

## Downtown property latest flashpoint for Fresno's General Plan

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Written by George Lurie

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Junus Perry, a real estate agent for Investment Commercial Specialists Inc., has been struggling for more than a year to sell a blighted downtown property at the corner of Van Ness and Stanislaus avenues. Junus Perry considers himself a problem solver. "That's why I like selling commercial real estate. It presents a series of problems or obstacles and then challenges you to solve them," he said.

But Perry is clearly frustrated with his latest challenge.

Since January 2014, the Realtor has been trying to sell a long-shuttered gas station at the corner of Van Ness and Stanislaus avenues in downtown Fresno.

The property, located at 1516 Van Ness Ave., has been a magnet for squatters and crime. According to police records, there have been more than 130 calls for service to the site since 2009.

Perry, who for more than ten years worked as a Fresno police officer and detective himself, said he has spent "hundreds of hours" marketing the property and thought all of his hard work had finally paid off when earlier this summer an offer was accepted and an escrow opened.

But, citing revised zoning standards included in the city's new 2035 General Plan, city officials would not issue the would-be new owner a conditional use permit for the gas station to resume operation.

So in late July, the prospective buyer backed out and the escrow was cancelled.

This is not the first time the city's new blueprint for future development has created issues for developers.

In April, the new General Plan's goal of improving "walkability" in urban neighborhoods torpedoed a proposed project by a Southern California developer to put a new Smart & Final on a blighted block at Blackstone and Clinton avenues.

Perry can't believe "one of downtown's most blighted corners" is now being "held hostage" because city officials won't OK gas sales "on a property that has sold gas for more than 50 years."

"My seller is really being damaged by the unrealistic demands being placed on him by the City," Perry said.

Perry's seller is Gale Bamford, owner of Central Valley Breeders in Kingsburg, who actually acquired the gas station property when the previous owner defaulted.

Bamford said last week that he is considering legal action against the city.

"It's been more than a year's worth of frustration," he said. "We had a buyer ready to go and the city shot down the deal and now won't even return our phone calls. I can afford a good lawyer."

The would-be buyer, Mark Astone, is still interested in putting the deal back together.

Astone wants to build a mixed-use development that includes an upscale diner with an outdoor seating area as well as a mini-mart and small gas station.

But city officials have told Astone they would like to see a mixed-used commercial development that includes a residential component.

Astone, who owns Catalyst Marketing, operates from an office building directly across Stanislaus from the blighted property. "This whole thing really started because I got tired of looking at that doggone boarded-up gas station," he said.

Astone said he cancelled the escrow, in part, "to free up some cash" but added that he remains committed to trying to work out a compromise with city officials.

Astone has no previous development experience and has solicited input from some veteran local developers including Ed Kashian, John Shehadey and Will Dyck. In addition to his Catalyst Marketing office building, he already owns two other properties around the corner on L Street and said he is currently in negotiations to buy a third.

In order to assemble what would be an L-shaped, 1.5-acre development parcel spanning both sides of Stanislaus along Van Ness and L, Astone is also talking with Fresno officials about buying the city-owned vacant lot immediately east of the former gas station.

But if that transaction were to take place, it would trigger prevailing-wage requirements on the property's redevelopment, and Astone said the potentially higher union labor costs "could be a deal breaker."

"We really haven't drawn up a specific development plan yet," Astone said. "But without the guarantee of an additional revenue stream from the gas sales, our other ideas don't really pencil out."

Realtor Perry has actually gone door-to-door in the neighborhoods surrounding the property asking people if they were in favor of a gas station remaining in the area. More than 120 people were — "and they signed a petition to prove it," he said.

"I know Mayor Swearingin's platform is a 'Business-Friendly Downtown Fresno,'" Perry added. "But I fail to see how the city's handling of this situation is furthering her agenda."

Astone acknowledged that his most recent proposal "has a lot of moving parts. But I don't think the city is being arbitrary. I don't think they're trying to impede the process," he said. "They have a vision and want to put a great

development in there.”

“I think there’s a solution out there,” Astone added. “I’m hoping that by the end of September, we’ll have a plan that everybody can buy in to.”

Hoping to head off another Smart & Final-like embarrassment, for now, city officials are putting a positive spin on the current situation.

“We’re still willing to work with Mark [Astone] or any other potential developer to get to yes,” said Mark Standriff, Fresno’s communication director.

In a recent email exchange with Perry, City Manager Bruce Rudd said: “I understand and appreciate the need to get some kind of resolution. We are continuing to work to identify a project/solution that is mutually acceptable to everyone involved ... and I’m working to get us there sooner than later.”

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