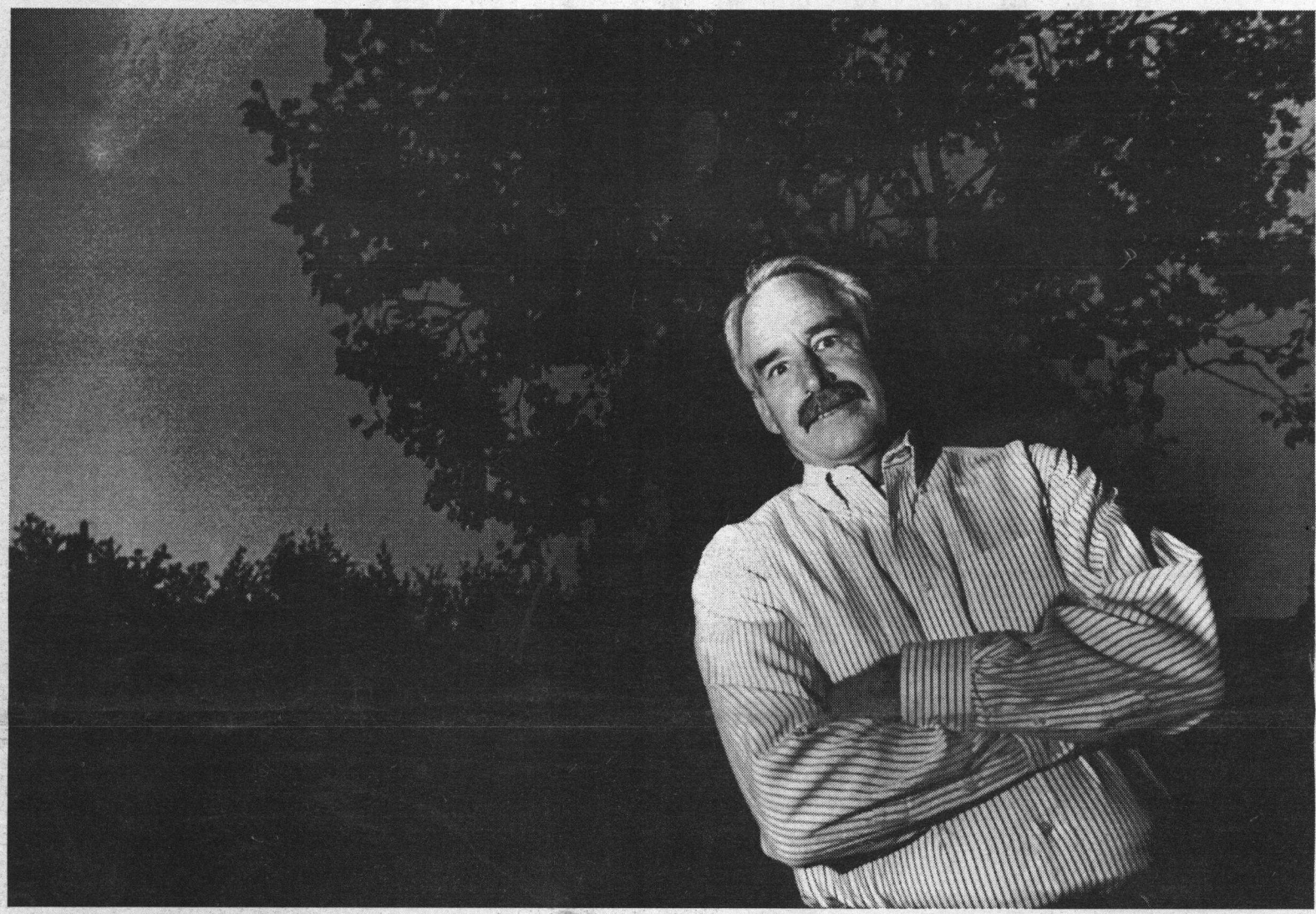


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BAY WINDOW

The news, issues and newsmakers affecting the people of Santa Cruz County Edited by Eric Johnson



Robert Schaefer

Routh-less People: Now a consultant for Redtree's development, former Capitola City Councilmember Mick Routh says, 'I think this is a good plan for Capitola.'

What's Old Is New

A kinder, gentler Redtree Properties is soft-selling its reworked major shopping center, but Capitolans don't seem to be buying it **By Kelly Luker**

IT WAS SUPPOSED TO BE JUST another "getting-to-know-you" kind of meeting. Architect Gary Garmann was ready to show off his new design for Redtree Properties' Bay Avenue development, while former Capitola city councilmember Mick Routh was there to field any softballs the invited neighbors of this proposed shopping center might lob.

Redtree's land-use consultant, John Swift, was holding down the outfield, scribbling notes as his team members warmed up. But 15 minutes into the presentation, it looked

like the gang should have suited up for hockey—angry accusations, constant interruptions and flaring tempers from the seven Capitola residents who attended forced the presenters to cut the meeting short.

"This is really unusual," Swift says in a later conversation, insisting I check out a couple more of the developers' neighborhood get-togethers. I agree to attend the next two meetings with folks invited from the other side of Capitola, the "north 40s," the streets running from 41st Avenue to Wharf Road.

One presentation was unfortunately sched-

uled during a Giants playoff game. Of 125 households invited, not one person showed up. The other was a little better. Out of 75 houses invited, five folks attended, and all said they liked the new plans for the shopping center.

"This is our typical reaction," Routh beams. He remains convinced that most everyone in Capitola wants to see a new shopping center.

"I suggested to [project manager] John Tremoulis that he make up a citywide mailer

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that would give [Capitola residents] a ballot," Routh says. "I'm sure it would blow the opposition out of the water."

A year ago this month, Redtree approached the Capitola City Council for an application to build a shopping center next to Nob Hill Foods on Bay Avenue. Following months of heated controversy about the size, scope and environmental impact of the project, Redtree's application was denied. Over the last year, the developers have been busy seeking community input for their new design, sending out newsletters to the local citizenry and happily discussing their plans with just about anyone who will listen.

Redtree Properties has learned a valuable lesson about being a kinder, gentler developer. The jury is still out on whether the company's project is similarly benign.

When residents of Capitola Village erupted in fury over its original plan, Redtree was stumped. It should have been a slam-dunk. In order to gain the best use out of the existing patchwork of parcels surrounding Nob Hill Foods, the developers came up with what they thought was a brilliant idea. In order to get the property that the Mid-County Senior Center now sits on, Redtree offered to foot the million-dollar price tag of constructing a bigger, better center.

Seniors would have a new building, Capitola residents would have new places to shop and the city coffers would reap the benefits of those sales-tax revenues—originally projected to be about \$180,000 a year. It was win-win-win.

Things were going swimmingly until word leaked out that mega-chain Borders Books might be an anchor tenant. Mobilized by independent bookstores like Capitola Book Cafe and Bookshop Santa Cruz—which had recently faced off with Super Crown Books downtown—neighbors and environmentalists started taking a closer look at the plans.

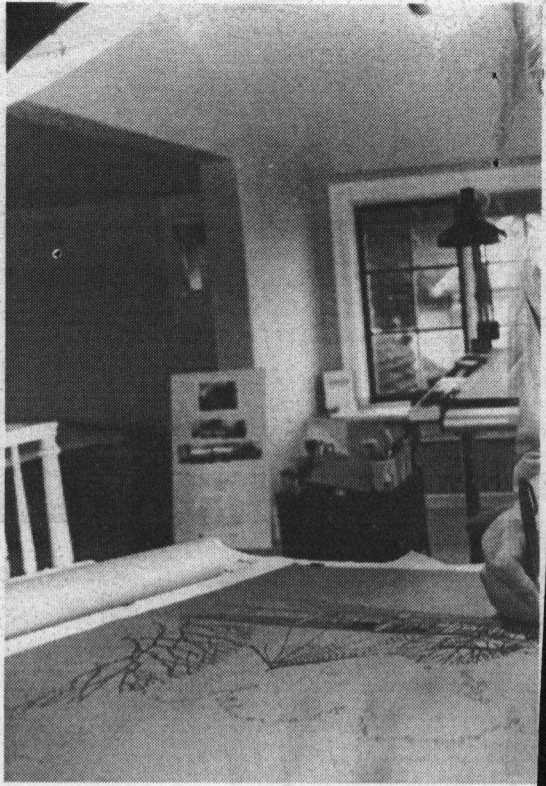
And then it really hit the fan.

Critics maintained that adding another 82,782 square feet of commercial retail space to a complex that now includes Nob Hill Foods, Longs Drugs and the County Office of Education would create a traffic nightmare on Bay Avenue stretching from the freeway to the Village. They derided the general design and architecture as the worst kind of strip mall/urban sprawl. Environmentalists pointed to the potential damage to the riparian corridor, the natural growth around Soquel Creek that the development would be bordering.

By the time representatives of Redtree put their proposal before Capitola City Council on Oct. 3, 1996, it was all over but the crying. Councilmembers denied the developers' application, telling them to stay away until they had a new plan and a new environmental impact report.

A year later, the former is slowly being unveiled at these small community meetings, while the latter is in its final weeks of revamping. But perhaps what has undergone the biggest transformation is the approach taken by Redtree Properties itself, which poured resources into some desperately needed image consulting.

It's not easy to sell a commercial development company—with at least \$20



million in property assets—as home-grown, earth-friendly neighbors. But you can't say Redtree isn't trying.

Lesson #1: Think Local

BEFORE THE BORDERS BOOKS brouhaha, the Santa Cruz-based Redtree was perceived as just another local commercial developer. Trying to combat its rapidly crumbling image as opposition mounted, Redtree got on the ball and made a couple of smart PR moves. It retained Donna Maurillo of Dynacomm Public Relations to create a flier about the beleaguered developer that was inserted in the Mid-County Senior Center newsletter and mailed to about 600 members. Redtree also set up a booth in front of Nob Hill Foods to answer questions about the proposed development.

Next, Redtree signed up former councilmember Routh, a hiring decision that raised more than a few eyebrows. Routh, who served on the council for 25 years, was one of the shopping center's strongest opponents.

Routh did not run in the November council race and soon after was hired by Redtree, according to its newsletter, "to help us improve our communication with our neighbors."

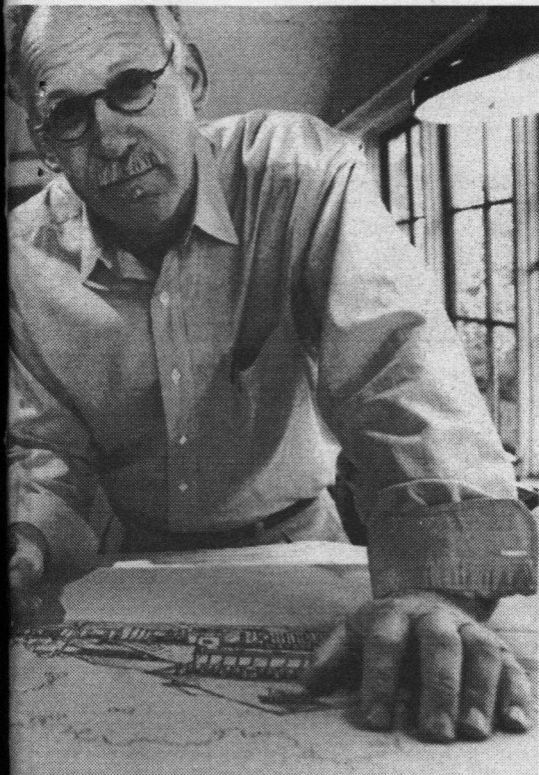
Barbara Graves, a Capitola activist and one of Redtree's most vocal opponents, questions this move.

"It's a national trend that civic leaders retire and become highly paid lobbyists, sometimes favoring issues they formerly opposed," Graves says. "These people say they're selling advice as consultants, but they're selling political influence."

Routh concedes that he has come a long way from being one of the development's harshest critics, but says he believes that Redtree is earnestly trying to come up with a plan that will work for his village. A personable guy who is respected by those who have known him, Routh says he made it clear that he would only work with Redtree if it could produce a plan he could support.

"I'm not going to sell my integrity," Routh says, adding later, "I think this is a good plan for Capitola."

The wisest move may have been bringing award-winning Santa Cruz ar-



Drawing Power: Architect Gary Garmann, who is responsible for Redtree Properties' new Bay Avenue design, believes that the new plans mitigate most of the environmental and aesthetic concerns.

chitect Gary Garmann on board. Garmann was in charge of incorporating more eco- and Village-friendly aesthetics into the shopping center. Even the development's strongest critics grudgingly admit that his design is a vast improvement over the previous one.

Sketches show a softer, folkier clutch of buildings with red-tiled roofs and faux eaves. Numerous walkways and outside decks take advantage of the views offered by the nearby creek and senior center gardens. And a face lift for the Nob Hill building—designed to integrate architecturally with the rest of the development—is planned, offering at least some cohesive appearance to this rather neglected chunk of real estate.

Lesson #2: Be Responsive

'NOT MANY DEVELOPERS would work this hard to get community input," says John Swift of Hamilton & Swift Land Use Consultants, hired to navigate Redtree through the planning and application process. He's probably right. Routh, Garmann and Swift say they have put together at least 30 meetings with Capitola residents and city officials in the last year, seeking feedback on what Village-dwellers like and don't like about the planned development. They say that the new plans mitigate every concern the opposition had.

Traffic impact? Redtree increased the office/retail ratio, thereby creating more office space and less retail. The net effect, it says, will be to stagger traffic patterns, since office dwellers are gone evenings and weekends while most people come to shop at those times. An official traffic impact report will be part of the future EIR.

The riparian corridor? The new plans show that the closest building is now 85 feet back from the creek.

Redtree Properties has also distrib-

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uted two issues of a newsletter called *Bay Avenue Update* to each household in Capitola. Printed on recycled, earth-toned paper, the newsletters tell about the community meetings, who Redtree Properties is and how it plans to mitigate the most controversial issues about the development.

Lesson #3: Tell the Truth

THIS IS WHERE both sides could use a little help, to put it kindly. To be sure, the opposition camp is responsible for disseminating a fair share of misinformation.

Opponents have branded Redtree a "corporation from Delaware," although it is actually a limited partnership located here in California that has filed its papers in Delaware, a common procedure for tax purposes.

In one public meeting, opponent Ted Cimos argued against Redtree's plans to help restore native vegetation in the riparian corridor, demanding that nothing be touched along the creek. In fact, a native restoration project had long since been decided for Soquel Creek by several environmental groups.

And Graves, more familiar with the new architectural design than any of the opposition, still insists on referring to Garmann's updated plans as a "strip mall," both verbally and in a newsletter recently distributed by the activist group WAVE. Yet the new plans don't even faintly resemble a strip mall.

To be fair, opponents have only limited means to get out information, while Redtree has the money to hire "consultants" and public relations firms and print a plethora of newsletters to divulge what can only be called selective information.

Redtree declines to reveal the identities of the 50 limited partners who own the company, citing privacy issues. Critics argue that for a project this large in a town as small as Capitola, impacted residents have a right to know exactly who will benefit.

"They're certainly within their legal rights," Graves says. "But I couldn't get an answer out of [Redtree President] Doug Ley on whether any of the partners are public officials or if they are publishers or owners of local media."

Despite their newfound openness, neither Ley nor Redtree project manager John Tremoulis would return phone calls for this article.

Redtree also likes to curry its image as "a small business," a phrase used in one of its newsletters. Although the term "small" is relative, some folks might question that definition for a company that owns more than 2,000 acres in this county assessed at \$14 million, another sprinkling of shopping centers and office plazas in Santa Clara County assessed at close to \$4 million and another office complex in Monterey, also valued at \$4 million. And, Routh adds, the business has "extensive" timber holdings throughout California.

Although it also favors the image of being community-responsive, the blitzkrieg of input-gathering by Redtree began only after heated opposition threatened—and eventually derailed—the developers' application for an architectural design that even Routh agrees was unsuitable for

Capitola. It may do well to remember that Redtree is the developer responsible for the Toys "R" Us and Circuit City development on Commercial Way, and the new Walgreens Drugs on Soquel Avenue.

Size Matters

THE MOST CONTROVERSIAL issue remains the size of the project. The strongest opposition to the new plan has been that although Redtree has reduced the "footprint" of the project (the amount of land it takes up) by incorporating more second-story office space, the overall size of the new development is only 3 percent smaller than the original plans.

At the October 1996 council meeting, then-Capitola vice mayor Bob Garcia (he is now mayor) said he would like to see the project about 20,000 to 25,000 square feet smaller. That number or its percentage equivalent—25 to 30 percent—has been used by opponents since then as an acceptable compromise. But Routh explains, "That was a number that Bob sort of grabbed onto, and it's been repeated over and over."

Well, not exactly.

"I did not draw that number out of the air," Mayor Garcia explains. "One of the alternative proposals in the environmental impact report listed a 20,000- to 25,000-square-foot smaller [project] as an alternative that would alleviate concerns."

"Why do you want it smaller?" Swift asks rhetorically, then answers: "to relieve the traffic impact." The new plans, insist the Redtree folks, will do that.

Opponents, who include the Sierra Club, say they will not endorse a new plan that considers a 1,631-square-foot reduction an answer to the problem.

Representatives of Redtree are also often quoted as saying that the majority of Capitola residents are in favor of this project or have no opinion at all. As part of his presentation to the community groups, Routh tells people that when he was on the council and voting down Redtree's application, he was unaware that more than 400 postcards in favor of the development had been sent to the City of Capitola.

Routh does not appear to find it important to mention that the postcards endorsing the new shopping center—already postage-paid and addressed to the city—were mailed to each household in Capitola by Redtree, ready to be dropped in the nearest mailbox.

Routh also does not mention that a fair number of those postcards were mailed to the city with angry comments scribbled over the pre-printed endorsement.

Both sides claim the majority opinion on this planned complex, and both sides have no problem lowering what should be a property issue into a personality war.

Mick Routh is branded a sellout, while Barbara Graves has been scapegoated as a troublemaker. Hurtful and unproductive, the personal attacks deflect from finding a real compromise—or the real story.

The draft of the new EIR—which includes an updated traffic impact report—will be available Oct. 20.

Final plans must be submitted to the Capitola's City Planning Commission by Dec. 1, and the issue is tentatively scheduled to be on the city council agenda on Jan. 26 of next year. 10