



Dan Coyro/Sentinel

Developer Donald Orosco and project manager Geary Coats survey the proposed shopping center site.

Watsonville panel to discuss Target store

By MARIANNE BIASOTTI
Sentinel staff writer

WATSONVILLE — A Target discount department store and shopping center are once again being proposed, but this time developers are prepared for any opposition.

When DBO Development presents its plans to the city Planning Commission tonight for 27 acres bordering Main Street and Ramsay Park, it will also bring a study showing how the center will help the economy.

When developers first unveiled plans in July, several groups representing varied interests asked the city to oppose the center or delay a decision until it had more information.

Business groups said the center would compete with existing retailers. Environmentalists said it threatens the nearby slough. Housing advocates said low-income homes, not stores, should be built on land originally designated for high-density housing.

Developer says study backs shopping center near slough

Developers hope their findings, which revolve around a \$10,000 study of the center's retail impact, foster broader support for the project.

If approved by the council, the center's main stores would be Target (104,000 square feet), Safeway (52,720 square feet), the city's second Longs Drugs (20,400 square feet), a Staples office supply store (20,000 square feet) and a few smaller stores.

Other proposed businesses include a McDonald's restaurant, Hollywood video and a gas station.

Today developers will tell the planning commission that the center will catch business now leaving town, add new tax revenues and create 816 jobs. It's up to commissioners to make a

recommendation to the City Council.

The study by Keyser Marston Associates Inc. says the impact on existing business would be "minimal." Using figures reported to the state Board of Equalization, the study shows that the city loses about \$31 million a year in possible supermarket and restaurant sales, and \$104 million in sales of major consumer goods such as clothing and furniture.

"With that much retail leakage, that has our attention, and that has our tenants' attention, contrary to reports of gloom and doom from business closures," said developer Donald Orosco.

But some downtown business leaders think those figures, released Friday, have to be studied carefully before the city can make a decision.

"I'm not saying I'm not for it or against it," said Bill Hansen, owner of the downtown Gott-

Please see TARGET—A10

Target store proposed

Continued from Page A1

schalks building. "I want what's best for the community, not just what possible good and bad effects it could have."

"I've analyzed the numbers ... and what my numbers show me is that type of project goes into a community of 80,000," Hansen said. Watsonville, he added, has a population of 32,000.

While the study says the retail center will also attract consumers from outside the area, it also reveals the center will take business away from existing stores.

Safeway, which would be the largest supermarket in town, would absorb one-third of its business, or \$9 million, from existing city stores. Longs would get most of its business, \$4 million out of an estimated \$5.5 million, from existing city stores.

The center, however, purposefully offers few smaller retail spaces, Orosco said, to avoid conflict with

smaller-sized businesses downtown, and in nearby shopping centers.

Economic benefits to the city, the study points out, include jobs in a city where the unemployment rate will soar above 20 percent this winter during the non-harvest season, Orosco said.

The jobs also follow a possible loss of up to 700 frozen vegetable processing jobs, slated to be lost when the Norcal Crosetti plant closes in February.

The center also would pull in an estimated \$550,000 new net sales tax revenues to the city, and an additional \$340,000 a year in new local property taxes, most of which goes to local schools.

DBO Development also investigated concerns that the retail center would cover five acres of upper wetlands.

DBO called in the U.S. Army Corps of Engineers, which determined only half an acre could be called wetlands, not enough to halt

development on the parcel, Orosco said. A letter has been written to the city by the Army Corps, releasing it from liability should the project go through.

The initial opposition to the project came as a surprise to Orosco, who met with wetlands leader Jim Van Houten and agreed to move a proposed gas station farther from the slough's edge. He also offered to add a nature trail below the site to highlight the area's native plants and wildlife.

As for housing, Orosco said Watsonville provides more low-income housing than any other area in the county. City planners say road improvements made by the Target project would make it possible to build a housing project, including some low-cost units, west of Harkins Slough Road.

The Watsonville Planning Commission will consider the Target shopping center project at its meeting 7 p.m. tonight at City Hall, 250 Main St. in Watsonville.