

THE NEW FACE OF WATSONVILLE

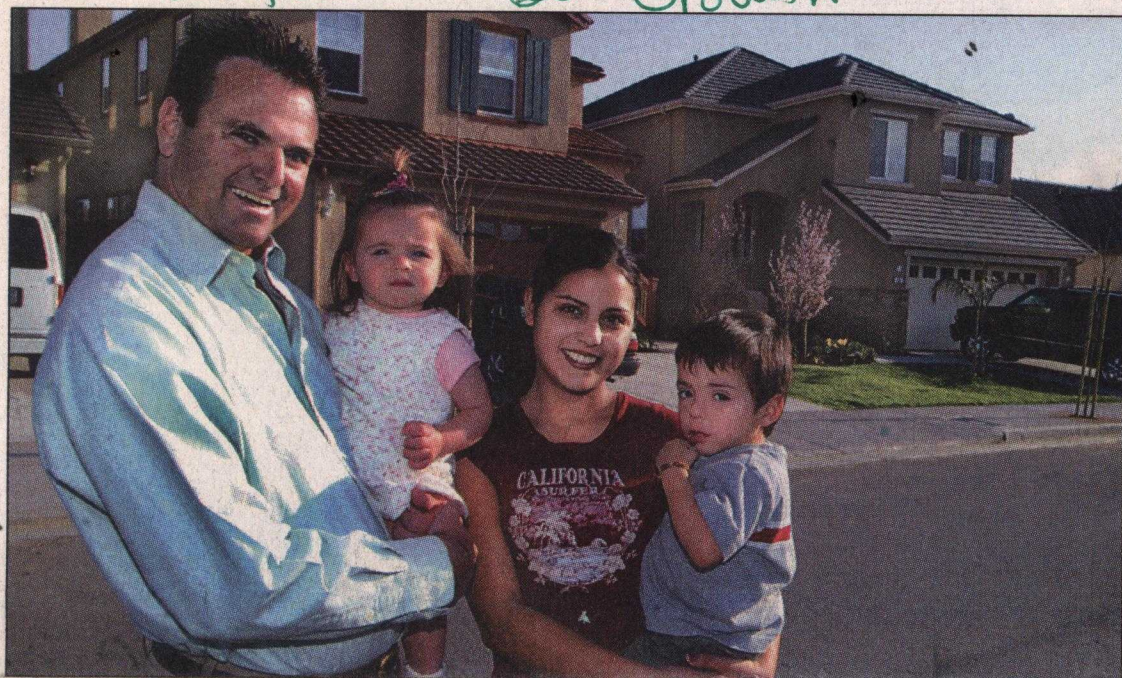
Growth unites North, South County cultures

Watsonville - 2000 Growth

3-7-04

Growing pains felt by city leaders

By **DONNA JONES**
SENTINEL STAFF WRITER



John O'Donnell, with daughter Ana-Maria, and Rocio Hernandez, with son George Anthony, are new neighbors in the Bay Breeze housing development in Watsonville.

UNLIKELY NEIGHBORS SHARE PURSUIT OF SUBURBAN DREAM

Watsonville is poised to become the largest city in Santa Cruz County. In less than a decade, almost 900 new homes will be filled with more than 3,000 residents.

While city officials struggle to keep pace with demand for services and make smart development choices, new residents from across the region are forging a community that blends the progressive nature of Santa Cruz with Watsonville's rural traditions.

By **HEATHER BOERNER**
and **DONNA JONES**
SENTINEL STAFF WRITERS

WATSONVILLE — Rocio Hernandez is a hometown girl. She grew up in the Freedom area and attended schools in Watsonville. She works as a receptionist off Green Valley Road, and everywhere she goes in town, she runs into people she knows.

At 22, Hernandez said Watsonville is where she wants to grow old. But until last year, she wasn't sure she could afford to stay.

John O'Donnell, 38, is a real estate agent who loves sushi and never thought he'd live south of Capitola. He would move back to Santa Cruz tomorrow if he could, but instead finds himself, somewhat surprised, living in Watsonville with his pregnant wife and their child, just doors from Hernandez.

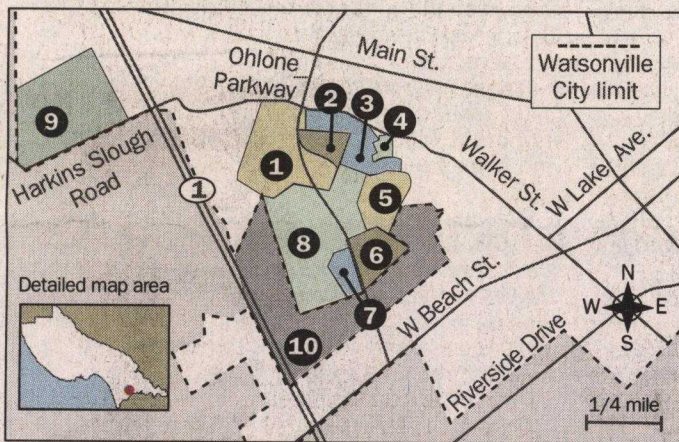
Across the street from the new neighborhood of Hernandez and O'Donnell, there's Tom and Geraldyn Speziale. Her family has owned two acres on the corner of Harkins Slough Road and Ohlone Parkway since the 1930s.

When the Speziales bought the home from her parents 10 years ago, little around them had changed since her childhood: Cattle still grazed on the land where the Target store and the rest of the Overlook Shopping Center now sit, owls and hawks ruled the skies, raccoons and skunks came to visit and their sons — now in

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NEW AND PENDING DEVELOPMENT

Home construction, along with industrial development and two new schools, is creating a mini-boom in Watsonville.



- 1 Bay Breeze:** 114 single-family homes; completed 2004.
- 2 Landmark Elementary School:** Under construction and scheduled to open August 2004 with 600 students.
- 3 Sunset Cove:** 111 single-family homes; completed 2001.
- 4 Hacienda Walk:** 33 townhouses; construction to begin this spring.
- 5** Two parcels zoned for industrial use.
- 6 Las Brisas:** 129-unit housing subdivision; approved by City Council Feb. 24, construction to begin this year.
- 7 Stone Creek Apartments:** 120-unit development; completed late '90s.
- 8 Sea View Ranch:** 351-unit housing subdivision; completion expected spring 2005.
- 9 Pajaro Valley High School:** Scheduled to open January 2005 with 1,200 students and grow to 2,200 students.
- 10 Manabe/Burgstrom property:** City hopes to annex land by the end of 2004 for industrial development.

Source: City of Watsonville, Pajaro Valley Unified School District.

JoAnn Kolonick/Sentinel graphic

✓ **WATSONVILLE** — A year ago, Ohlone Parkway ended a half block past the entrance to the Target store and the Overlook Shopping Center. Now it pushes a half-mile farther, running past hundreds of homes either newly built or under construction.

There are also freshly paved sidewalks and a new public trail that meanders along Watsonville and Struve sloughs.

The new roads and walkways, as well the new parks, storm drains and other infrastructure that underlie the city's several new neighborhoods, are paid for by housing developers.

But some worry that the funding and the infrastructure it supports won't be enough to provide for the more than 3,000 new residents expected to live in the area — once construction of all approved projects is complete in a couple of years — not to mention the city's 47,000 existing residents.

Critics are concerned about the city's ongoing responsibility for maintaining parks and roads and providing city services. The statewide trend is for budget cuts, not increases, and unless this changes, financing for police, fire, libraries and recreational programs could be spread thin as the new residents arrive.

"I'm worried in 10 years, we're going to wind up broke, in a traffic jam, without water," said Dennis Osmer, former mayor and now a county planning commissioner.

City Manager Carlos Palacios said the city, by attracting new businesses, will generate additional tax revenues that will offset the cost of new services.

He ticked off a list of projects, either under construction or recently approved by city officials, including Home Depot and Ross stores, and the expansion of Granite Rock and Annieglass on the west side. The city also plans to annex 94 acres on its western edge for light industrial development during the next 20 years.

Still, Palacios and other officials agree keeping service levels up amid the new development will be challenging in coming years, especially as the state attempts to get its fiscal house in order. The

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■ Who's moving to Watsonville: A survey of residents.
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■ How city leaders have made housing more affordable.
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■ Local industries feel threatened by home growth.
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■ View from above: Photos of Watsonville's new development.
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Old industries feel threatened by new homes

By **HEATHER BOERNER**
SENTINEL STAFF WRITER

WATSONVILLE — As new housing rolls out along the city's western edge, it's hitting up against the concrete walls and the grinding machinery of Watsonville's industrial sector.

And industry leaders are scared their machinery will grind to a halt as neighbors move into the new homes and complain about the noise, dust, glare and vibration that some of these businesses emit.

"We will not be a desirable neighbor," said Sheridan Post, president of Santa Cruz Engineering, a company that moves heavy equipment for paving, grading and burying electric lines underground. The company is adjacent to land that will be developed as the Las Brisas neighborhood.

And there is an irony in this situation, Post and those at nearby Graniterock are quick to point out. "(The city of Watsonville) encouraged us to locate here four years ago with tax incentives," Post said. "Now they're trying to force us out."

The city's apparent change of heart has created something of a hopscotch effect in the area's zoning.

Most of the roughly 150 acres of land west of Ohlone Parkway was once zoned industrial and was mostly vacant. But the push for housing grew stronger in the city and much of the land between Struve and Watsonville sloughs south of Main Street was rezoned for housing. Now housing subdivisions are moving to within a few hundred feet of Graniterock's cement plant.

Post fears a domino effect: That one by one, the last two remaining industrial parcels will be developed into housing until his business is surrounded by homes.

In addition, the city plans to annex 94 more acres of land from the county for an industrial park. That land, called the Manabe/Burgstrom property, will wrap around two of the subdivisions, Las Brisas and Sea View Ranch, as well as the Stone Creek Apartments.

City leaders admit that making decisions about land use during the area's rapid growth has been difficult.

"There's a tension there because we're growing so fast," said Councilwoman Ana Ventura Phares, whose district covers the new neighborhoods. "It's the same as

the tension between housing and farmland."

On Watsonville's western front, where most of the new development is occurring, farming has not been the issue it's been in other areas of the city.

The tension over land use is far from evaporating. Mayor Judy Doering-Nielson, for instance, doesn't want the two vacant parcels that are zoned industrial across Ohlone Parkway to be switched to housing. But she isn't sure industry will sit well against the backdrop of housing, either.

"How this is all going to play out, I don't know," she said. "But I believe that we are lopsided right now in terms of having a healthy ratio of housing and jobs. We have a need for housing, but we also have to focus on being business-friendly."

Statistics bear that out. A job-housing forecast by the Association of Monterey Bay Area Governments stated that, in 2000, Watsonville had six jobs for every 10 people. By 2020, it's expected to be closer to five jobs for every 10 people.

By comparison, in 2000, Santa Cruz had more than eight jobs per 10 people and in 2020 is expected to

have almost as many jobs as people.

The most recently-approved housing project, Las Brisas, consists of 93 houses and 35 townhouses. Those houses will sit next to Santa Cruz Engineering and within a few hundred feet of Graniterock, where pulverizing and work on granite takes place 24 hours a day.

"We work in five counties, and in every situation where residential is permitted next to industrial, we get complaints and people want us to leave," said Chris Mann of Graniterock. "We believe the city wants business to locate and expand here, but we also believe that the city is trying to fit housing into a place where it's not supposed to be."

Mann says simply that housing should not be built next to industry, as is the case at Graniterock and Santa Cruz Engineering.

"That doesn't send us the message that they want us here," he said.

The Las Brisas development was approved by the council Feb. 24, with certain conditions to alleviate the companies' concerns. Among other things, developer Western Pacific has agreed to install 8-foot sound walls on the

eastern and northeastern perimeters of the development as well as along Ohlone Parkway, and in-house ventilation systems so that homeowners don't have to open windows that face the industrial plants.

Now that the project is approved, Mann said Graniterock can only wait and see how the development will affect its business. While Graniterock would have preferred that no housing went on the site, Mann said the council put in place every mitigating rule it could to protect them.

Craig Champion of Western Pacific said all homeowners will have to sign a disclosure statement that informs them that Santa Cruz Engineering and Graniterock have the right to continue operating there.

"As long as those businesses are in operation, we'll attach the statement to the title, and every homeowner will know," Champion said. "In my mind, this is an education process. As long as people are aware of the issues, they can make an educated choice about whether to buy a home there."

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Neighbors

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their 20s — had acres of open fields to roam.

But the intersection in front of their property, which marks the entry way to more than 850 new or planned homes and apartments on Watsonville's western edge, has become an intersection of another kind.

This fast-growing community in the county's rapidly-expanding city has become a nexus of personalities, races and cultures. It's become a place where Santa Cruzans meld with lifelong Watsonville residents, where young families of different races and ages meet for their children to play together and where people around the region have found a home they can afford.

"I thought I'd hate every single thing (about the new development)," Tom Speziale said. "But I love sitting in my garage and watching all the people walk by here, all the families."

New neighborhood

Among those families are the Hernandezes and O'Donnells — who live in the Bay Breeze development. They came here for different reasons, but like many others, they are first-time home buyers.

While both Hernandez and O'Donnell, like many others in the neighborhood, are first-time home buyers, others have traded up. The homes left behind, for either resale or rent, by those moving to Watsonville's new developments are changing the demographic of the city's older neighborhoods, as well.

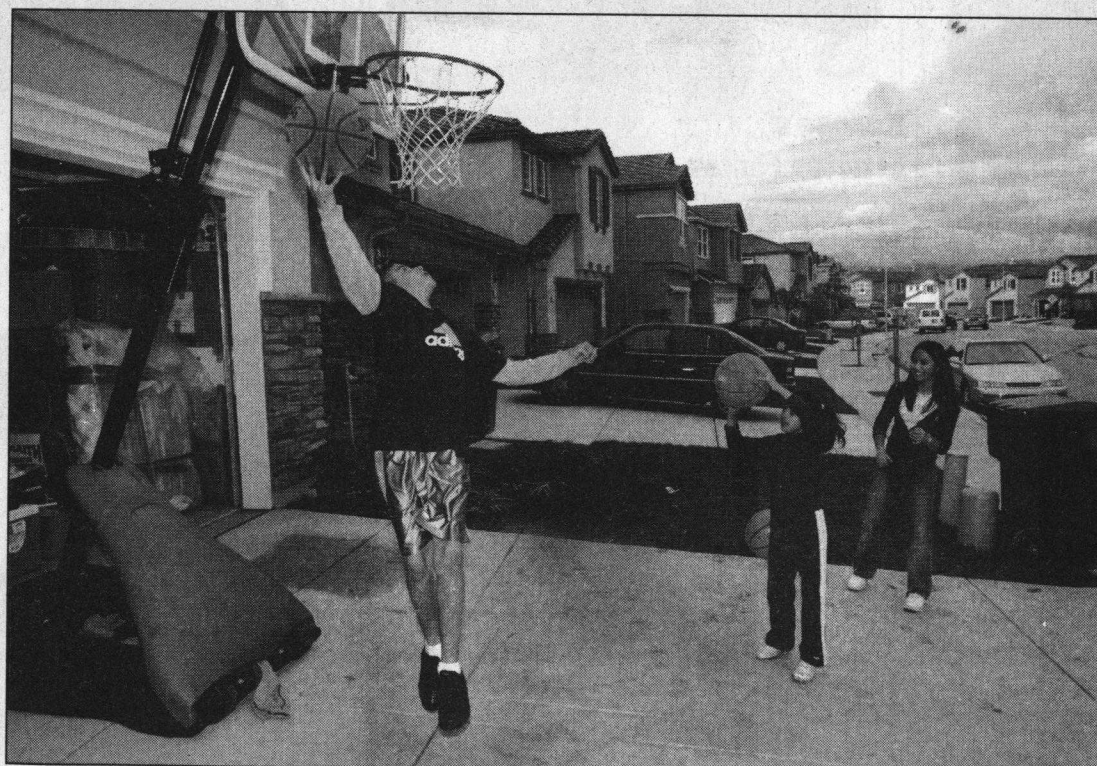
Often, it's Santa Cruz residents who are snatching up the older homes, real estate agents say. It's a trend they started noticing more than four years ago.

"What happened is that homes are still expensive in Watsonville, but they're underpriced for Santa Cruz," said Brenda Wood of Kane-Hall-Palmtag Realty. "I've found that, at first, a lot of Santa Cruz buyers were scared to buy in Watsonville, having heard stories about gangs. But they buy here, and they love it."

Still, some of the new home buyers from outside the city say they're just trying to gain a foothold in the county's high-priced housing market.

O'Donnell plans to stay in Watsonville long enough to build up equity and then sell the home and buy in Santa Cruz. Now that his wife is expecting their second child, he said he expects they'll stay a little longer than they originally thought, perhaps up to five years.

But not every former Santa



Bill Lovejoy/Sentinel

Kids hoop it up in the Bay Breeze development in Watsonville.

like O'Donnell, a self-described suburbanite.

"Watsonville is becoming a bedroom community for the rest of the county in some ways," said local historian Sandy Lydon. "What that means, particularly for issues

passed, family members knew it was a friend since there wasn't anybody else around. If Tom Speziale was working outside, he'd often wave without lifting his head.

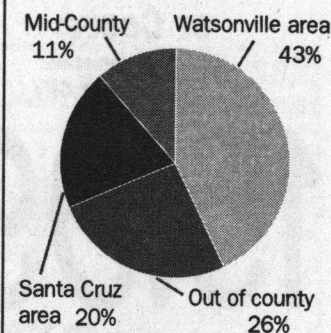
Now it's the residents of Bay

Osmer, like former Mayor Oscar Rios, says that the most important political force in Watsonville is likely to continue to be the large Latino population. And, that population is likely to grow as the city does.

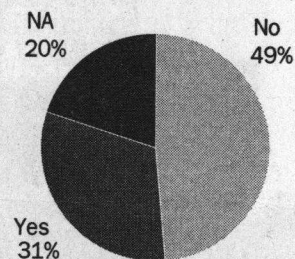
Meet the neighbors

A sample of residents moving into Watsonville's new housing developments was informally surveyed by Sentinel staff. Data was collected from 35 homes at Bay Breeze and Sea View Ranch subdivisions.

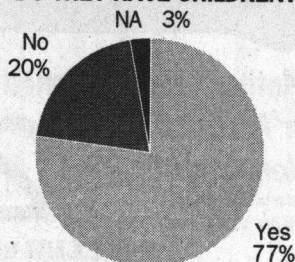
WHERE THEY CAME FROM



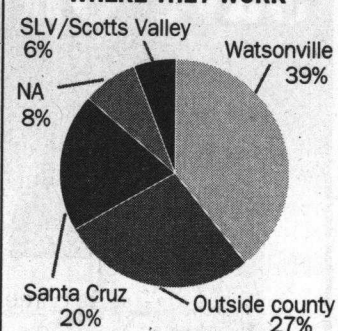
FIRST-TIME HOME BUYER?



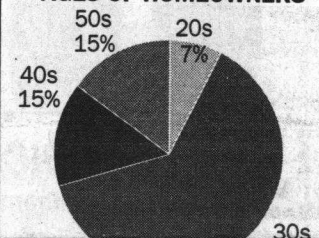
DO THEY HAVE CHILDREN?



WHERE THEY WORK



AGES OF HOMEOWNERS



others who live in their neighborhood and in Sea View Ranch, the development next door.

Hernandez's husband, a self-employed construction worker, was the first to inquire about the new neighborhood. He and Rocio, looking to buy their first home, had almost given up on finding one they could afford.

"We were thinking about moving out of state," Rocio Hernandez said. "That was a big decision just to consider — a last resort."

Hernandez, who described herself as more of a "town girl than a city person," said though she sometimes enjoys going to San Jose for a night of dancing, she prefers the slower pace of Watsonville. This is where she wants to raise her 3-year-old son, George Anthony.

More than that, moving out of the area would have meant leaving behind everyone and everything she loves: family, friends and the place she considers home.

"I feel I belong here," Hernandez said.

On the other hand, the real estate market drove O'Donnell's decision to move to Watsonville.

"If you picked our house up and put it in Santa Cruz, it would be an \$850,000 house," he said. "Here I can get it for \$500,000 or less. Do the math. A lot of us would have liked to have bought in Santa Cruz, or were renters in Santa Cruz, and found ourselves here."

Cruzan intends to leave.

Michael Rindt makes the commute up to UC Santa Cruz every day from his new home, and his wife commutes south to the Steinbeck Center in Salinas. They love their home, midway between their workplaces, with its sidewalk marked with pink sidewalk chalk, the work of their child. The new home is a welcome change after cramped living in Santa Cruz.

"We were living in a one-bedroom apartment on Beach Hill (in Santa Cruz) with one child, and we wanted to have more kids," Rindt said. "One of the big changes is that Santa Cruz is such a transient area. It doesn't have as much of a neighborhood feel. Here, there are a lot of couples our age — 20s and 30s — with kids."

A sample of 35 new Watsonville households informally surveyed by the Sentinel suggests that 63 percent of new homeowners are in their 30s and that more than three of every four households have at least one child.

Rindt is still making the adjustment to life in Watsonville, since his friends and much of his social life revolve around people in Santa Cruz. But he expects that to change as he settles into South County.

Watsonville, primarily a farming town for most of its 136-year history, is likely to go through some cultural and political shifts as it accommodates newcomers

like (agriculture), is people moving to Watsonville with less familiarity and less exposure to (the city)."

Lydon said a recent flap over muddy streets near the Home Depot construction site on Green Valley Road illustrates the change in attitudes. The store is controversial and residents probably had more on their minds than just dirty streets when they complained about the mud left behind by construction crews, he said. Still, it's surprising that mud would surface as an issue in a down-to-earth town whose economy depends largely on agriculture, Lydon said, drawing on his own experience growing up in the nearby farming community of Hollister.

"Mud was really tied to what made the community go," he said. "The fact that the culture is shifting manifests itself in very weird places."

Cultural shift

The Speziales are trying to figure out how they fit into the changing landscape. When moving vans began arriving at Bay Breeze in the fall, they thought they might welcome a horde of trick-or-treaters for the first time. But on Halloween, only one costumed visitor stopped by.

And they've noticed something else. Before the new houses were built, whenever a car honked as it

like (agriculture), is people moving to Watsonville with less familiarity and less exposure to (the city)."

Some people say they were worried at first that the influx of Santa Cruzans would change the traditional politics of Watsonville to the progressive politics of the city to its north.

In comparison with their northern counterparts, Watsonville politicians generally have been more concerned with housing and job creation than environmental protection. Watsonville leaders have been frustrated at times by North County politics, which favor lower growth rates.

"Growth has to go elsewhere, too," said Mayor Judy Doering-Nielson. "Watsonville has done its fair share, more than its fair share."

Dennis Osmer, a lifetime Watsonville resident, county planning commissioner and former mayor, joked that any influence of Santa Cruz's polemic politics would probably mellow out quickly in Watsonville.

"Even if you get a large number of progressives settling in Watsonville, they'll become more tolerant of different ideas over time," he said with a chuckle. "There's an assimilation factor. But it does make for some strange neighborhoods."

Watsonville is 75 percent Latino, according to the U.S. Census Bureau. And Latinos are expected to remain one of the fastest growing segments of the county's population through 2020, according to the state Department of Finance.

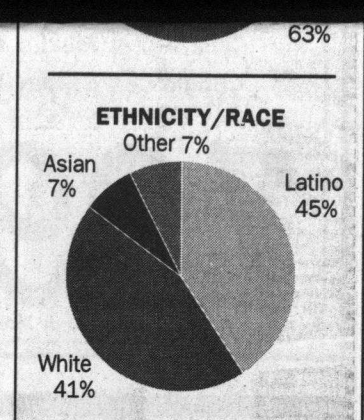
A recent report from the regional Association for Monterey Bay Area Governments projects that Watsonville will surpass Santa Cruz in population by 2020. Watsonville's population is about 47,000, while Santa Cruz's is close to 55,000, according to census data from July 2002.

Rios said he thinks the influx of Santa Cruzans, and especially the influx of people who can afford to buy, will have some real benefits, particularly for Watsonville's businesses.

"I was worried at first," Rios said. "But I don't think it will be this whole wave of people coming from Santa Cruz. Sure, some people will come from Santa Cruz, and I'm sure Watsonville's composition will change some. But I think it will change for the better."

"What's most surprising to me is the number of Latinos moving in. It's amazing to see people who never imagined they'd be able to get into a home buying one. It's like the American dream is happening in Watsonville."

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JoAnn Kolonick/Sentinel graphic

Home buying made easy

Watsonville has a number of housing programs designed to make newly constructed homes available to city residents.

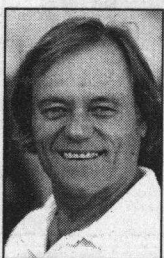
■ First-time home buyers' assistance and down-payment assistance programs: The city's Redevelopment and Housing Department offers 'silent second' mortgages to assist lower income households buy homes in the city. Participants can borrow up to \$90,000 without having to repay the loan for up to 45 years. Instead of interest, the city is entitled to some of the home's appreciation when the owner sells. The programs give priority to people who both live and work in the city as well as to first-time home buyers.

■ Housing lotteries: The city has asked developers in Vista Montaña and Sea View Ranch developments to run lotteries for their required affordable houses that provide more chances to win for people who already live and work in the city. Though the houses are full, the city also asked Bay Breeze developers to hold a lottery there as well. There will also be a housing lottery at Las Brisas. Those who win the lottery are still eligible for the city's first-time home buyers' assistance programs, but because their homes cost less, they are only allowed to borrow up to \$30,000.

■ Farmworker first-time home buyer grants: Grants of up to \$30,000 are provided for farmworkers in Watsonville. The grants are not charged interest and will be forgiven if the owners live in the homes for more than 20 years.

For more information, call the Redevelopment and Housing Department at 728-6014 or visit www.ci.watsonville.ca.us/departments/hedd/rhddepartment2.html.

WHY WE'RE IN WATSONVILLE



"(Watsonville) is centrally located in the middle of all three counties. The food prices are better. The real estate prices are phenomenal. It's right off the freeway, a great neighborhood, great police protection and a pretty good City Council. ... Watsonville's doing a great

job protecting the slough. I'm a waterfowl specialist, and I enjoy studying the birds. ... I'm going to build my family here."

NAME: Clifton H. Volstorff Jr.

AGE: 50.

HOUSEHOLD: Wife Kimmy, 41; daughter Cheyenne, 3, son Max William Kai, born Feb. 28.

MOVED FROM: Capitola.

OCCUPATION: District sales manager, Elyxir Distributing, LLC., Watsonville.



"I was born and raised here. It's close to the beach. It's close to the mountains. It's close to Santa Cruz and close to Monterey. From here you can pretty much go anywhere. Two hours more, you're in San Francisco."

NAME: Victor Velez

AGE: 43

HOUSEHOLD: Wife Nancy Velez; children Courtney, 17, Brittny, 14 and Jacob, 10.

MOVED FROM: Just east of Watsonville city limits on Highway 129.

OCCUPATION: Parks employee, City of Watsonville.



"We moved here because we could afford a house twice the size of our Santa Cruz house. But it's also beautiful out here. The mountains are beautiful and green right now. I don't think most people see that. They don't go any farther than Target. And it's very family-oriented."

NAME: Stephanie Barnes.

AGE: 36.

HOUSEHOLD: Husband Michael Barnes, 36; children Jasper, 5, and Lucas, 15 months.

MOVED FROM: Santa Cruz.

OCCUPATION: Teacher, Bradley Elementary School in Corralitos.



"We moved here because my family lives here. We know the town, and it's a familiar place. And it's easy to get to Monterey and Santa Cruz."

NAME: Imma Krishna.

AGE: 40.

HOUSEHOLD: Husband David Krishna, 43; children

Fabian, 18, Brian, 11, and Christopher, 3.

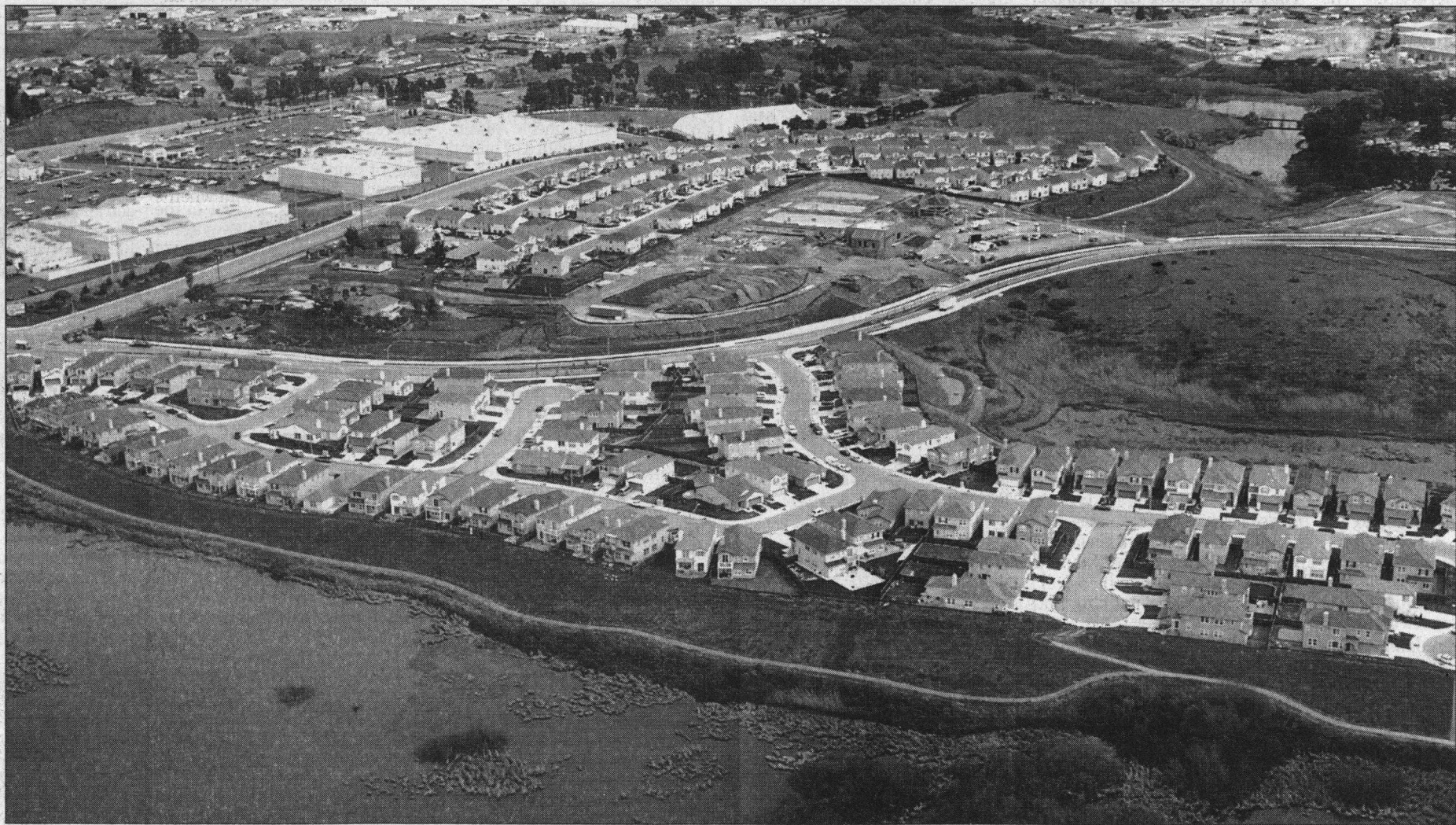
MOVED FROM: Salinas.

OCCUPATION: Receptionist.

WATSONVILLE FROM THE AIR

Photos by Bill Lovejoy *Sentinel staff photographer*

Watsonville's landscape has changed, not just culturally, but physically. Vacant parcels once zoned for light industry have given rise to housing developments with more subdivisions on the way. Aerial photographs reveal the scale of development on the city's western edge.



The Bay Breeze housing development runs along Struve Slough and Ohlone Parkway. Target is visible in the upper left corner.





ABOVE: Sea View Ranch is being developed near Target.

LEFT: Sea View Ranch and Stone Creek Apartments run along Ohlone Parkway.



ABOVE: Landmark Elementary School is under construction behind Sunset Cove development and Target.

RIGHT: Bay Breeze, in the foreground, and Sea View Ranch border Strove Slough.



Growth

Continued from Page A1

city, for example, lost \$600,000 — from an annual operating budget of \$28 million — when Gov. Arnold Schwarzenegger repealed a hike in the state vehicle license fee last year. Despite talk of backfilling the loss, that hasn't happened. And there are proposals in Sacramento to cut other funds for cities, too.

"That's the wild card, the state govern-

ment," Palacios said. "They're sort of unpredictably taking money away from us."

Palacios also conceded that traffic will increase but said development alone isn't driving the problem.

"There's also a lack of an effective public transportation system," he said, adding that's an issue Watsonville and Santa Cruz County shares with the rest of the state.

Road improvements aimed at easing gridlock are in the works but won't happen anytime soon.

Harkins Slough Road, which parallels

heavily trafficked Main Street and provides an alternate route between Green Valley Road and downtown, is flooded in two places for a good part of the year. The fix — the \$10 million construction of a pair of bridges across Watsonville and Struve sloughs — is at least a year away.

A project to upgrade a Harkins Slough Road overpass to improve access to Highway 1 will take even longer. The Regional Transportation Commission earmarked \$5.6 million in state funding for the project in 1998, but the money won't be available for at least another two to three years,

thanks in part to the state budget crisis.

Water remains a concern, too.

Watsonville pumps its water from underground supplies that are tapped by other users as well. The problem: More water is being taken out of the shared groundwater basin than is naturally flowing in. The Pajaro Valley Water Management Agency, in an effort to address the disparity, is implementing a long-range plan that includes a water recycling plant and building a pipeline to import water from the Central Valley. The projects have the flexibility to add

capacity to meet growth projections, according to Charlie McNiesh, the agency's general manager.

McNiesh said water supplies will keep up with expected demand, if — and he stressed the two-letter word — the projects get completed.

"We've made a lot of progress," he said, "but there's an incredible number of obstacles and difficulties to get past."

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