

New look for Whiskey Gulch?

Developer's sky-high proposal for E. Palo Alto causes uproar

By Janet Wells
Mercury News Staff Writer

Joaquin De Monet spends a lot of time gazing at an aerial photograph hanging in his ornate San Mateo office.

It shows Whiskey Gulch, a weathered retail strip sandwiched between Highway 101 and Palo Alto. Investors traditionally have ignored the block of University Avenue because it is in East Palo Alto, but De Monet looks at his black and white photograph and sees a gold mine.

"Whiskey Gulch is a phenomenal location," said the 43-year-old De Monet, a developer who wants to raze the shops and replace them with the tallest buildings between San Francisco and Los Angeles. "It's the gateway to Palo Alto and Menlo Park, as well as East Palo Alto."

His proposal is still in the earliest

stages, but it already has caused an uproar. Palo Alto officials and residents have complained it would create a visual and traffic nightmare.

"The proposed development seems totally out of scale to the proposed area . . . and seems to unnecessarily and unduly affect Palo Alto," Palo Alto Councilman Larry Klein said when the proposal was made public in March.

Palo Alto and Menlo Park ought to be concerned, De Monet agreed. "But they should be sensitive to East Palo Alto's needs," he added.

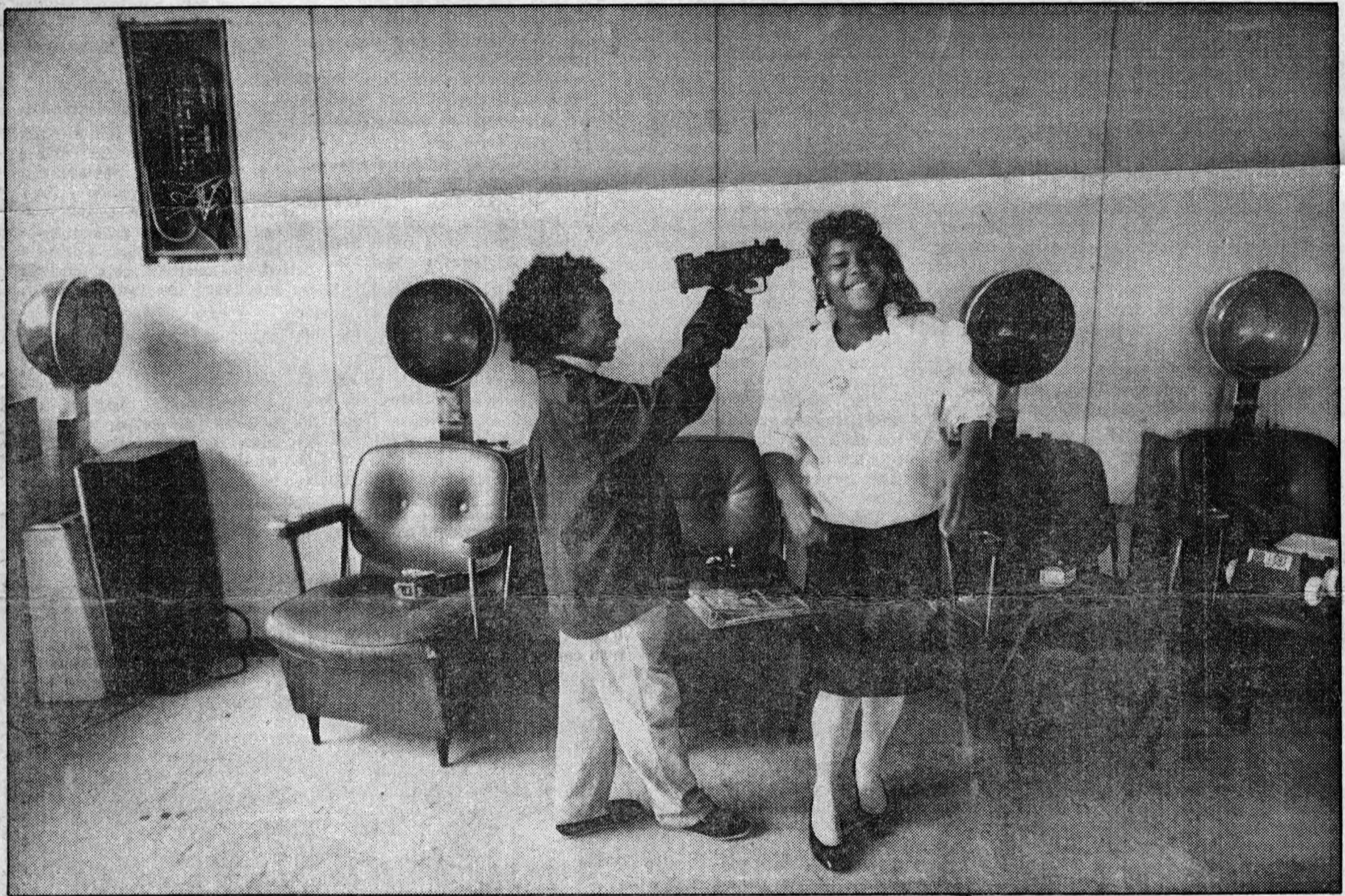
De Monet has dared to tread where few other developers have gone: the city with a reputation of having the lowest

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Photographs by Jim Gensheimer — Mercury News

Jimmy Carter volunteers at local food program



Merchants worry they won't survive

By Janet Wells
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Joaquin De Monet's proposal to demolish the shops in Whiskey Gulch and build a glitzy office and retail center has created a hot new topic of conversation in the area.

"Everybody's in limbo, waiting to hear the outcome. There are rumors spreading from tenant to tenant," said Russ Solbeck, who runs Berrone's Liquors and has worked in Whiskey Gulch for more than 20 years.

An uncertain future has many merchants worried, and some, such as Solbeck and Lenzie Johnson, say De Monet's development would mean the end of small businesses in the area.

They are going to knock the small businesses right on their heads, Johnson, who has been in business in Whis-

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Jambri Johnson, 9, and his sister, Bianca, 10, goof around at their father's beauty shop, above. At left, patrons play video games at Freddy Jack's Fish and Chips.

Developer faces many hurdles for 22-story office complex

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real estate prices and the highest crime rate on the Peninsula.

East Palo Alto officials have been "fantastic to work with," said De Monet, who paid the city \$200,000 for the exclusive right to negotiate to redevelop the Whiskey Gulch area and has promised to pay \$200,000 during the approval process and another \$200,000 if the project gets approval from the City Council.

The acting city manager, Jim White, returned the compliment, saying city officials were impressed by De Monet's credentials.

"He was well-known and had the reputation of being a very interested and civic-spirited individual," White said. "He and his people have been most helpful and most agreeable."

De Monet — who sits on the board of several community organizations — plays down his personal accomplishments, but when talking about his work, his competitive streak comes through:

"In development, you can ... say, 'I don't want to build something identical to next door, I want to blow them away and build something twice as nice.' We look to be creative and innovative," he said.

'Very aggressive'

De Monet said his company has a "very, very aggressive" reputation.

"Our highest success has been in leasing. Our buildings are full. We listen very carefully to the marketplace and do what it takes to make a deal."

His company has managed buildings in Los Angeles, Dallas and Albuquerque, N.M., and has completed three major developments in this area: the eight-story Homeland International Building at San Jose International Airport, the three-story San Mateo Centre and the adjoining two-building Century Centre, with six and 10 stories.

The 10-year-old company occupies luxurious penthouse offices in the Century Centre complex — modern glass and cement high-rises owned and developed by De Monet Industries.

The offices boast wall-to-wall art — a mixture of Oriental pieces and numerous sculptures by 19th-century Western artist Frederic Remington. The bronzes — depicting heroic cowboys and powerful horses of the American West — captured De Monet's imagination because they are "active, lifelike and you can see muscles moving."

Careful decision-maker

De Monet, like Remington's art, has a strong presence. Born in China of Spanish and German parents, De Monet moved to California at age 7. He graduated from Burlingame High School and attended the College of San Mateo before becoming a paratrooper in the Army.



Cap Carpenter — Mercury News

Joaquin De Monet in his San Mateo office

A tall and broad-shouldered athlete who works out with a trainer every morning in the gym at his Woodside home, De Monet is not a man given to making rash decisions. When people ask him questions, he looks them straight in the eye while considering his answers. "When you're dealing in business, it's good. It sounds cautious," he said. "I listen carefully."

Most developers and buyers see Whiskey Gulch as a risky market, but De Monet disagrees, saying the area is a "no brainer."

"You don't have to be smart to think of this one," he said. "Luckily for us, no one has taken advantage of the opportunity."

De Monet — and many city officials — view his East Palo Alto proposal as a sure boon for the city, giving it a share of the sales tax revenues that have always gone to neighboring cities.

"Menlo Park and Palo Alto have had their cake for many years, when East Palo Alto had the crumbs," De Monet said.

The current plan is to buy 11 acres bordered by University Avenue, Manhattan Avenue, Woodland Avenue and Highway 101, and demolish most or all of the area's retail stores, offices and apart-

ment complexes.

The proposed project — at an estimated cost of \$300 million — would include two 22-story office towers, four 10- to 15-story buildings and a 250-room hotel built in two phases over seven years.

Numerous hurdles

The project must go through an environmental assessment and numerous city approvals. Before it gets much further, it may run into snags other than neighborhood concern.

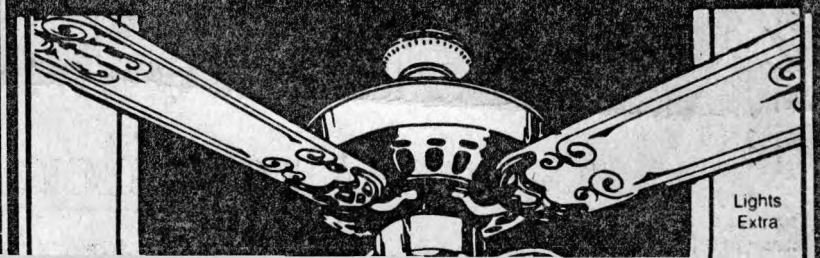
The Santa Clara County Airport Land Use Commission told city officials last month that the project probably would violate height restrictions for the area near Palo Alto Municipal Airport.

The City Council could overrule the commission's recommendation but would then have to deal with the Federal Aviation Administration, which has similar restrictions.

De Monet said he hadn't heard about the commission's recommendation, but he didn't seem too concerned.

"Foster City has a 21-story building," he noted, pointing to a high-rise visible from his office window. "Our goal would be to have something higher than that."

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