

MERCHANTS BALK AT PROJECT PLANS



THOMAS MENDOZA — SANTA CRUZ SENTINEL

Shoppers exit Safeway in Scotts Valley on Friday. Merchants want to see another grocery store fill the vacancy when it moves to the Town Center.

Scotts Valley business owners concerned about what will replace Safeway

By Calvin Men

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SCOTTS VALLEY » Manthri Srinath supports the Town Center Project. Just not what might happen in its wake.

"What Safeway is intending to do as far as we can tell is to put in a nongrocery type store,"

said Srinath, who owns Coffee Cat next to the grocery store.

Property Development Centers, the expansion arm of Safeway, acquired the last of six land parcels after the Scotts Valley City Council unanimously voted to approve the parcel sale Sept. 24. The parcel was the final puzzle piece needed to move on to the next step for the Town Center project.

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The project, which has stalled and started for decades, gained traction in December 2012 after the city and Property Development Centers entered into an exclusive negotiating contract.

But with that progress comes a concern from neighboring businesses about the grocery giant's site on Mount Hermon Road: What will happen to the shopping center when Safeway leaves its current location and moves to the Town Center?

Srinath and a handful of merchants in the plaza said they are afraid of anything other than a grocery store coming in.

"Our main concern is that we should have another (grocery) anchor there," said Nehal Patel, one of several owners of the Baskin-Robbins in the plaza. "Something that would hold the complex alive."

Property Development Centers officials disagreed with the notion, with plans to sublease

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the space to a tenant who will thrive in Scotts Valley and benefit the community, said Tom Fitzpatrick, development manager for Property Development Centers.

"The Town Center project will increase walkability in the area by creating pedestrian-friendly connections that stitch together access to a variety of key community destinations, including Skypark, the community center, public library, transit center, the future Performing Arts Center and existing shopping destinations along Mount Hermon and Kings Village roads, including the Scotts Village Shopping Center," said Fitzpatrick said in an email. "Linking together these community destinations will help increase activity throughout Scotts Valley's central business district."

The merchant group said it believes grocery stores generate more foot traffic than other stores that anchor plazas.

"You go to a clothing store once a month," Srinath said. "You go to a grocery store once a day and that's the difference. A clothing store is not going to bring the masses of traffic and that's really the issue here."

Councilwoman Stephany Aguilar, before voting to approve the sale, raised the issue and said she was concerned about what not having a grocer would mean for the surrounding businesses. Safeway should relinquish the lease to the building after it moves over, she said.

"I just don't want any blight on the other side and we all know that markets bring in large volumes of food and auto traffic," she said. "Food. People always need food."

But Councilwoman Donna Lind said that a grocery anchor isn't necessary

to produce foot traffic.

"When I go grocery shopping, I go to the grocery store and then I head home because I have perishables," she said, adding that people she's talked with do the same.

City and Property Development Centers officials have talked of bringing in a store similar to T.J. Maxx, a discount clothing store, which they believe would bring a new demographic of shoppers to the city.

While the Town Center Project has been talked about for decades, Srinath and others didn't realize the implications until 2013 when serious talks began with Property Development Centers. The group started a petition asking the City Council to consider putting a specialty grocery store — listed as Trader Joe's, New Leaf or Whole Foods — in the space after Safeway leaves.

The chains wouldn't compete directly with Safeway, Srinath said.

"In the case of Whole Foods or New Leaf, they're going for specialty organic products, which is not what Safeway really does," he said. "They're in a slightly different market segment."

But city officials said that alternative grocery stores aren't likely candidates for the space.

"We met with stores like Trader Joe's and, as a matter of fact, made overtures to them," said councilman Randy Johnson. "And they weren't interested in Scotts Valley and probably even less so now that they've opened up a second store in Santa Cruz."

But he added that it's in the city's best interest and Property Development Centers' interest not to let businesses in Scotts Village fail.

"I think the fear is that you have a 35,000-square-foot building that's empty and that's not good for anybody," Johnson said. "It's something the city has looked closely at and is not going to let happen."