

Ghirardelli Square Goes Club Med Famed Tourist Magnet Will Stay the Same on the Outside, but Gets a New Filling Within

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By law, one of San Francisco's most visible landmarks can't be subject to a wrecking ball. Yet a major overhaul is underway regardless, and soon some lucky - not to mention exceedingly wealthy - citizens will get to call Ghirardelli Square their private vacation residence.

Here's the deal:

Last year Fairmont Hotels and Resorts got the green light to convert a major portion of the old chocolate factory to a holiday residence club. While the Square will continue to function as a tourist attraction, it's about to be outfitted with timeshare apartments that are now under construction. The plush new dwellings will occupy the interior of the old brick building on its south and west sides.

Not that there has been any protest from preservationists.

For one thing, the designation of the Ghirardelli factory as a historic landmark precludes the demolition of its exterior, including the big clock on the southeast corner. And the retail aspect of the location, as well as the Ghirardelli Chocolate Company itself, will remain intact, if a bit truncated.

More importantly, dogs will still be allowed to roam the plaza on leash.

Unbeknownst by many local residents, however, is the fact that a number of commercial tenants

have quietly moved out of the Square.

Among the most popular are the Builder's Bookstore, Hat Generation, the Sharper Image, Gaylord's and the Mandarin restaurant. Rumors abound that more store closures are in the works.

JMA Ventures, the owner of Ghirardelli Square, is a San Francisco based real estate investor. Todd Chapman, who represents the company, recently told the *SF Business Times* that while the timeshares will appeal to out-of-towners, JMA wants the commercial aspect of Ghirardelli Square to be more focussed on city residents. In November, for instance, the



firm signed leases with two new commercial tenants. The biggest is Marché on the Square, a specialty food market offering prepared and gourmet foods, in addition to health-oriented and conventional grocery lines. The other merchant is Kara's Cupcakes, a new enterprise operated by locals Kara and Michael Lind.

Both businesses are scheduled to begin operations next spring. Three other recent arrivals, Wattle Creek Winery Coffee Bean & Tea Leaf, and an upscale pet shop are currently open for business.

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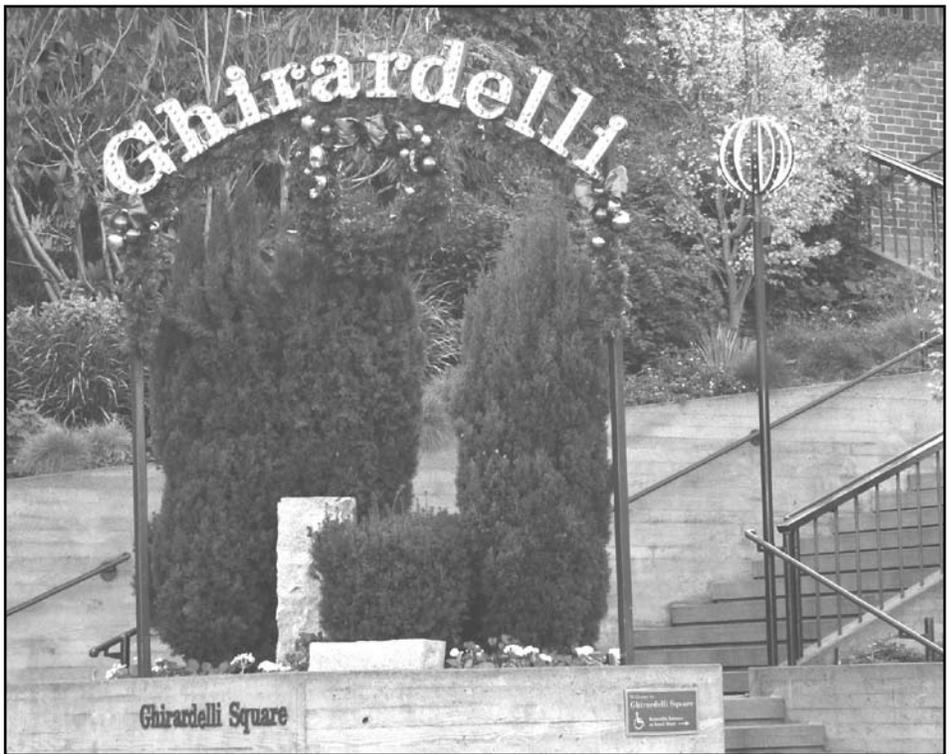


Local mandolin player Al Fabrizio performs in the Square.

As for the timeshares, the Fairmont will be accepting applications soon.

“Offering 1/10th ownership interests of just 54 highly appointed residences,” a recent press release reads, “this is a limited, once-in-a-lifetime opportunity to own a piece of a San Francisco icon. Owners will luxuriate in the magnificent views of the bay and enjoy living in a beloved San Francisco icon that has been transformed into an urban oasis. Each residence will include the finest interior finishes, an expansive floor plan -- perfect for entertaining -- as well as state of the art business facilities.”

The Fairmont website explains that these are not exactly timeshares, as they come with extra amenities (and costs). For instance, ownership interest entails membership in and access to exercise and other facilities managed by the Fairmont. Storage facilities



will also be available.

Fairmont Heritage Place owns property in some of the world's most exclusive locations. Its first project, Fairmont Heritage Place

Acapulco, opened in September 2004.

This isn't the first time the Square has received a facelift (or rather, heart surgery). In the 1960's, the Ghirardelli Chocolate Company was sold and its manufacturing plant relocated to San Leandro. That prompted talk of demolishing the site. However, a group of San Franciscans stepped in, purchasing the property and converting it to its current use.

Ghirardelli is the name of a Genoa confectioner who came to San Francisco in 1849, allegedly just a few days ahead of the massive gold rush stampede. A purveyor of absinthe, anisette, coffee, mustard, spices and chocolate, Domenico Ghirardelli pioneered the manufacture of “broma”, the ground chocolate for which the firm later became famous.

The Square was granted its status as a national historic location in 1982.

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General contractor Swinerton and Wallberg is constructing the new timeshare residences. The apartments will be managed by Fairmont Heritage Place.