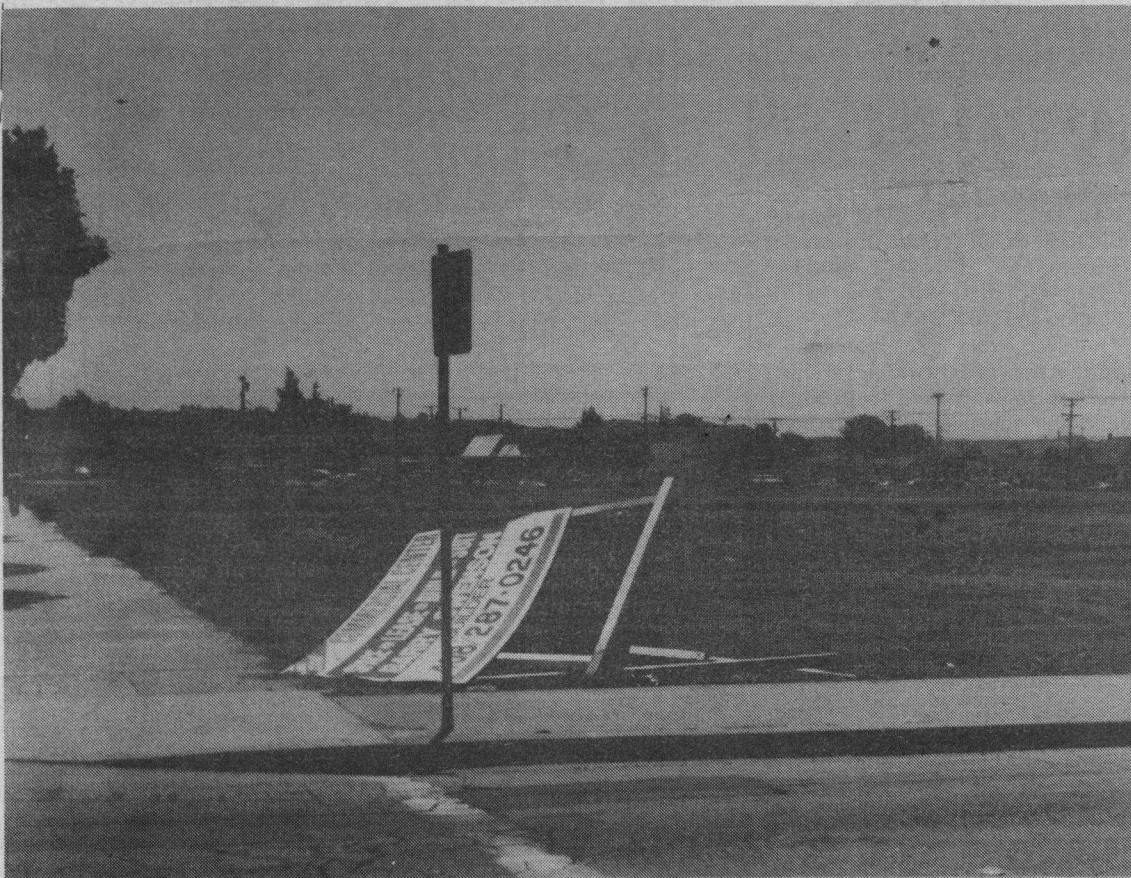


DEMOLITION DERBY

Watsonville's Downtown Redevelopment Fiasco

BOB JOHNSON



By Bob Johnson

It took more than a decade of persistent work for Watsonville's civic leaders to create the 5-acre vacant lot across Main Street from city hall.

Generations of ethnic workers of the Pajaro Valley had flocked to the neighborhood stores on the block. Bars. Restaurants. Markets. Barber shops. All of them with large and loyal clienteles that had to be faced as they protested demolition of their part of town at a series of public meetings beginning in the 1970s. Or they had to be caught napping while some crucial administrative piece of the demo-

lition puzzle fell into place. It was hard work, but well worth it for administrators and pols who saw in that collection of dilapidated businesses with raucous customers a source of embarrassment that had to be removed.

Step outside the front door of Watsonville City Hall and you can see the future of the downtown in that 5-acre collection of weeds and dirt clods. On your left the U.S. Postal Service will use 3 acres to build a new post office. And on your right the remaining 2 acres will be used by a San Jose developer to build a commercial-

office complex. The hope of redevelopment boosters is that the new construction, coupled with the government offices across the street, will give the downtown an ambience that brings back the people and their money.

But the block is haunted. There are ghosts in those dirt clods and they won't be buried by a few tons of concrete and linoleum. Slow down and you can see the ghosts. No, that's too fast. Forget about the future and slow down enough to let the ghosts creep out from behind the weeds.

Let your eyes wander across the

generations and you can see Filipino immigrant barber Florendo Sales talking with his young son Dana, who is enthroned on one of the swivel chairs in Dad's new shop. It is the mid-1960s and the Sales family can finally relax from the anxious months that followed the news that they would have to abandon the former

"This town went from all independents to almost all chain stores. Most of the downtown caters to the working people, out in the fields. They're going to have to find another place to go."

—Dick Wong

location of Freddy's barbershop to make room for an expansion of Riverside Drive.

Across Main Street from the shop Florendo and Dana can see the construction crews busily working to complete the new city hall. They share a few words about the encouraging signs of new life across the street: The civic center, Florendo assures his son, will bring customers downtown.

Florendo kept cutting hair for his friends in the neighborhood until his late 70s. He gave up this year, however, after the city used eminent domain to buy his shop. Boulder Creek auctioneer Bob Slawinski was brought in to get what he could for a used barber pole and a few haunted chairs, then the building was torched early one morning last month to give the crew at Gary Smith's fire department a chance to practice their trade.

"My father felt that coming to America and owning a piece of property was an accomplishment," Dana recalled 25 years later, as the city

moved to seal the deal with developer Barry Swenson.

Enticing the postal service to build a new facility on Main Street is to be the key to rebuilding the deteriorating downtown. For decades redevelopment boosters have complained that dilapidated buildings and a vigorous crime rate have made downtown Watsonville off limits for much of the citizenry. Opponents of the project have argued with equal vigor that the project has the racist intent of driving ethnic minorities from the most public street in town. The circle is closed between those two divergent viewpoints once it is understood that the sight of large numbers of working-class Mexicans bantering into the evening downtown is terrifying to many of the middle-class Anglos whose checkbooks are the key to economic revitalization.

City Manager John Radin remained upbeat about redevelopment even when the project faced its darkest hours a year ago. The delays by the postal service in starting construction on the 3-acre parcel that had already been razed in 1987 forced the city to hire a crew to go across the street to pull the weeds and send the feds the bill. And the remaining 2 acres of the block also faced an uncertain future, as numerous businesses had closed down in anticipation of demolition but the city did not have a developer lined up to build on the land.

"One year more or less doesn't make that much difference," Radin said, when postal service delays had fainter city hall hearts sweating. "The post office will bring people downtown and they will stay and do their shopping. It's going to bring in new business and new jobs."

The potential for ultimate humiliation for the redevelopers has abated somewhat since those darkest days. The city enlisted the aid of Rep. Leon Panetta (D-Monterey) in extracting an almost reliable promise from the postal service that construction will begin before the vacant lot celebrates

its third birthday next spring. And San Jose builder Barry Swenson figures to begin construction later this year on a retail-office complex that will occupy the newer expanse of dirt and weeds that was created this month.

But downtown redevelopment is not out of the woods yet and still faces uncertainty on the financial grounds that were used to justify the entire

process of eminent domain and demolition.

The city has paid handsomely in lost tax revenues for the luxury of that unproductive vacant lot across Main from city hall. Every year that the land lies fallow costs \$15,000 in lost property taxes. A considerably larger amount has been lost in sales-tax revenues—one local retailer surveyed the businesses driven out for just the

portion of the block cleared for the postal service and discovered they had combined annual sales of \$5.2 million. When the clock strikes three years next spring, that toll will be more than \$15 million, and the businesses demolished to make room for Swenson likely bring the total cost to more than \$20 million in lost downtown retail trade. No one in the city administration has calculated the precise cost in sales, and sales-tax revenues, from the demolitions.

The entire budget of the City of Watsonville has felt the pressure of the heavy investment in redevelopment. When the project ran over budget two years ago Radin convinced the city council to make a \$2.5 million loan from the general fund to the redevelopment fund. There is still well over \$1 million outstanding on that loan, a fact that has led to some ill-humored finger pointing as the city council struggles to solve a \$900,000 shortfall in next year's general fund budget.

Hear the footsteps? No, not the ones on Main Street. Listen closer and you can hear the neighbors coming from Rodriguez Street and beyond, past the laundromat, and past the parking lot to the back door of the Daylite Market. They've been beating a path to that door since the store was opened as a meat market during the depression by six local Chinese families.

"This town went from all independents to almost all chain stores," co-owner Dick Wong said in the Daylite's final days. "Most of the downtown caters to the working people, out in the fields. They're going to have to find another place to go."

The Daylite was the most prosperous business on the block, selling well over \$1 million of food annually to the ethnics living downtown. The owners were thinking of knocking down a few walls so they could expand the market; then the city knocked down the entire block.

Most of the local independent businesspeople with shops downtown favored an approach to revitalization that would have begun with a beautification project designed to create a pedestrian-mall atmosphere. Traffic was to be diverted off Main from Lake Street to the bridge to Monterey County—leaving space for diagonal parking, extensive sidewalk planting, and just two lanes of traffic. The cost was to be shared between redevelopment funds received from the federal government and assessments on the private businesses that figured to benefit.

A Citizens Redevelopment Committee comprised largely of downtown businesspeople heartily endorsed the public beautification plan and prospects seemed strong that it could trigger private efforts at improving the downtown. As the plan ran into opposition with the city administration and failed to gain support from a majority of the city council, however, the Citizens Redevelopment Committee was disbanded.

Long after the purchase and demolition of the entire 200 block of Main Street had exhausted the funds that could have been used on beautification, City Councilmember Tony Campos proposed that beautification ef-



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forts be revived on a far more modest scale. The city is continuing to explore the suggestions offered by Campos, which include reducing traffic and switching to diagonal parking on a small stretch of Main Street. If that proposal moves quickly enough Watsonville may have the distinction of being one of the few cities in America with reduced traffic and ample street parking to invite the citizens to visit their 5-acre vacant lot.

Breathe deep. No, deeper. It's all the way down at the end of the block by Watsonville Tire. Smell the fish? Anthony Giammanco was hard at work by 6 in the morning selecting the best at Monterey Wharf No. 2, the one that's short on tourists.

No salmon heads today. Tough break for Freddie Sunday, an older

aside and share power with the downtown community that was originally forced into local political action to prevent destruction of their neighborhood by redevelopment.

In the late 1970s City Manager James Buell called for redevelopment plans that would have involved demolition of blocks of buildings that revenue-minded administrators called dilapidated, but others called home. A Victorian Village was to bring new shops to the expanse of Main Street stretching south from city hall to the bridge over the Pajaro River. A second new shopping center was to occupy the land extending from Riverside Drive to Monterey County and the two blocks from Rodriguez to Union Streets. And a third new center was to extend west from Main Street into the Hispanic neighborhood that fades into the cannery district.

That plan was shelved partly for financial reasons but, more importantly, because large numbers of people from the neighborhood attended the city council sessions to express their vehement opposition. That movement launched Chris Matthews on a political career that included a brief stint as Santa Cruz County Supervisor, before he retired from politics to open a Santa Cruz pub. And Matthews's close associate in those days, restaurateur Mario Carabarin, carried the movement's standard in the 1981 city council race.

Although Carabarin ran second among downtown voters, missing first by a whisker, he trailed the field badly in the rest of the city. In every Watsonville election since 1981 there has been a Hispanic city council candidate who lost by wide margins despite receiving strong support downtown.

After the 1985 city election Hispanic activists filed suit claiming that they cannot gain representation in Watsonville unless a district system is created to prevent Anglo voters from uniting to defeat Hispanic candidates who have strong support in the downtown neighborhood. The case went all the way to the U.S. Supreme Court, which refused to review a lower court ruling that at-large elections in Watsonville violate rights guaranteed to Hispanics under the federal Voting Rights Act. As the debris was being cleared from the 200 block of Main Street the city was also headed toward implementing a district system that will ensure, for the first time ever, election of at least two downtown residents to the city council.

Redevelopment boosters complain that dilapidated buildings and a vigorous crime rate have made downtown off limits for much of the citizenry. Opponents argue that the project has the racist intent of driving ethnic minorities from the most public street in town.

Filipino who would have made a feast from that richest part of the richest fish, the part white folks throw in the garbage. He'll make do with the snapper. Anthony asks the 3-year-old girl who came along to keep Freddie company in line if she wants to come by and play with his kids. She giggles.

The Mexican cook from the deli next door comes in on a break. He flips quarters with Anthony—a daily ritual with the winner taking home a buck. This is Anthony's day.

"This isn't a supermarket," Anthony says. "You won't have a fish market like this in Watsonville after they throw us out."

The demolition of Main Street's 200 block was ironically completed as Watsonville's redevelopers are being forced to step

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The Man Behind the Mess

Watsonville City Manager John Radin is reluctant to accept recognition for his role as the single individual who most deserves the credit, or blame, for making redevelopment of Watsonville Main Street's 200 block a reality.

When oral historian Martha Chamberlain made the rounds of 200-block workers and businesspeople a few months before the March 1987 first phase of the demolition, one worker at the Daylite Market bluntly stated a view commonly held in Watsonville. "Radin does what he wants to do," he said. "It's nothing which is printed but it is something which is just known in the area."

When Radin heard that testimonial, he was quick to discount his influence. "I can't do any more than what four votes on the city council tell me to do," he told a reporter.

But four votes have seldom come together on the city council with any course in mind other than that proposed by Radin, who has been Watsonville's top administrator for nearly a decade and previously served an even longer stint as the city's top financial officer.

The only time during the last five years of the redevelopment controversy that Radin has been overruled by the city council was a narrow 4-to-3 vote for holding off on demolition of the property that will eventually be a parking lot for the post office until the postal service actually completed construction. Even that vote came to naught, however, as the council-adopted 18-month grace period for the property expired, and the parking-lot land was cleared with the rest of the block. This failure by the council to set a realistic date for that final demolition spared the city the bizarre sight of looking across Main from city hall at the Daylite Market standing alone in the middle of a block of weeds.

Radin plausibly was at his shrewdest when he had the city's elected leaders convinced that the postal service was unwilling to accept any other site in town and that they were in a hurry to begin work on a new Watsonville facility. This sense that a major outside developer, the postal service, had come close to delivering an ultimatum lent a quality of inevitability to discussions of the 200-block project.

But when postal service regional real estate representative Bill Jackson came to Watsonville after the city had made a commitment, he freely conceded, "Over a number of years we've had [other] sites we've approved, but the city has not agreed."

Before Jackson came to town, councilmember Vido Deretich had smelled something strange and sent out a query that brought an interesting response from the postal service. "Four or five years ago we began advertising for sites for the new main post office in Watsonville," U.S. Postal Service Real Estate Division Manager R.W. Chapman wrote Deretich. "We received a number of offers and two of the sites were very attractive to us in cost and location. When we communicated the selected site of the new facility to the city administration, we ran into some very determined opposition."

—Bob Johnson