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Retail therapy: Projects speed ahead on Highway 50 corridor

By Cathy Locke - <u>clocke@sacbee.com</u> Published 12:00 am PST Thursday, February 21, 2008

The days when Folsom and Rancho Cordova residents had to leave town for dining, shopping and entertainment are rapidly becoming history.

El Dorado County likewise aims for self-sufficiency while promoting itself as a playground for the region.

And new hotels, which are necessary if a community expects to attract tourists and commercial travelers, are a hot ticket for developers.

The decline in home construction has not dampened the enthusiasm for commercial development along the Highway 50 corridor. In recent interviews, developers, planners and business leaders from Rancho Cordova to Camino discussed a sampling of projects, ranging from those under construction to those still in the talking stage.

Hotels led the list of planned and anticipated projects. A Holiday Inn Express is under construction off Highway 50 at Point View Drive in Placerville. Folsom, with 575 hotel rooms, expects to add up to 400 more with the opening of a Holiday Inn & Suites, Hampton Inn and Stay Bridges Suites in the next couple of years.

Hotels also are being discussed for at least four other sites in El Dorado County: at the east and west ends of Placerville, north of Highway 50 at Missouri Flat Road and in the El Dorado Hills Town Center. Business leaders also see the potential for lodging in Camino and Cameron Park.

Laurel Brent-Bumb, executive director of the El Dorado County Chamber of Commerce said she is confident that tourism in the county would support more than double the approximately 700 rooms available on the western slope.

"You know the cliché: If you build it, they will come," she said.

The lack of lodging has made it difficult to promote the county's recreational, historical and agricultural attractions, including Apple Hill and more than 50 wineries, the way other regions do, she said.

Along with the hotels, the county needs meeting rooms with a capacity for 200 to 300 people, Brent-Bumb said.

"If we got a convention center, oh, my, I'd be doing the happy dance," she said.

New retail businesses are spearheading transformations of Folsom and Rancho Cordova.

"Folsom has gotten just about to the point (that) you almost don't have to leave town for services," said Joe Luchi, the city's economic development director.

Curt Haven, Luchi's counterpart in Rancho Cordova, envisions his community becoming "a city, not a suburb." To that end, Haven said, anticipated retail outlets will help Rancho Cordova evolve into a place where residents can spend their time and money and feel a part of the community.

In Folsom, new businesses expected to open near Highway 50 in the next year or two, along with the three hotels, include Circuit City electronics, Ethan Allen home furnishings and an In-N-Out Burger.

By far the largest new development in the city is Palladio, a 50-acre regional mall anchored by a 16-screen theater, Barnes & Noble bookstore and Whole Foods grocery emporium. The project is under construction south of Broadstone Power Center.

The 16-screen Cinema West theater will increase the total number of movie screens in El Dorado Hills and Folsom to 44.

Luchi describes the open-air Palladio as "upscale retail," comparable to the Pavilions shopping center in Sacramento, only about 10 times larger. He said the owner, Elliott Homes, is close to announcing other retail tenants.

Though still in the speculative category, a plan to annex and develop 3,500 acres south of Highway 50 includes an option to build a regional mall. About 100 acres along Scott Road has been set aside for such a possibility.

Luchi is careful to say that nothing is confirmed, but the city has had discussions about a mall on the scale of the Roseville Galleria.

Catharine Dickey, a spokeswoman for Westfield Corp., owner of the Galleria, said that although "Westfield is a big believer in Sacramento and has looked at potential sites throughout the region," her company doesn't discuss rumor and speculation about specific sites.

In Rancho Cordova, Haven said Capital Village, off Zinfandel Drive south of Highway 50, is an example of the city's "new urbanism."

The 117-acre infill project, under construction, will include housing, offices, shops and public squares, with an emphasis on making it convenient for residents to walk or bike to work and shopping.

City Councilman David Sander has referred to the project as "a significant step toward the reinvention of Rancho Cordova."

Capital Village Town Center, with more than 270,000 square feet of retail space, will be anchored by a Lowe's home improvement store already open for business.

Leases have been executed with Chili's restaurant and Downey Savings Bank. Leases also are in negotiation with BevMo, Panera Bread, CVS Pharmacy, Rubio's, Panda Express, Noodles, Wing Stop and Subway sandwiches.

As Capital Village moves forward, the city also is working to redevelop its older commercial areas. Target Corp., for example, plans to demolish its Target store on Olson Drive and replace it with a larger, more aesthetically pleasing store expected to open in October 2009.

Across the county line in El Dorado Hills, business has picked up in Town Center East, south of Highway 50 at Latrobe Road, since Nugget Market opened last month. Debbie Manning, El Dorado Hills Chamber of Commerce executive director, said people were calling her on opening day saying they couldn't find a parking space.

Developer Tony Mansour of the Mansour Co. said plans are in the works for the final phases of Town Center East, a commercial center in the style of a European village.

Three buildings totaling 39,000 square feet were recently completed, and a three-story, 50,000-square-foot building is under construction. Mansour said leases are being negotiated, and tenants will include restaurants, sandwich shops and services to complement the existing retail.

An additional 60,000 to 70,000 square feet of retail is planned between the Mercedes-Benz dealership and Regal Cinemas. Mansour said this area likely will include larger "box" stores, as well as national specialty stores. Construction of that phase will be undertaken as the market dictates and is at least a year away, he said.

In addition, Mansour said talks are under way regarding potential development of a 100-room full-service hotel next to the theater, featuring a restaurant and other amenities.

"We saw a little bit of a slowdown," Mansour said of the demand for commercial space, "but it has surged again."

Nugget Market, Target and Regal Cinemas have been key to attracting other businesses. "Having three anchors proves we are very viable," Mansour said.

South of White Rock Road, across from Town Center, businesses, beginning with FedEx Kinko's and Peet's Coffee & Tea, are opening in the 36,000-square-foot first phase of Montano de El Dorado retail-restaurant complex.

Farther up the hill, Carolyn Doty, executive director of the Shingle Springs-Cameron Park Chamber of Commerce, said, "The big thing will be the casino."

The Foothill Oaks Casino, scheduled to open this fall on the Shingle Springs Rancheria, will increase the need for commercial enterprises in the surrounding community. The casino eventually will add a hotel, but Doty said the Cameron Park-Shingle Springs area is the gateway to El Dorado County's wine country and could use a hotel to serve casino patrons and tourists.

County planner Gina Hunter said Home Depot has submitted a preliminary application to build a home improvement store and garden center on 33 acres north of Highway 50 and east of Cambridge Road in Cameron Park.

The Board of Supervisors also recently rezoned property on the east side of Cameron Park Drive, across from the Cameron Park Airport, paving the way for a proposed bowling alley, arcade and miniature golf course. A development plan for the site has not been submitted, however.

West of Placerville, two major projects are proposed along or near the Missouri Flat Road corridor.

Developer Leonard Grado is involved in two commercial ventures: El Dorado Crossing, a 445,000-square-foot retail development proposed northwest of the Highway 50-Missouri Flat Road interchange, and the Diamond Dorado Retail Center, planned on 44 acres south of the proposed Diamond Springs Parkway.

The new parkway would extend from Missouri Flat Road, north of China Garden Road, east to Highway 49.

The centers are expected to be part of a new commercial hub for the county. "We need to stem the flow of significant sales tax losses to Sacramento," Grado said.

The Diamond Dorado center is envisioned as a retail "power center." Grado said he expects it to include a home improvement store such as Home Depot or Lowe's, as well as "soft goods" stores like Target or Kohl's. He also sees potential for a discount grocery, a Sam's Club or Costco. Other buildings would house small restaurants and neigh-borhood retail such as a nail shop, florist, beauty supply store and spa.

Plans for El Dorado Crossing include a hotel, such as a Hilton Garden Inn or Marriott, with 110 to 120 rooms, Grado said.

"There will be more of a restaurant element in this (center), with the proximity to the freeway," he said.

Grado said he hopes to break ground for El Dorado Crossing in the spring of 2009, with an opening in 2011.

The county recycling center, operated by Waste Connections Inc., must be moved and the Diamond Springs Parkway built before work begins on the Diamond Dorado center. Grado said it would be at least three years before the doors opened.

Hotels are the big news in Placerville. In addition to the Holiday Inn Express under construction as part of developer Edward Mackay's Gateway project, including a gas station and country store, Mackay has submitted plans for a Hilton Garden Inn south of Highway 50 at Point View Drive.

Steve Calfee, community development director, said he also anticipated an application for a hotel project near the In-N-Out Burger, between Highway 50 and Forni Road at the city's western edge.

A potential project in Camino, heart of the popular Apple Hill area, is on the back burner.

Sierra Pacific Industries in 2004 discussed with the community a proposal to transform 129 acres of surplus property across from its current lumber mill as a town center with an upscale hotel and spa, visitors center, homes and retail businesses.

David Brown, an engineer with the company, said, "We think it's still the right project."

But, he said, Sierra Pacific Industries decided to hold off until the county decides where and what type of traffic improvements to make in the Camino area. The company also has been talking with the El Dorado Irrigation District about a sewer treatment plant to serve the area, he said.

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