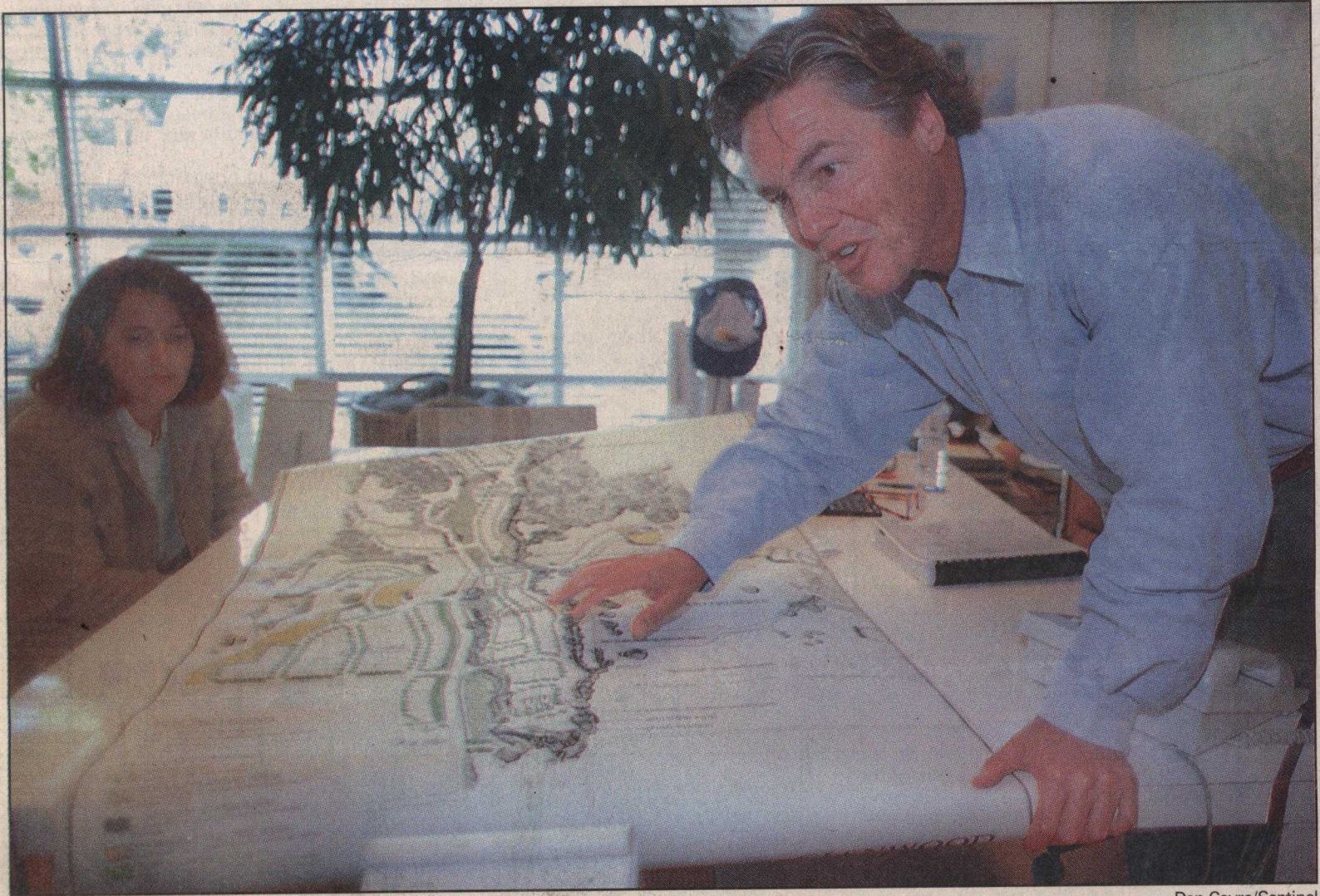


Building a reputation

Developer 'Chop' Keenan rarely lets anything stand in his way



Dan Coyro/Sentinel

By **DAN WHITE**
Sentinel staff writer

Scotts Valley - 1990
PALO ALTO

DEVELOPER Charles "Chop" Keenan draped a map of Glenwood Meadow over a desk in his airy Palo Alto office and studied it like it was a chess board.

The tanned ex-Marine wants to build 145 upscale homes on a 200-acre meadow on the northern fringe of Scotts Valley, an exceptionally divisive prospect that goes to the voters Tuesday.

But Keenan didn't seem the least bit nervous even though he has sunk more than \$2 million into the plan, including some \$200,000 campaigning against the citywide referendum to kill it.

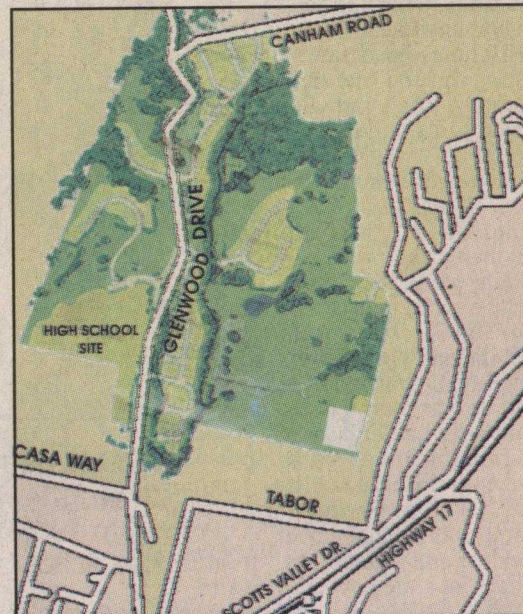
"I don't look at any of it as par-

ticularly daunting," said the 54-year-old developer, who played a big role in shaping Palo Alto's yupified downtown. "It's just a process."

If he really is that nonchalant, he's not typical of those involved in the Glenwood debate. The plan to subdivide the meadow and build \$400,000-plus homes has tested friendships in Scotts Valley, sparked talk of business boycotts and turned the community into a hotbed of civic activism on both sides of the issue.

But development is Keenan's job. He has faced strong opposition before and come out ahead, a fact that hasn't escaped project foes. Judging by Keenan's record, even a successful referendum isn't likely to leave the land undevel-

Please see **KEENAN** — PAGE A6



Developer "Chop" Keenan examines plans for his proposed Glenwood Meadow subdivision in his Palo Alto office. The controversial Scotts Valley project is shown in green at left.

Continued from Page A1

oped indefinitely.

Keenan — who refuses to explain his "Chop" nickname — has the air of someone who has been through it all before. He is, after all, the man who stubbornly started over after an oceanfront hotel he was building in Half Moon Bay was torched in 1996. Most everyone in the area believes the fire was set by project opponents.

"Some people, while not condoning arson, were glad to see the building go," said former Half Moon Bay Mayor Debbie Ruddock. "In general, the public response (to the hotel) was, 'Whoa, wait a minute here, this is much too big, and this replaces public views with private elite use.'"

Federal investigators ruled the spectacular fire was the result of arson but never made an arrest.

When the smoke cleared, Keenan came out on top, though. The hotel, overlooking Pillar Point Harbor and Half Moon Bay's signature coastline curve, was rebuilt and opened a scant month behind schedule. Insurance covered the \$2 million damage.

Revisiting the topic in his Palo Alto office, Keenan spoke about it matter-of-factly — but briefly.

"Terrorism is never comfortable," he said, noting that he was pleased "anarchy" had not won out.

But then he abruptly ended that discussion, saying, "I know what you're trying to do. You're trying to draw a comparison between Half Moon Bay and what's going on in Scotts Valley."

There are other comparisons. Land development is controversial, almost by definition.

A year later after the Half Moon Bay flare-up, his controversial seismic rehab and conversion of the popular Varsity Theater in Palo Alto fell from favor when it came out that the national Borders Books chain planned to occupy the building.

The anti-chain store forces put together 7,000 signatures against the conversion. But the project moved ahead. Borders moved in as planned and appears to be doing a booming business.

One relatively controversy-free Keenan project was his 1995 development of the Cinema 9 complex in downtown Santa Cruz, one of the hallmarks of the city's post-earthquake revival.

Ironically, it was a financial setback for Keenan Land Co., according to Keenan's partner in the venture, Jack Bariteau.



'Chop' Keenan's Beach House hotel in Half Moon Bay was torched by an arsonist while it was under construction — but he completed the project on time.

Dan Coyro/Sentinel photos

'This project will not go away. It's not a matter of waving a magic wand and having it be a pasture and save the day. That's not how it works in America.'

— 'Chop' Keenan

IV — grew up in Palo Alto. After studying business at Menlo College in nearby Atherton, he started out in the title insurance business but soon moved into the higher-risk, higher-return world of land development.

In the right place at the right time, Palo Alto of the early 1980s, he was one of the first to recognize the real estate boom that was to hit that university town. He bought large parcels downtown and helped turn the city into the upscale conclave it is today.

He owns 15 buildings in pricey downtown Palo Alto, two San Jose shopping centers, the America Online complex in Mountain View, and a hotel in Hermosa Beach as well as the one in Half Moon Bay.

He once owned 4,000 acres of timberland but has sold off all but 500 acres on Loma Prieta Mountain between San Jose and Santa Cruz. He

both praise and criticism for his direct, even blunt style.

Scotts Valley's community development director, Laura Kuhn, called his directness refreshing.

"He doesn't play games," she said. "He wants to get right down to business. And that made him very easy to work with."

To opponents, the same bluntness can be off-putting.

At a sparsely attended August 1998 public hearing, paid opposition consultant Jeff Ringold accused the developer of "charming his way through the process."

Keenan responded tersely, "This project will not go away. It's not a matter of waving a magic wand and having it be a pasture and save the day. That's not how it works in America."

At one point, Keenan responded to concerns that the development would jeopardize the iridescent green Ohlone tiger beetle, a potential candidate for the endangered species list.

After agreeing to set up a protective buffer for the beetle, Keenan remarked that "probably the most common bug in the world" was getting its very own park.

Keenan dismissed the notion that he ever tries to provoke, but admitted, "The idea of being wildly politi-

cally correct I find nauseating. The English language is fine."

Glenwood opponents are pushing the idea of state park bond money or other public funds to buy the Glenwood property and set it aside as open space for the beetles and everyone else.

While Keenan doesn't own the property, his staff says he is in the process of buying it from a Dutch bank for an undisclosed amount and the option of a public purchase is probably too expensive. The staff says the price would be at least \$10 million, a figure the opposition calls bloated.

Keenan's staff says that if he loses Tuesday, he will return with a scaled-back project of 80 to 100 homes. That would comply with the city's general plan and, therefore, essentially would be beyond the power of another referendum, like measures O and P on Tuesday's special-election ballot.

But at his desk, studying the map, Keenan said it wasn't time to say too much about what he would do if the voters block the current plan.

"Right now," he said, "we are very focused on educating the electorate in hopes that we carry the day."

"If we lose," he said like a chess player not wanting to telegraph his next move, "we'll assess our options and move forward."