

Leasing, new restaurant boost Tribune Tower

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Photo: Spencer Brown

“We just want to bring the glory back to this old lady,” Henderson said about Tribune Tower renovations.

Blanca Torres, Reporter- San Francisco Business Times

Oakland’s landmark clock tower, with its neon “Tribune” sign on top, has gone from success to distress several times — and is on its way back up again.

Its latest savior is Tom Henderson, who bought it last December after it went into foreclosure.

Henderson is busy these days pumping new life into the tower with \$3 million to \$4 million in renovations, signing tenants and building out Tribune Tavern, a 5,000-square-foot groundfloor restaurant.

“We just wanted to bring the glory back to this old lady,” he said. Henderson paid \$8 million for the 88,000-square-foot, 20-story building, about half the \$15.3 million price the previous owner Edward B. Kislinger, a Los Angeles attorney, dished out in 2006 to Madison Park Financial.

Kislinger bought the building when it was 100 percent leased. By the time Henderson bought it, occupancy was around 20 percent after its namesake tenant, the Oakland Tribune, moved out.

At various times in its history, the building was tagged for demolition for not meeting seismic safety standards, and in its last round on the market, the cost of renovating the property prompted some would-be buyers to back off.

Henderson had an inside line on a tenant, CallSocket. The call center startup, which he cofounded, plans to fill 29,000 square feet on three floors, including former newsroom space, with up to 300 employees by year's end.

"The cost of major renovation didn't make sense financially because rents in Oakland wouldn't justify the cost," Henderson said. "It made sense to do a call center because all you need is new paint, new carpeting and cubicles."

With the call center, restaurant and other new tenants moving in, occupancy could reach 85 to 90 percent within the next six months.

Oakland restaurateurs Chris Pastena and Lev Delany, the duo behind Chop Bar in Jack London Square, see Tribune Tavern as a way to boost activity in downtown Oakland outside business hours, when people clear out.

While Jack London Square, Uptown and Old Oakland have fostered nightlife and restaurants, the same has not happened downtown, Pastena said.

"We want to bring those areas together to make a seamless transition from Jack London Square to Uptown," he said. "We're tapping into what Oakland is right now — a place that's attracting foodies — and getting a piece of the tourism dollars."

The new activity will certainly be a boost for Kristen Nelson, owner of Modern Cafe, which opened on the ground floor of the Tribune Tower three years ago. Business has tripled since the shop opened, despite facing a street with sparse retail or pedestrian activity.

"Nobody walks past us because there isn't anything farther down on 13th," Nelson said. "The fact that there will be more people working in the building and a restaurant around the corner will only be better for us. It's very exciting."

Henderson, an East Bay native, harbors an affinity for the building as a local icon. He delivered the Oakland Tribune as a boy and went on to play basketball for the University of California, Berkeley.

He also considers himself an astute business man whose San Francisco Regional Center sets up foreign investors with the federal government's EB-5 program, which provides green cards to foreign investors who create permanent jobs on U.S. soil.

CallSocket is one venture that will be funded with Chinese money. Besides its Oakland space, the company leased space in 1355 Market St. in San Francisco — the building that houses Twitter's headquarters.

Henderson and his partner, Allan Young, created CallSocket to offer an alternative for American companies that need Americans to answer their phone calls and have already contracted with several firms. They are also working on setting up an incubator on one of the floors to spur more startups.

Henderson's role is to connect foreign money with prospective U.S. businesses in areas that have 150 percent of the national unemployment rate. Oakland, he said, is a prime location, and he is in the process of acquiring more buildings. He sees CallSocket as a model for large-scale job creation using the investor visas.

"Over the next 18 months," Henderson said, "we'll create 2,000 jobs in Oakland through the EB-5 program."