

Boulder Creek Perks Up

Mary Barnett

Bill Gutzwiller doesn't hesitate a minute.

Asked how business is in the northern San Lorenzo Valley town of Boulder Creek, he exclaims, "Wonderful! Anybody looking to open a business in Santa Cruz County should investigate locating here."

Gutzwiller, a leader in the Boulder Creek Business Association, sounds like George Babbitt extolling the prospects of Zenith when he talks about the future of the little mountain town where he owns a jewelry shop called The Pinnacle Grouse. But Babbitt never looked much like Gutzwiller, a lean man with long hair and a graying beard, clad in well-worn jeans and a T-shirt. Gutzwiller refers to himself as an "aging hippie."

Business in Boulder Creek wonderful? How about all the gloom-and-doom pieces in the press about vacant storefronts and the general feeling that the old logging town, which has gone through several reincarnations, was on the skids for good?

All wrong, wrong, wrong, Gutzwiller says.

"One year ago we had 12 vacant stores in Boulder Creek, and practically every paper in the county kicked us in the butt," Gutzwiller allows. "But we're over the hump. I'm optimistic. I think that in the next two years Boulder Creek will become a wonderful place to own a business."

Gutzwiller has a ready interpretation for Boulder Creek's unfortunate and, he insists, purely temporary slump. It was all because Boulder Creek was going through one of its changes. For over 70 years a thriving timber town, Boulder Creek became a summer home site for the social cream of San Francisco and other Bay Area cities when the old-growth stands of redwoods were gone. In the late '60s, the mountain community became a counter-culture haven. But today, most of the hippies who remain have—like Gutzwiller—become respectable businesspersons. In the '70s a new influx started, of well-educated, well-paid young professionals from the Silicon Valley electronics industry who found homes could be had cheaper in the San Lorenzo Valley than in the Santa Clara Valley, with a bonus of trees that hadn't come recently from a nursery can.

"We were the classic community in transition," says Gutzwiller. "Right out of the social psychology textbooks. A year ago Boulder Creek was still in the transitional stage between a tourist town and a suburban community. Now it is going in a single direction—up."

He sees the change as good news for businesses with the wit and industry to change with the times.

"This community bears the brunt of the suburbanization of Santa Cruz County," Gutzwiller says. "As recently as five years ago most people here would have gone to the devil rather than to The Pit. [This is the accepted San Lorenzo Valley term for the silicon-chip capital of the world.] Now 65 percent of all commuters in Santa Cruz County have the San Lorenzo Valley as their point of origin."

This diagnosis of Boulder Creek's condition is confirmed by Terry Vierra, president of the Boulder Creek Business Association and owner of Boulder Creek Liquor. A clean-cut young businessman whose dark mustache was obviously more recently trimmed than Gutzwiller's, Vierra sees the situation much the same as his colleague.

"The business climate is fine," he assures those who bother to inquire. "One and a half years ago it was looking bleak, but you would be hard-pressed to find an empty building today. It's a changing area. There's such an influx of new people. It's becoming a bedroom community, and businesses have to adapt. There used to be a lot of arts-and-craft stores, and businesses to serve tourists. We want to develop businesses to serve local residents and commuters."

Vierra cites the area's "incredibly growing population," reflected in an expanding elementary school popu-



Bill Gutzwiller

lation that is causing Boulder Creek Elementary School to burst at the seams.

Both men emphasize the affluence of the new residents. The mean family income, says Gutzwiller, is \$34,700—a marked change in what used to be the poor area of Santa Cruz County, with a median family income of \$12,000. On the basis of parental education levels, the state Department of Education places San Lorenzo Valley in Class Eight, the very highest, which means that schools are ranked along with those in such socio-economic pinnacles as Beverly Hills, Palo Alto and Saratoga. They do very well, too, which leads to a still greater influx of young people who want their children to get a good education.

"All this is causing considerable change and dislocation," says Gutzwiller. "Making the necessary changes is difficult for a business. We had people eating beans and making candles. Now people are making chips and eating caviar." He pauses. "Well, anyway, chicken."

He points out that the community has three professional markets, all making money, and the real estate market is booming.

To help Boulder Creek cope with its new problem of catering to well-heeled residents, the community has received something known as a "Rural Renaissance" grant, financed by a state program to improve

the economies of rural areas.

The Boulder Creek project is just a small part of a Rural Economic Development Promotion Grant Program which is providing \$411,000 to improve the economic climate in Santa Cruz County. Boulder Creek has qualified for \$17,500. Jim De Alba, head of the Private Industry Council in Santa Cruz County, was given the job of supervising the Rural Renaissance grants in Santa Cruz County by the board of supervisors.

Of the Boulder Creek project, De Alba says, "They wanted to do something unique, on their own. So the grant was made to the business association. They've solicited bids from groups that do community analyses of this kind and they selected the Zephyr-Urban Management Consultants of Sacramento and San Jose for the project contract. They've done a number of similar studies, including the one for Old Town Sacramento."

The work involved three surveys: A resident survey was sent out to 1,000 residents in the Boulder Creek area to elicit various kinds of information and develop a direction for Boulder Creek, to increase its vitality. Another survey was directed to tourists, and was handed out at such places as Big Basin State Park. The third investigated problems of businesspersons and their intentions to expand or relocate.

"Through these surveys, we hope to get a good profile of what business is going to do, and a view of how the town can cater more to tourists and provide the goods and services needed," De Alba said before the surveys went out.

Results of the residents survey are now in. As expected, they show an educated, affluent and growing population. Most employed residents (61.52 percent) are professional, administrative, executive or white-collar workers. Average household income is \$34,733. The Boulder Creek-Brookdale trading area has a current population of 10,117 and population is projected to reach 16,100 in five years.

Boulder Creek has recently weathered the latest in a long string of crises during its up-and-down existence. Pacific Western Bank, which replaced oldtime County Bank in April of 1987, announced the Boulder Creek office just wasn't cutting it and was going to be closed. With their usual spirit, the Boulder Creek business and townspeople fought back and it now looks like they have won. Pending state approval, South San Francisco-based Liberty Bank is purchasing the Boulder Creek branch of Pacific Western Bank. A team effort involving Assemblyman Sam Farr is credited with the victory.

Pacific Western may be sorry. Affluent young professionals continue to snap up Boulder Creek and San Lorenzo Valley homes about as fast as they come on the market, and Gutzwiller continues to insist that anybody who doesn't try to cash in on the Boulder Creek population boom is missing a bet.

He has some specific suggestions. The area needs good bed-and-breakfast inns. And with all those young people moving in and starting families, a diaper service couldn't lose. •