Business-General 10/28/86

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won't survive

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WATSONVILLE - Many of the 29 businesses on the 200 block of Main Street will go out of business for good after redevelopment takes place, according to a city survey.

When business owners were first contacted about their plans in December, 1984, all but three of the 24 who were surveyed were planning to remain in operation after redevelopment occurs. Two of those had not responded to the survey; only one had responded negatively.

But that initial optimism soured when a second questionnaire was

770 Church St

City redevelopment survey shows

sent. Although only 11 businesses responded to the second survey, the results indicated that one-half either are not planning to remain in business, or are not sure if they can afford to remain in operation after redevelopment.

Another 33 percent indicated they have "unusual characteristics that would create problems with relocation." One business owner said, "I am 74 years of age. It would be impossible for me to start a business SANTA CRUZ PUBLIC LIBRARY

elsewhere. No one would be willing to establish a business for someone my age and it would be impossible for me to attain a loan at my age. My employees are also semi-retired and they would have to quit completely and probably go on supplemental income from the state if they were forced to retire, also.'

The survey was prepared by Connerly and Associates of Sacramento as part of the city's Business Relocation Plan, It will be discussed by the City Council, acting as the Redevelopment Agency, at 7 p.m. tonight at City Hall.

Not much is left of the city's 200 block of Main Street. Most of the businesses are either closed or preparing to close as the city moves ahead with its ambitious downtown redevelopment plan.

By this Saturday, the businesses on the south side of the block have been ordered to vacate their premises to make way for the linchpin in the downtown plan - a new Post Office.

In its heyday, the 200 block was a Please see Page A4

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hodgepodge of 29 businesses, including Daylite Market, a full-service grocery store; the Centre Theatre, a movie house; Discoteca Mexico, a record store; Anthony's Fish Market: Mity Nice Bakery; several bars and small restaurants and two auto stores. Goodyear Tire Supply and Freedom Tire Supply.

While some of those are still open, such as Goodyear Tire Supply, the majority have been forced to close or relocate.

In the survey, all of the responding owners - except the ones who have relocation plans - said they wanted to remain in business in the 200 block after redevelopment occurs.

But, the redeveloped downtown may be too expensive for them, the survey said.

'As explained by business owners ... the desire to remain in the downtown area is a result of their inability to pay higher rents in the outlying shopping centers and their dependency upon the patronage of downtown residents

"Unfortunately," the survey said, "it is likely that the redeveloped 200 block will have rents equally as high as the outlying areas, therefore, barring them from this opportunity, as well.

The majority of businesses on the 200 block paid between \$150 to \$800 a month in rent, although four paid over \$1,000 a month.

"It is highly doubtful that existing relocation opportunities will offer comparatively affordable rents," the survey said.

Before a successful business relocation plan can be implemented, seven major concerns of the business owners need to be addressed, said the survey. They include:

· Inability to afford relocation.

- · Desire to remain at present location because of dependence on clientele.
- · Lack of suitable relocation sites for their businesses.
- Appropriate assistance and payments from the city.
- · Misinformation and lack of information on when redevelopment is actually going to occur.
- · An inability to participate in the relocation process because of a language barrier;
- · Duration of time business will have to cease operating.

"In the grocery business, it's very difficult to close temporarily for any period of time and expect to maintain the same clientele," wrote one businessman (all answers are anonymous). "This is because people depend on you daily; if you are not open, they begin to shop elsewhere.

And another said, "The city had for a long time been talking to bring business in central Watsonville. Instead, they are driving out the businesses in the 200 block. Putting lots of people out of jobs. I have been in Watsonville a long time, and I have not seen any development.'

Some of the businesses have such heavy equipment they cannot relocate just anywhere. Tortilla-baking ovens, refrigerators, two-ton air lifts and air compressors are but a few of the special needs listed by business owners. The study suggests that city officials be "sensitive" to the effects redevelopment will have on the large downtown Hispanic population.

'It is essential that redevelopment activities are sensitive to this population's special characteristics to ensure that their needs are met," the study said.