

New Leaf to anchor revamped Aptos Village

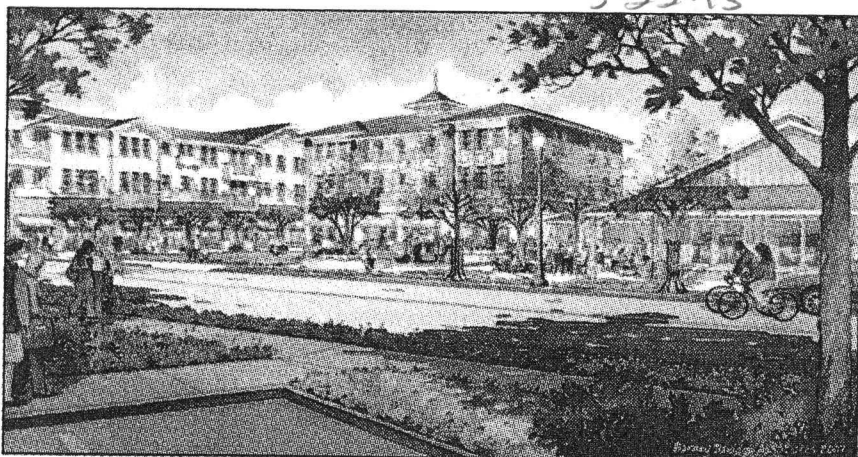
Natural foods grocer plans
17,500-square-foot
store in Apple Barn

By JONDI GUMZ

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APTOS — Barry Swenson Builder announced Wednesday it is finalizing agreements with New Leaf Community Markets for a new store in the revamped Aptos Village, a development approved by the county in September.

The 17,500-square-foot store would be in the Apple Barn being relocated for the Barry Swenson development, which contains 71,000 square feet



BARRY SWENSON BUILDER/CONTRIBUTED

An artist's rendering shows proposed buildings for the new Aptos Village, with the planned New Leaf Community Market at right. A groundbreaking date has not been set.

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of commercial space and 63 homes, mostly townhomes and apartments.

"I'm a grocery shopper and I love that idea — convenience for us is huge," said Aptos resident Adele Talmadge, who works with her husband in his construction business.

"We have been looking for some time to bring to Aptos what New Leaf is known for: Great food and a variety of local, healthy products," said Scott Roseman, founder and co-owner of New Leaf, which has seven stores in three counties and will open the eighth in Pleasanton this year.

One local business owner thinks the deal could spark an exodus from nearby Rancho Del Mar shopping center, where business tenants are paying higher rents after Safeway bought the 50-year-old shopping center a year ago.

"New Leaf would be the

perfect anchor tenant that would provide the draw," said Ace Hardware Rodney Hoffer, who has been fighting Safeway's proposal to expand its store and remodel the shopping center because it leaves him with nowhere to go during renovation. "After New Leaf has committed to going in, many smaller tenants will sign up."

Rancho Del Mar has about 27 tenants, about half of whom would move out for the remodel. At least three businesses are trying to relocate within the shopping center, according to Teresa Thomae of the Small Business Development Center at Cabrillo College.

Steven Allen, a commercial real estate broker in Aptos, is not sure New Leaf would create a domino effect.

He said Rancho Del Mar tenants are paying \$1.25 to \$1.50 per square foot triple net, and the projected lease rate for Aptos Village is in the high \$2, almost \$3, per square foot.

"I don't think it's a reality

they could pay double rent," he said.

Asking rates at Soquel Tower Place, a 14,670-square-foot shopping center under construction at 41st Avenue and Soquel Drive in Soquel, range from \$3 to \$3.50 per square foot. No leases have been announced.

"It's a beautiful building," Allen said. "It's just that businesses are struggling at the \$1.50 range."

Choices for Mid-County business tenants are few.

"There's nowhere to go unless they move to Watsonville or other parts of the county," Allen said.

At the Almar shopping center on Santa Cruz's Westside, where Safeway remodeled and expanded, rents are \$2.50 per square foot and up. Ace Hardware is there, but new tenants are chains such as Panda Express.

"We're negotiating with Yogurtland to go in there," Allen said.

He expects Barry Swenson Builder will reach out to national chains, noting

Aptos Village is listed with San Francisco brokerage Retail West.

"We need to find a balance," said Mary Gourlay, development project manager for Barry Swenson. "Having more of a local flavor will distinguish us."

She said Swenson is working with local broker Joe Appenrodt and his daughter, who works for Retail West.

Discussions are being scheduled with the county, the Regional Transportation Commission, and rail operator Iowa Pacific about upgrading the railroad crossing adjacent to the 11.5-acre Aptos Village development site. The upgrade was included in a county plan for Aptos before the rail line changed hands and is considered key to the development.

Without it, Gourlay said, "Something could be built, but would it be the plan that everyone dreamed of?"

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