boulevard, located adjacent to the proposed Costco site. Helena Chemical, which has operated in the city for more than 40 years, moved to the East Lacey location in 2011 with plans to expand operations to meet growing demands.

Following the Nov. 18 vote, Fresno-based developer John Kashian ordered his engineering firm to stop work on the project, saying that allowing the agricultural fertilizer retailer to expand would not be compatible with plans to build the 500,000-square-foot Hanford Marketplace shopping center with stores and restaurants.

Costco first confirmed its intent to build in Hanford in early 2012 as work got under way on the environmental report for the massive shopping center. This past July, the Hanford City Council approved the environmental impact report and related zoning change to allow the 500,000-square-foot shopping center to begin building at the southwest corner of East Lacey Boulevard and Highway 43.

When news of the dispute broke, hundreds of citizens began to organize via a Facebook page and an online petition to "Bring Costco to Hanford." About 80 people attended the council meeting on Nov. 25 to voice their support for the wholesale giant.

Their encouragement proved unnecessary. During a special meeting held earlier in the evening, Helena Chemical signed a letter of intent to negotiate a plan to help relocate the company to a 26.24-acre city-owned parcel in the Kings Industrial Park on 11th Avenue south of the city.

Then-Councilman Jim Irwin, who voted against allowing Helena Chemical to expand its East Lacey facility, had previously suggested facilitating a move to the industrial park. The shopping center project will require the relocation of a portion of East Lacey Boulevard and its intersection at Highway 43. That work would force Helena Chemical to move or replace some of its existing equipment and facilities.

The Costco project also brought back to the forefront the city's decades-old zoning ordinance aimed at protecting downtown. Costco requested an amendment to the policy to allow the in-store optical department at its 148,000-square-foot Hanford store to offer eye exams. As written, the ordinance allows large department stores to sell eyeglasses, but only allows optometrists to have offices in the city's downtown and office zones.

Wal-Mart, which also sells eyeglasses, had previously requested a similar change to allow on-site eye exams.

The City Council voted 5-0 on Sept. 16 to uphold the existing polices, but to re-evaluate the ordinance as part of the

city's ongoing general plan update.

Costco alone will employ about 175 to 200 people.

This year also brought a brighter future for the old Wal-Mart building at 12th Avenue and Lacey Boulevard. After sitting vacant since 2006, Hobby Lobby announced in July that it would be occupying about 55,000 square feet of the building.

A Hobby Lobby spokesman told The Sentinel earlier this month that the popular arts, craft and hobby store hopes to open for business sometime during the second quarter of 2015.

SAFCO Capital Corp., the Los Angeles-based real estate firm that purchased the property in late 2013, has been marketing the 150,000-square-foot property as several smaller spaces to appeal to a wider range of tenants. John Safi, president of SAFCO Capital, said his firm is in negotiations with other national retailers to fill in the remaining vacancies.

The building has several restrictions as to the types of businesses that can occupy it, per the property deed prepared as part of Wal-Mart's relocation in 2006. The deed prohibits grocery stores or supermarkets, general merchandise discount retail stores larger than 45,000 square feet and wholesale membership clubs or warehouse clubs from locating on the property.

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