

# Commercial/Industrial Development

## Anlin Industries



### **Market condition driving the need for the project and how the agency became involved**

Anlin Industries incorporated in 1990, as a vinyl windows and door manufacturer, with an emphasis on the replacement window market. In 1991, Anlin began its operation in Fresno with four employees and no sales. The facility was located on one acre consisting of a 15,500-squared foot building, of which 9,000 sq. ft. was occupied for manufacturing.

As the business grew, 15,000 sq. ft. of tent space was added to the Fresno site. A steady stream of sales and workforce development challenged Anlin Industries to expand its facility.

In 1996, the City of Clovis and Clovis Community Development Agency (CCDA) (City's redevelopment Agency) staff began discussions with Tom Vidmar, Owner to find a suitable location in order to keep Anlin in the Fresno/Clovis metropolitan area. Anlin had considered several other locations in the Fresno/Clovis metropolitan area and outside the state of California. In 1997, the CCDA Board approved the sale of 6.34 acres of real property, located at 1665 Tollhouse Road, to Anlin Industries, for \$1 (a \$350,000 value). In return, Anlin built an 85,000-square foot facility on the property with ancillary public improvements valued at \$4.5 million. As part of the original Agreement, the Agency also granted Anlin a Right of First Refusal for an additional 6.1-acre property (Phase 2) located adjacent to the original property for their future expansion, which they exercised in 2001.

### **Stimulating new private investment in the project area**

Since the relocation and expansion of Anlin Industries to the corner of Fowler Avenue and Tollhouse Road, there has been tremendous growth in both the residential and commercial sectors. The Anlin development was an infill development project located in the center of the City. The City & CCDA had been encouraging infill projects as a means to reduce sprawl and develop property previously overlooked by the market. Within two years of completion of the Anlin project, two retail commercial shopping centers totaling over 400,000 SF were constructed with half a mile of Anlin. These retail centers included grocery stores, several varieties of restaurants and numerous in-line retail shops. The developers of these projects selected these sites because of the day time employment and increased residential. The residential subdivisions sprang up to the east of the Anlin site almost immediately. The Anlin infill project eliminated blight, encouraged new development in the area, expanded the City/CCDA tax base and created new employment.

**Meeting goals of the Agency**

Anlin has exceeded all the projections provided to the City/Agency when they purchased the property in 1997. They have grown much faster and much quicker than expected and needed to expand their facility. In February 2001, Anlin purchased the adjacent Phase 2 property from the Agency for \$290,000, and an additional 6 acres of adjacent property from a private party. Anlin worked with the City to develop plans for an expansion of their facility that included a 101,000 sq. ft. building, a 300 space parking lot for employees and delivery trucks, and decorative fencing for the parameter and landscape. In 1998, Anlin came to Clovis with 92 employees. Today, they have nearly 200,000 sq. ft. of building, annual sales of \$45 million and 325 employees.

**Removing blight, creating revenues and employment opportunities**

Over the past five years, Anlin grew from 212 to 325 employees. Sales have doubled from \$15.6 million to over \$45 million. Below are the employment and sales projections provided in 1997 and Anlin’s current status:

<u>Year</u>	<u>1997 EMPLOYEES (Projection)</u>	<u>EMPLOYEES (Actual)*</u>
1996	90	
1997	92	
1998	108	140

1999	174	192
2000	212	230
2001	250	266
2002	288	300
2003	300	320
2004	320	325

<u>Year</u>	<u>Total Sales</u>
1995	\$ 5,466,409
1996	\$ 8,600,000
1997	\$12,029,000
1998	\$15,157,000
1999	\$19,750,000
2000	\$24,000,000
2001	\$28,400,000
2002	\$35,600,000
2003	\$40,000,000
2004	\$45,000,000

### **Architectural design and compatibility with surrounding land use**

The area where Anlin Industries developed its facility used to be an abandoned stable and large open field with nothing but dead shrubbery during the summer and overpopulated vegetation during the spring. When the facility was completed however, the company trucks and the work area could still be seen from Highway 168 and near by streets. As this was noticed by the owner, a large sound-proof brick wall was built in the perimeter of the property. The Northeast corner included a water fountain with landscaping

surrounding the property. Prior to Anlin's expansion, the City received calls about the unkempt state of the vacant corner next to the Anlin facility (Phase I). The first action taken by Anlin after purchasing the site from a private owner was to build a decorative wall along the street frontages and a fountain at the corner. The calls to the City increased after the construction of the wall and fountain, as did letters to the editor of the local paper. The only difference was that the calls and letters were compliments and thanks instead of complaints.

**Obstacles and creative solutions, including development team expertise, financing, project costs, ongoing ownership/management, and community acceptance.**

Unfortunately, some of the assistance provided by the City/CCDA would be more difficult to provide after the adoption of SB 975. Most notably, land write-down would have been cause for implementation of prevailing wages for the construction of the project. This may have caused Anlin to consider another site outside of the Fresno/Clovis metropolitan area, and possibly the state. Anlin did request interpretation of SB 975 from the Department of Industrial Relations (DIR) prior to accepting off-site assistance for the expansion project. The DIR ruled that the assistance did not trigger prevailing wages. Anlin's expansion project was delayed one year, waiting for that ruling. We believe that this ruling was the first by the DIR after passage of SB975. It was important in that it provided some guidance for redevelopment agencies state wide regarding providing assistance off-site improvements and not triggering prevailing wage requirements.

The owner of Anlin Industries has meticulously kept the property in excellent condition. He decorates the facility for every holiday. He treats the facility like it is his residence and takes pride in demonstrating his community and national pride. The residents in the area think of him as their neighbor and not a giant industry. The owner also offers English classes to all his employees for free, and on the clock. He realizes that he may lose some employees as a result of this benefit but he believes in the American dream. Anlin employees are family. Now, this may sound exaggerated to the reader, but it is not. If you don't believe me go see for yourself. He will give you a tour and call each of his 325 employees by their first name and greet them with a hug.

**Indicators established to evaluate the effectiveness and benefit of the project**

The main purpose of the project was to retain a business in the Fresno/Clovis Metro area and provide an opportunity for that business to expand. Since 1998, Anlin built the

original 87,000 sq. ft. facility and expanded by an additional 110,000 sq. ft. Employment has more than tripled and sales have increased by 260%. Anlin and the Agency/City are now working to identify land for future growth. The total investment by the Agency was \$634,000, which included land write down (\$300,000) and off-site improvements (\$334,000). Anlin has invested in excess of \$10 million on building and site improvements. It has also been the exemplary committed neighbor. They give generously to many local charities and have provided \$100,000 per year to Clovis Unified School Foundation.

### **Summarize the project financing elements**

Anlin Industries moved to Clovis as a result of a mutual agreement with the Clovis Community Development Agency (CCDA) and Tom Vidmar, owner of Anlin Industries. The 1997 board approved sale of 6.34 acres of real property to Anlin Industries produced an 85,000 facility valued at \$4.5 million. In 2001, Anlin purchased the adjacent phase 2 property from CCDA for \$290,000 and an additional 6 acres of adjacent property from a private party. The new Phase 2 expansion included 101,000 sq. ft. building and a new employee 300-stall parking lot.

Since 1998, Anlin has expanded by an additional 110,000 sq. ft. In the past five years, Anlin has grown from 92 employees to 325 now. Sales have more than doubled from \$15.6 million to over \$45 million. Anlin is now among the top manufacturers and sales tax generators in Clovis.

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