

# Predicament on Main Street

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WATSONVILLE — "I've been at this place for 25 years, and I just paid it off," boasted Floren- do Sales, a large smile breaking across his face as he looked around Fred's Barber Shop at 267 Main St.

The brightly lit, clean shop with its striped barber pole outside is what Sales dreamed would become his children's legacy — their ticket to the future in the business world.

"I bought this place for my kids," said the 76-year-old Sales. "I was 7 years old when my father opened his first shop, and he had to move. When I opened this, I said I'd never have to move again."

Instead, Sales will be closing his doors soon to make way for downtown redevelopment. In doing so, he will be putting himself and three other people out of work.

Like many of the 28 other store owners who've had to move or go out of business, Sales sold his property to the city so that a new commercial center can be built on the 200 block. It will be a center he can't afford to rent space in.

Such is the predicament redevelopment has wrought on the city and its lower Main Street business owners. Two-thirds of the block has been torn down for a new post office, putting dozens of people, mainly minorities, out of work. As the businesses have closed on Main Street's 200 block, the city has lost \$320,000 in sales tax on \$5.5 million in gross sales, according to Mark Frederickson,

director of El Pajaro Community Development Corporation and former downtown businessman. It is revenue the city will never collect from the post office, which is exempted from sales and property taxes.

The city's Finance Department estimates redevelopment will fall in the red at least \$400,000, and that's based on a developer's paying at least \$900,000 for the part of the 200 block slated for a commercial complex.

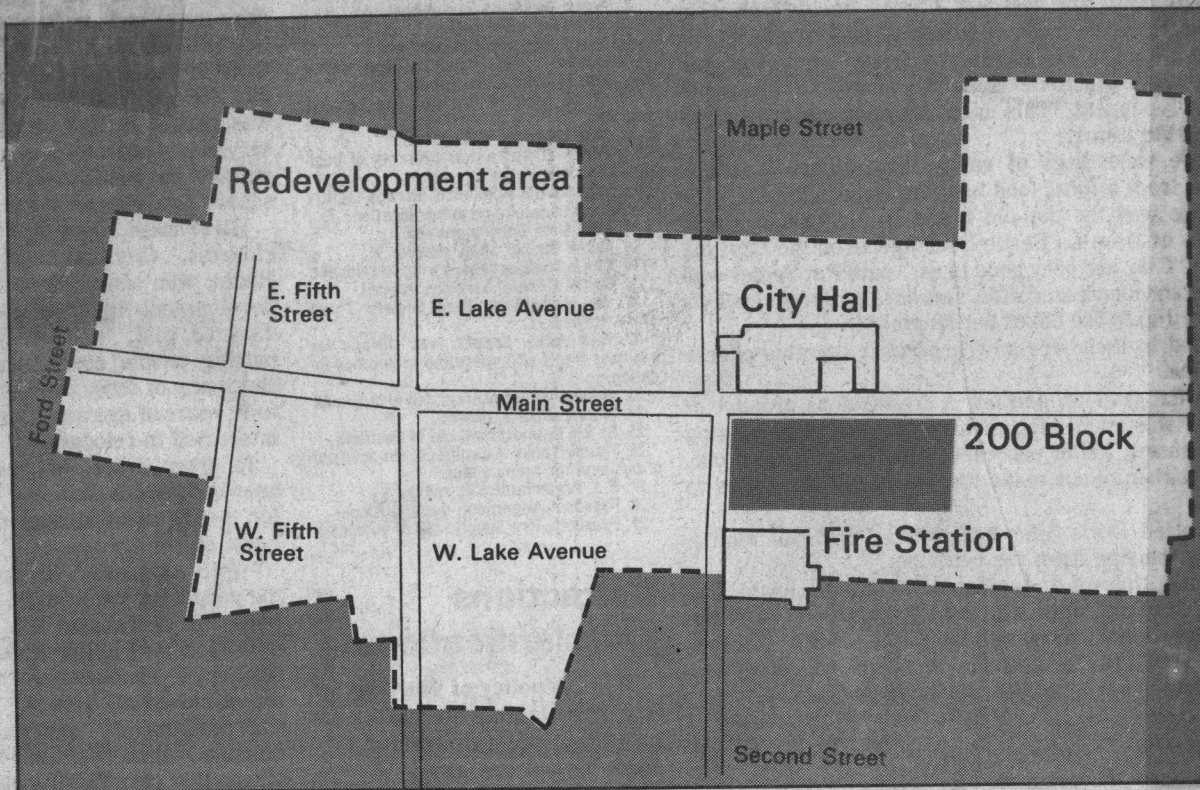
Finding a developer and

clients for the downtown retail center has proved more difficult than city officials anticipated. They had hoped to have a deal signed with San Jose developer Barry Swenson, but the exclusive negotiating contract has expired and talks are beginning anew. As the north end of Watsonville explodes with new shopping centers, a new industrial park and hundreds of new residences, investors' interest in the downtown is waning.

The nearby 100 block of Main Street is largely vacant, with

temporary use permits issued for the few businesses there. The city has been hoping private developers will invest in that area, but the only developers who offered a solid proposal, Stella and Ramiro Romo, decided not to pursue a project.

Fourteen years into its redevelopment plan, the city is still hoping. Hoping that a new post office will spark some interest in the 200 block, hoping that someone will offer a plan for the 100 block, hoping that redevelopment



All Watsonville's redevelopment-area funds have been spent on the 200 block.

proves to be more than just a few vacant, weed-filled lots.

FRED'S IS more than just a barber shop. It's a meeting place for a dozen or so older Filipinos living near downtown.

What's their fate after redevelopment? "They'll get lost. They'll have no place to go," Sales said.

As his son, Dana Sales, put it, "In my father's case he's a lot better off working than retiring. ... He doesn't need the financial interest anymore. But he's much better off going down there, cutting a couple of heads and talking to his friends."

Both supporters and critics of redevelopment agree on one thing: the city's plans will displace a large segment of lower-income proprietors, many of whom will find it difficult, if not impossible, to relocate at the city's booming new shopping centers on the north end of town or the string of commercial centers on Freedom Boulevard. In closing their doors, many of their employees are losing jobs.

One of those who went out of business recently was Tom Mills, manager of Goodyear Tire Supply at Main and Second streets. Mills said he looked, but couldn't find a place to relocate because everything was too expensive.

"The people in the 200 block had invested their money 20 to 30 years ago," said Dana Sales, the owner of Penguin Print, in downtown and a Realtor with Coldwell Banker. "They bought their stores for between \$25,000 and \$50,000, and their business was geared to that kind of debt service. There's no way they can survive paying 85 cents to \$1 a square foot (for new space)."

When asked about the business closures, City Manager John Radin, who also acts as the Re-

development Agency's executive director, said, "People say we're putting people out of business. But many of these owners are 70 to 80 years of age and they're not interested in relocating."

In other cases, he said, it's been difficult to find new locales for the types of businesses that made up the 200 block.

"We've worked with some of the people for the past 1½ years. With Rosita Tabasa (the owner of the former Philippine Gardens restaurant and card room), we've looked all over the place, but nothing is economically feasible when you're talking places that cost \$3,000 a month," Radin said.

With city help, Tabasa had found three shops to lease. One rented for about \$1,700 a month, but the insurance rate "was going to skyrocket" because of her plans to install a kitchen for a restaurant, according to Radin, so the property owner canceled the lease.

Ted Trompeter, the city's consultant hired to help relocate the businesses, said, "It's a heart-rending situation. I hate to say it, but many of these businesses were 'marginal' and it's difficult finding them a new place to locate. But redevelopment always displaces some people."

Not all of the businesses have had to close (see story on Page A2). Some shops, such as La Colmena Restaurant/grocery store and P.J. Freiermuth Co. (an industrial manufacturing operation) have relocated successfully, said Radin.

One of redevelopment's goals is to wipe out a "blighted" area. In fact, as Mayor Betty Murphy recalls, the city's decision several years ago to tear down Main Street's 200 block of dilapidated, crumbling buildings was lauded by the media and most city residents as the only way to clean up downtown.

But critics of redevelopment, like Mark Frederickson and Dana Sales, view the city's plans as a failure.

"When you look at what redevelopment is — a new post office — it's a joke," Frederickson said. Redevelopment was supposed to renovate the downtown for seven blocks, from the Pajaro River to Ford Street, extending several blocks on either side of Main Street. Taxes from property owners in that area were collected for the redevelopment fund in hopes of getting something in return, he said.

But the city has spent all the money in the fund — some \$6 million — on buying the 200 block, and has run a debt of at least \$400,000, leaving nothing left for other areas of downtown.

Part of the block has been sold to the post office for \$1.725 million, where a new \$2.8-million facility is going to be built in the next 1½ years on Front and Main streets. The rest is slated to be sold to a developer.

Frederickson used to own a clothing store downtown, but sold it after he said the city "dragged its feet" on providing parking and new lighting. He was chairman for the advisory board for downtown redevelopment and says the city "completely ignored our suggestions."

Frederickson has helped Dick Wong, the owner of the Daylite Market, which was torn down as part of redevelopment, put together a proposal for a new grocery store.

"If the city was serious about redevelopment, why not let them (the Wongs) stay until their new facilities were built? They pleaded with the city to stay, because they knew they'd lose their customers while they looked for a new place to open. And meanwhile the city lost all those tax revenues," Frederickson said.

**F**REDERICKSON THINKS he knows why the city took the course of action it did.

"I believe the motives of the city manager and some of the council were simply racial. They saw the businesses as problems because they were dealing only with field workers. If they wiped out all the buildings and the bars, they hoped that all those problems would go away."

The lower Main Street bars see large crowds of field workers every night. Police regularly respond to reports of muggings (many field workers carry large amounts of cash), fights, petty drug dealing and occasional stabbings.

"The problem is, we have a large agricultural community that's dependent on field workers. I suppose they thought they'd choose to eat and drink in places other than Watsonville," said Frederickson.

"The sad part is the community and people had expected to have a downtown that was revitalized, that the community could shop at and feel safe in. And what we have is a division of chain stores in new malls on the outskirts of town and downtown.

"Instead of working with the business community, they (city officials) alienated them," said Frederickson.

Radin bridles when asked about racism and points to the city's continuing efforts to relocate the 200-block businesses.

"Nothing can be further from the truth," he said. "We're paying the costs for relocation, and in some cases paying an in-lieu fee. We can't force a person to take relocation."

And Mayor Murphy points out that several council members, herself included, have taken it upon themselves to help the few remaining businesses stay open until the redevelopment project moves forward. They promised business owners that nobody would be forced to move until 60 days after the city closes escrow with a developer.

The uncertainty has prompted most of the business owners to close or find a new locale. One of the few who will wait is barber Florendo Sales, who said he'll stay until he gets notice of a sale.

**T**HE REDEVELOPMENT AGENCY has gambled on the proposition that a new post office on the 200 block will lure people and investors to downtown.

"It was the only way we could really afford to start a redevelopment project," Radin said. "Otherwise all we could do was make some improvements in a few areas. Look at what happened in Salinas. They put a post office in the north end of town and now that area has taken off."

But Frederickson sees it differently.

"The post office will effectively become the end of the commercial district. Who'd want to locate beyond it?"

"So they're taking three to four acres of land and devoting it to public use, which doesn't pay sales or property taxes. What we needed in downtown was a major commercial development, which would take eight, 10 or 11 acres to accomplish, a development that would provide another anchor store. The downtown could live

with Ford's and another department store."

Sales said he thinks the downtown will shift from a retail center to a service-based area.

"I'm totally opposed to the post office going downtown," he said. "Downtown Watsonville needs to move toward a retail center, not a service center. But now, most of the retail is going toward Green Valley and Main Street — that's the heart of Watsonville."

"Why would you come downtown? I hear from people in Aptos that they can come in and do all their shopping at Green Valley and Main," Sales said.

Sales said his father and other property owners on the 200 block were willing to renovate their buildings.

"For 20 years the city talked about its redevelopment plans, and they (the business owners) wanted to be sure their plans would fit in with redevelopment," Sales said. "It was a Catch-22. They held back on improvements and redevelopment eventually resulted in their demise."

Sales worries that the redevelopment plans are forcing Hispanics and Filipinos out. "There has to be some place for those people to go — they're not going to eat at the Mansion House," Sales said.

"Is redevelopment happening now? All it is is the 200 block, a post office and maybe a shopping center. It would have been better if there had been a big plan," Sales said.

The city is responding to some of the criticisms. Recently the City Council, acting as the Redevelopment Agency, voted to look at ways to beautify the downtown. The funding will come from either city coffers, or from consolidating the west side redevelopment fund with the downtown redevelopment fund to bring in more money.

The city also is buying space for new parking and is considering moving Highway 152 off Main Street onto Rodriguez and Union streets, which would slow traffic on Main Street. In theory that would make Main Street conducive to shopping, said Mayor Murphy.

Temporary structures, such as potted plants, may be set up on Main Street to see how a two-lane traffic system will work, according to Mayor Murphy.

But Sales thinks the effort is too little too late. "It's a Band-aid on a cancer," he said.

"The biggest drawback to redevelopment is that the city spent a small fortune on studies and consultants, and then ignored them and their own General Plan which said the emphasis should be on downtown."

"All they have done is spot changes. The 200 block is a perfect example of that. There was no plan to put a post office there. Just one night they decided that's what they would do, without environmental impact reports or a study of what its effect would be on the downtown businesses."

"I think to have a centered city, you have to have a retail center downtown," he said. "But that isn't happening here."