

Watsonville OKs Target development

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WATSONVILLE — A nearly unanimous vote by the City Council early Wednesday ushered in what will become Watsonville's largest shopping center, twice the size of the next-largest center in town.

The 272,000-square-foot center, which would include a Target discount store, a Staples office supply store, a Safeway and Longs Drugs store on the city's northwest side, increases the city's retail space by nearly 18 percent.

That worries many small business owners and chain store managers who will compete with stores at the Overlook Shopping Center. They told the council they fear that already lagging sales in the city will be slow further.

But after three hours of testimony, six of seven council members agreed with city staff and City Manager Steve Salomon, who made an uncharacteristic personal pitch for the project. Quoting from recent studies paid for by the city and the developer, Salomon said the Overlook center will create an estimated 600 new jobs — offered to Watsonville residents first — and bring an estimated \$563,000 in new sales tax revenues to the financially strapped city.

The center also will stimulate retail sales at existing businesses, Salomon said. Those same studies, however, project that it will probably cost 200 existing jobs and take away some \$17 million in sales from existing businesses.

City staff said the center also will make it possible to develop the rest of Watsonville's northwest side, the last large undeveloped area in the city.

Most of \$1.7 million in development fees to be paid

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by DBO Development is seen as the first step to building roads, bridges and other improvements the city requires developers to pay for before they can build there. Overall, the city says \$15 million is needed to make the area — which is hilly and includes some wetlands areas — accessible to increased traffic.

But according to a waiver approved by city staff, DBO Development will not have to pay a \$138,000 fee that would go toward building affordable housing in the city. That angered Councilman Todd McFarren, who said he'd support the project if that item was removed and discussed.

"If we waive the fee for them, there's no reason we shouldn't waive the fee for everyone. If we do that, what good is the ordinance?" McFarren said.

Actually, Salomon said, a motion was made to remove industry from paying that fee. He was not sure whether it included commercial developers. An alternative proposal is expected to be brought before the council at its Feb. 27 meeting.

Because reports show that the city's convenience food and drug stores have the most to lose when the

new center is built, the city has asked the developer to try to find alternatives to the proposed Safeway and Longs Drugs stores in the next three months.

"I don't know how successful they'll be — obviously they've tried that already," Salomon said.

The developer also agreed to provide office space at the center to retrain workers laid off this month from the Norcal Crosetti frozen food plant.

Councilman Dennis Osmer was the only dissenter on the project. Like many business owners in town, Osmer wanted to know what Targets sell that isn't already being sold in other city stores, like the 100,000-square-foot Kmart that opened less than three years ago.

Consultants told Osmer that variety is the big benefit — if someone wants a T-shirt for example, they'll have several brands and styles to choose from. And if without the center, shoppers are more likely to shop in other city stores.

"It increases your probability you're not wasting your time," said economist Richard Fabrikant.

Osmer wasn't convinced: "I guess I'm just not a very smart shopper — when I go in a Target it looks just like a Kmart to me."