

REAL ESTATE

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E-1

East Palo Alto: 5 years old & coming of age

The growth and direction of the Bay Area's youngest city is both impacting and being impacted by a phenomenal surge in Peninsula real estate values.

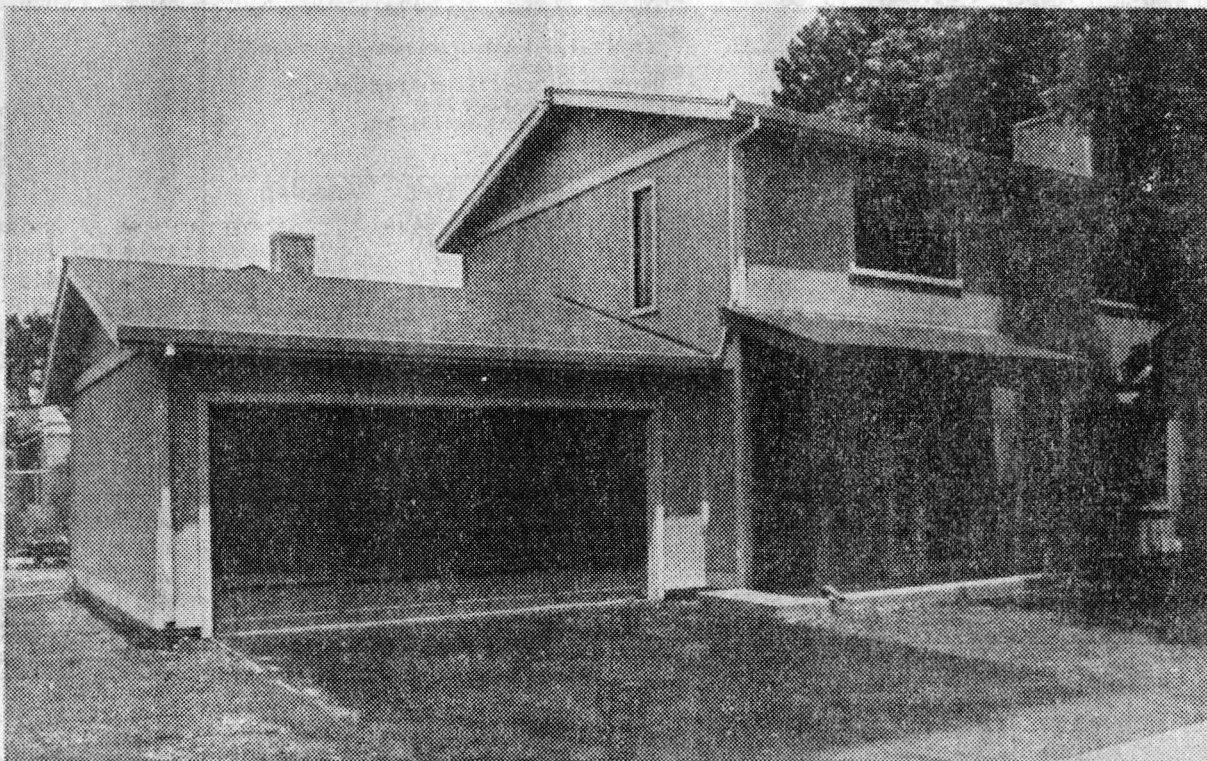
It is predicted that the high cost of housing may be a large determining factor in the future of East Palo Alto, and may have a more rapid and visible effect on the city than the effects of redevelopment or the resolution of some of the city's social concerns.

Since its incorporation, in July of 1983, East Palo Alto has suffered growing pains. According to one local real estate broker, incorporation did not immediately increase real estate values. Investors were wary about impending budget concerns, but the ability of East Palo Alto to focus on and resolve local issues is now having a positive effect on housing appreciation.

Much of the city's optimism can be attributed to East Palo Alto's City Planning Department. Housed in what was the Chamber of Commerce building at 2200 University Ave., the offices themselves are in the process of being renovated and redecorated. During an animated briefing last week, Don Fleming, East Palo Alto's City Planner, discussed the major thrust of his department's aims.

The city's goals are threefold. According to Fleming, the approval of a proposed redevelopment project in the 'Whiskey Gulch' area of East Palo Alto, the shifting of small business growth to the intersection of University and Bay Road, and the construction of the stadium and/or commercial and marina development on the bay, are three of the department's highest priorities.

The proposed redevelopment project, outlined on a large map in the city planner's office, is high on Fleming's agenda. "We'd like to break ground as early as October," but he concedes that's not likely. The



Robeson Court Homes

New single-family-home developments like this are springing up in the city of East Palo Alto

project proposed by De Monet Development, which contains plans for retail commercial space, office space, a hotel, theater, and parking, has met with controversy. Fleming is hoping to overcome Palo Alto's

concerns about a traffic increase by providing direct freeway access to the redevelopment area. The height of the proposed buildings and whether or not they can be seen from any of Palo Alto's residential neigh-

borhoods, is still a bone of contention.

Some of the small shops and businesses currently located in this area, bordered by Bayshore Freeway and the San Francisquito Creek, would be forced to relocate. These are the hardware stores and markets highly valued by the community. According to Fleming, under redevelopment, there are provisions to help them move. He envisions the intersection of University and Bay, the site of the old Nairobi Shopping Center, as a viable area for local retail and commercial activity.

Third on Fleming's list is the area along the bay. Says Fleming, "East Palo Alto is the top site being considered for a stadium right now, but the key to building a stadium or any other kind of development is having roadway access." The roadway access, which would connect 84 with Bayshore via East Palo Alto, was proposed and then halted 15 years ago. It is now considered essential to the development of a stadium or commercial projects. Fleming is hopeful that the road could be constructed along an existing levy with a minimum impact on the marshland.

Normally, funding and constructing a highway can take between ten and fifteen years. The possibility of raising revenue from Dumbarton tolls and from the state government for making improvements in what is a designated 'flood zone', might expedite this process.

All of the projects, along with the approval of 60 new residential units, most of them single-family homes, are expected to change the profile of East Palo Alto.

Combined with dramatic increases in Bay Area land values, these internal changes have pushed many new housing prices up over \$100,000 and some homes

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may broach \$200,000 in the near future.

One local real estate broker is relieved to see these changes. Working out of an office near the freeway, she's watched with frustration, through her window, the discouraging street scenes that have plagued many other cities in the nation. The saddest thing, she says, is watching the children play at a nearby video arcade, knowing that they stay there to try to be close to their parents on the street.

She goes on to say that while drugs have had an impact on people in the community, and on the lives of some of her clients, the vast majority of residents are determined to rebuild the city into the promising suburb it was 30 years ago, when she first moved to East Palo Alto.

Old greenhouses are being replaced by six and eight unit subdivisions. Scrap yards have been crossed off the City Planner's map to make room for shopping centers and office buildings.

"This is a unique opportunity," says Don Fleming, "to plan the future of a new city". In many ways, the timing couldn't be better.