

# Peninsula

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## East Palo Alto's decision on cityhood draws near

By Jack Sirica  
Staff Writer

EAST PALO ALTO — He lives in a new town house development protected by high walls and an electronic black-metal gate, only blocks from the poor community across the freeway that has caused him so much concern in recent months.

Arn Cenedella, 27, whose two-bedroom, two-bath home sits just west of Highway 101 in the Mission Palo Alto complex, is the leader of a movement to stop the small, primarily black and Hispanic community of East Palo Alto from becoming a city.

He says East Palo Alto generates no

significant sales-tax revenue and has no industry or commercial development that would ensure its financial well-being. He also knows that his neighborhood, which is predominantly white, would become part of the new city of East Palo Alto if voters there decide in favor of incorporation on April 13.

"I consider myself much more aligned with Palo Alto and Menlo Park," said Cenedella, who sells real estate for his parents' Menlo Park firm. "I never go there, except to visit some people."

Across the freeway, in a modest suburban home that has been turned into an office, Frank "Omowale" Satterwhite sits in a dark and cluttered back room, direct-

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ing his campaign to make East Palo Alto the 20th city in San Mateo County.

Satterwhite, 39, is an energetic man who wears African knit hats and a shirt with a patch depicting the African continent. He speaks of "accountability," budget sur-

pluses and "good fiscal policies" when he describes his plans for a new city government.

"The fundamental question is, 'Can your next-door neighbor set the rules for your household?'" said Satterwhite, a San Mateo County planning commissioner and the president of an East Palo Alto community-development center.

"We have a gold mine here," he continued. "We're located between San Francisco and San Jose, we have rail capability and we're on the water. We are the last beacon of affordable housing. We'd have to work hard to blow these opportunities."

If voters decide on April 13 to incorporate the 2-square-mile area known as East

Palo Alto, Cenedella, who is white, and Satterwhite, who is black, will become residents of the same city. And although neither man is particularly fond of the other, they could find themselves sitting on the same city council if voters choose them from among a group of 15 candidates and approve incorporation.

If incorporation fails, the current advisory municipal council will hold office for the remainder of their terms.

Although some East Palo Alto leaders have talked for years of incorporating their community of 19,000, the lack of an adequate commercial and industrial tax

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# East Palo Alto voters weigh

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base always has prevented the movement from gaining momentum.

This is the first time the issue has been placed on a ballot. And the financial stability of the proposed city remains the central issue in the debate.

Opponents argue that East Palo Alto's weak commercial and industrial tax base eventually will cause the experiment in self-government to fail. In an effort to block incorporation, the opponents have filed a lawsuit that is scheduled to be heard today in San Mateo County Superior Court. If the court rules before April 13, the election could be halted.

Those in favor of incorporation cite figures showing that the city would at least break even and possibly generate significant revenue surpluses within five years. And they say that without an autonomous government empowered to make zoning and planning decisions, the community never will be able to attract industry and commercial development.

East Palo Alto was once a placid agricultural community of nurseries, chicken ranches and dairy farms. After World War II, however, developers began buying up parcels of land, and real-estate agents based in customers from San Francisco on Sunday afternoons to inspect lots and homes.

annually "leak" about \$100 million in disposable income to businesses outside their community.

Annual sales-tax revenues amount to only about \$141,000, and the median home price in the community is about \$70,000, far below the value of many houses that are separated from East Palo Alto by nothing more than city and county boundaries.

No one disagrees that East Palo Alto faces the same problems that have plagued urban ghettos for years. However, those who oppose or support the incorporation disagree sharply over how to solve those problems.

Frank Siri, who moved to East Palo Alto in 1941 to establish a vegetable-growing business, said he did not "see it (incorporation) doing a bit for us. . . . The only way to go is to annex to Menlo Park."

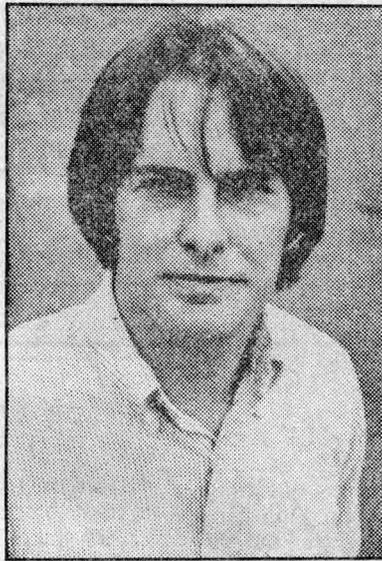
Siri, 66, who now grows carnations on about 6 of his 11 acres of land, is something of a holdover from an earlier era, when East Palo Alto was primarily an agricultural community. He has the rough hands and the lined face of a man who has done manual labor for most of his life.

"There's not enough business here," said Siri, who added that he employs about 22 local residents at \$3.75 an hour to plant and pick his brightly colored flowers. "The Bank of America (which closed in 1981 after 10 unprofitable years) lost \$1 million by moving



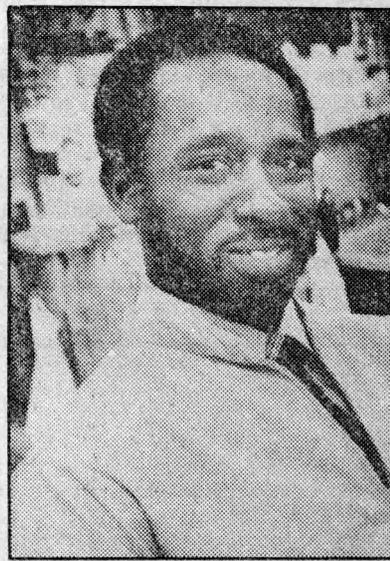
Jim Mendenhall — Mercury

Frank Satterwhite



Cap Carpenter — Mercury

Arn Cenedella



Jim Mendenhall — Mercury

Dallas Price

The community remained mostly white and working-class until the early 1960s, when black families, attracted by East Palo Alto's reasonably priced homes, began arriving. The whites gradually moved out; and by 1970, East Palo Alto had become a predominantly black community.

Today, East Palo Alto is seen by many as the Peninsula's unwanted stepchild. Highway 101 splits the community from affluent — and predominantly white — Palo Alto. And nearby Menlo Park shunned proposals to annex East Palo Alto, which is 72 percent black in the portions that lie east of the noisy freeway.

Annexation to Palo Alto, which is in Santa Clara County, also was considered briefly, then the idea has not been pushed.

"Everyone is saying that this is not racist," said one young white, who lives west of the freeway. "That's bull—. That's all it is. We don't want anything to do with them."

The proposed city, which stretches from the foot of Palo Alto's University Avenue to the San Francisco Bay consists mostly of modest tract homes. Many of the houses are well-kept, but some have fallen into disrepair.

The mayor and the municipal council have little substantive power. They can advise the San Mateo County Board of Supervisors on development issues and legislative questions, but county officials have the power to turn down their recommendations.

The crime rate is higher than in neighboring communities. Lt. Kenneth J. Frank, commander of the sheriff's substation in East Palo Alto, estimated that about 50 percent of the cases the San Mateo County Sheriff's Office brings to court originate in East Palo Alto. However, the crime rate in the community appears to be decreasing, he said.

There is no supermarket, movie theater or high school. The community pool is unusable. Except for the "Whiskey Gulch" retail area just west of Highway 101, there are very few businesses in East Palo Alto. Satterwhite estimated that East Palo Alto residents

here. Somehow, there's not enough know-how, and not enough drive to keep these things going.

"Industry has looked at this town, but they're still waiting," he said.

One community master plan calls for eventually replacing the remaining nurseries with medium- to high-density housing developments.

"If they (the community leaders) straighten this thing out, there can be a time (for incorporation). But not now," Siri said.

On nearby Clarke Avenue, another East Palo Alto businessman, Dallas Price, cuts hair in the small barber shop he has operated for 20 years. His aging wood-frame building, which has a thin barber pole ed to an overhanging front porch, sits across from a dilapidated garden-apartment building.

"We should be able to determine our own destiny without going through a double-government system," said Price, 49, a trim man with a drooping black mustache and large sideburns. "Now we just live here and pay taxes out, and have the decisions sent in to us."

Unlike Siri, who expressed fears about the added business taxes and licensing fees that a new city government might impose, Price said incorporation would create a "better business atmosphere, because we would have authority over our own land use. Now we have to send out suggestions, and then we're advised as to what we can put in."

According to a consultant's report commissioned by the San Mateo County Local Agency Formation Commission, the lack of local control over planning and development has been the major deterrent over the years to developers and industries who might have initiated projects in East Palo Alto.

"The proponent of a development project views the situation as one where the municipal council can raise concerns that should be mitigated, but cannot guarantee the incentives or other trade-offs that might otherwise be available," said the report, which was released

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# incorporation question

last summer by Angus McDonald & Associates of Berkeley.

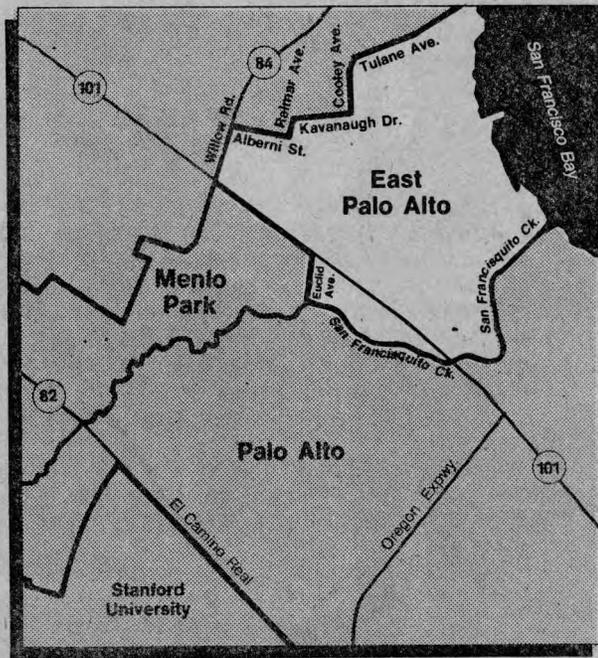
"The presence of an agency with advisory responsibilities but no decision-making authority creates a situation where there are two sources of negative reaction, but only one source of commitments that can actually be guaranteed," the report said.

Indeed, the difference between the industrial development taking place in nearby Menlo Park and the lack of any significant construction activity in East Palo Alto is striking. The flat land in Menlo Park south of Willow Road, for example, already is mostly occupied by large industrial buildings.

But in a similar area inside East Palo Alto, automobile junkyards line a road leading to a landing that juts out into San Francisco Bay. As did her predecessors, East Palo Alto Mayor Barbara Mouton speaks of removing the junkyards and creating a marina near the landing.

However, Mouton's powers are limited to advising the county board of supervisors. And the junkyards do provide employment to some area residents.

"Menlo Park makes their own decisions," said Mouton when asked why East Palo has failed to match Menlo Park's success in attracting development. "The county was looking at things as to how they affected the county and not necessarily East Palo Alto."



Mercury

Frank "Omowale" Satterwhite, a community-development center president, directs the campaign to incorporate East Palo Alto as the 20th city in San Mateo County; Arn Cenedella, a real-estate salesman, leads the movement opposing the change; Dallas Price, an East Palo Alto businessman, backs incorporation to give the area control over its own land use.