

Real estate prices add juice to East Bay moves

■ Jamba Juice relocation to Emeryville spotlights business shift from San Francisco and other tight-market regions

By George Avalos
TIMES STAFF WRITER

Squeezed by a lack of space in San Francisco, the owner of the Jamba Juice smoothie store chain has decided to move its head offices and more than 100 workers to the East Bay, a company executive said Thursday.

Jamba Inc. intends to relocate to Emeryville sometime this spring. The company is growing at a brisk pace and needed a site to accommodate its expansion, said Russ Testa, vice president of human resources.

"The major reason for doing this is because of our growth," Testa said. "We wanted a loca-

tion that would benefit our culture, our brand image and our team."

About 120 Jamba employees will move to Emeryville when the company transplants its headquarters, Testa said. The company has agreed to rent about 36,000 square feet in a building on Christie Avenue near 64th Street.

Within the past few months, other companies have decided to defect from San Francisco to the East Bay, usually seeking more open space in the region. Relatively tight quarters and a recent jump in office rents in San Francisco have propelled the relocations.

That has raised the question of whether more companies might pour into the East Bay from San Francisco, San Mateo, or Santa Clara counties. East Bay

See JAMBA, Page 2

Jamba

FROM PAGE 1

government and business leaders as well as real estate agents say interest in moving to the area has increased lately.

"There are companies that have nibbled, but they haven't done more," said Jeffrey Weil, a senior vice president with the Walnut Creek office of Colliers International, a commercial realty brokerage. "There could be another wave of companies moving here."

Although brokers would not provide names of companies that are eyeing the region, some of them are believed to be big firms.

"These are large corporations that are looking for space," said John Hone, a vice president with the Pleasanton office of commercial brokerage Cornish & Carey. "They are dead serious about moving. These are real deals."

For instance, the California State Automobile Association is eyeing a Bay Area location that would receive some of the organization's operations now in San Francisco.

Spokeswoman Jennifer Mack would not confirm that the East Bay was a primary site. But some real estate agents believe CSAA is seeking more than 100,000 square feet in the East Bay.

Still, a number of deals have materialized lately involving companies that have decided to leave San Francisco:

■ The State Compensation Insurance Fund is moving 800 employees to a three-building complex it bought in Pleasanton near the BART station. The workers' compensation insurance carrier snapped up buildings totaling about 322,000 square feet. The fund will occupy two of the buildings and lease the third building to Cisco Systems Inc.

■ Taleo Corp., a business software maker, moved in late 2006 to a 35,000-square-foot building in Dublin. About 80 workers are in the new headquarters.

In Jamba's case, the company also hoped to move its operations closer to its employees.

"More and more people working for Jamba are living in the East Bay," said Alleen Dolby, a Colliers senior vice president in Oakland.

The relocation will not only shorten the commute for the numerous Jamba workers who are living in the East Bay but also create a reverse commute for employees who reside in San Francisco, Testa said.

"Companies are looking to reduce their costs, but they also are looking at worker productivity," said Bob Canter, president of Emeryville's chamber of commerce. "They are concerned about employee burnout. And they also don't want to lose good employees, because the labor market is getting stronger."

Jamba also wanted a site that could contain anticipated expansion.

The new offices can hold up to 150 workers.

The company disclosed in an earnings report that covered a 16-week period ending Oct. 17 that it opened a net of 12 company-owned stores and six franchise stores during those months. The company has 603 stores in 23 states.

"We expect to grow significantly," Testa said. "We plan to accelerate our growth."

George Avalos covers the economy, jobs, financial markets, insurance and banks. Reach him at 925-977-8477 or gavalos@ctimes.com.