

INSIDE

Atherton Schools Plan Historic Renovation

San Francisco Chronicle

PENINSULA

FRIDAY



Real Estate Plum Ripening in Redwood Shores

By Marshall Wilson
Chronicle Peninsula Bureau

Rising from the mudflats and a former dump, Redwood Shores has become one of the hottest spots on the Peninsula.

Centered around a sparkling lagoon that was once envisioned as a port, the Shores boasts expansive green parks, homes for 10,500 people and offices for such business heavyweights as Oracle Corp., DHL Worldwide Express and Sega of America. More is on the way.

Video game-maker Electronic Arts recently bought 43 acres for its world headquarters, the Westport office complex is under construction, and plans are in the works for another 1,000 homes.

The Shores' nearly 1,500 acres are now worth more than \$1.9 billion, according to an estimate of the area's assessed value by the Redwood City Finance Department. The total is more than the assessed value of such communities as Atherton, Belmont, Half Moon Bay, Millbrae, Pacifica, Portola Valley and Woodside.

"It has made the grade," said Don Warren, president of Redwood Shores Properties, the planned community's master developer. "Redwood Shores is now

the premier business address on the Peninsula."

The rapid change, however, hasn't come without some growing pains.

Though annexed by Redwood City back in 1959, Redwood Shores

***'Redwood Shores is
now the premier
business address on
the Peninsula'***

— DON WARREN, PRESIDENT
REDWOOD SHORES PROPERTIES

is a five-minute ride north on Highway 101, separated from the rest of Redwood City.

Redwood Shores children must cross the freeway to attend schools in the Belmont Elementary School District. Fire and medical help comes not from the Redwood City Fire Department but from the South County Fire Authority, with engines based in San Carlos and Belmont.

The closest supermarket, bank or pharmacy is across the freeway as well. Traffic can be hellish, especially at 5 p.m.

"We're isolated," said LaVerne

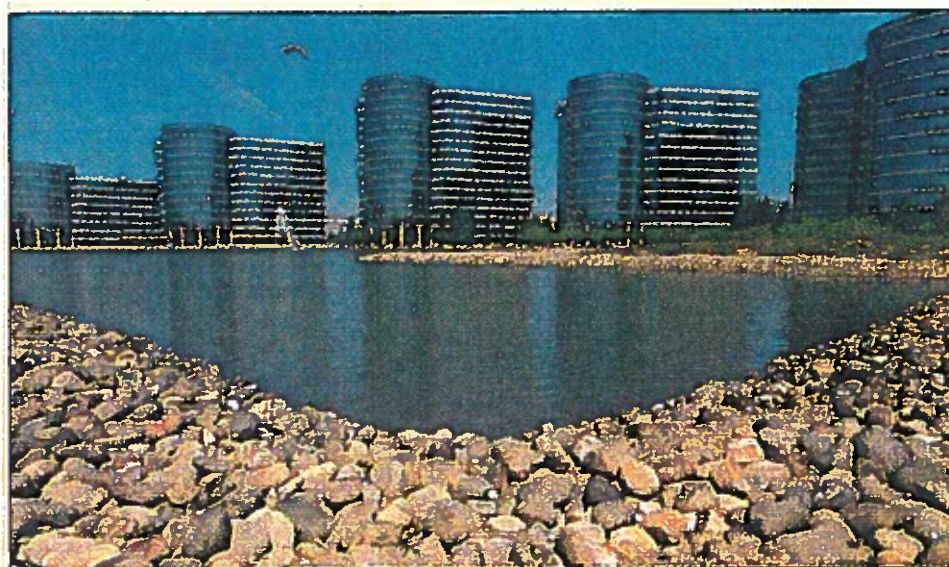
Atherly, president of the Redwood Shores Homeowners' Association, summing up the feelings of many in the community.

"Redwood Shores has a unique situation in that while we pay our taxes to Redwood City and we belong to Redwood City, we send our children to the Belmont School District," said Robin Carlier, who moved to the Shores in December 1994, attracted by a nearby job for her husband and the promise of a neighborhood school.

Indeed, it took years of talks before Redwood City council members finally, in April, approved building a fire station close to the 6,000 homes and dozens of office buildings that swell with 13,000 workers each day. A school and community center are also in the works as a joint project between Redwood City and the Belmont School District. The first students are scheduled to attend class at the new school in fall 1997.

Meanwhile, construction crews are now building the future home of a 120,000-square-foot shopping complex anchored by Nob Hill Foods, the community's first shopping center.

Redwood Shores' development began in the early 1900s, when the



BY RUSSELL IRP/THE CHRONICLER

The gleaming towers of Oracle Corp. rise from what was once mudflats and a garbage dump

marshland, then known as the Redwood Peninsula, was diked and drained.

Plans at the time called for a port to serve San Francisco, and a diamond-shaped ship-turning channel was carved out. The port

never opened, and Leslie Salt Co. used the shallows for evaporation ponds, while the northernmost section became a garbage dump.

Duck hunters, bird watchers and kids in search of mud and fun were the main visitors until the

1960s, when so-called planned communities came into vogue. As T. Jack Foster began to fill and drain canals for Foster City to the north, Leslie Salt saw gold in its evapora-

SHORES: Page P2 Col. 1

FROM THE FRONT PAGE

SHORES: Real Estate Plum

From Page P1

tion ponds a slough away from Foster's boomtown.

Leslie's plan called for homes for 20,000 people on Redwood Peninsula and 60,000 more on marshland just to the south.

Water was to be the theme for the renamed Redwood Shores, with the ship-turning channel as the centerpiece. Its birth can be traced to 1964, when the city council gave the green light to forming an improvement district to fund roads and sewers.

Homes were built, and the theme park Marine World Africa USA moved in.

Leslie, however, ran into financial troubles, and by 1970, with about 300 homes built, went bankrupt. Mobil Land Development Corp., a branch of the oil giant, took over, rewrote the master plan and put Warren in charge. When Mobil sold out to a partnership, Warren stayed on to guide the community's growth.

After a slowdown in the 1970s, construction took off in the early 1980s. What then looked like a major setback — Marine World Africa USA leaving for bigger quarters in Vallejo — ultimately turned into a boon for business.

Oracle Corp., the world's second largest software manufacturer, has now built more than 1 million square feet of office space where Marine World's elephants once roamed, creating glass and steel towers at the foot of Halston Avenue.

Many planned communities have gone bust, Warren said, be-

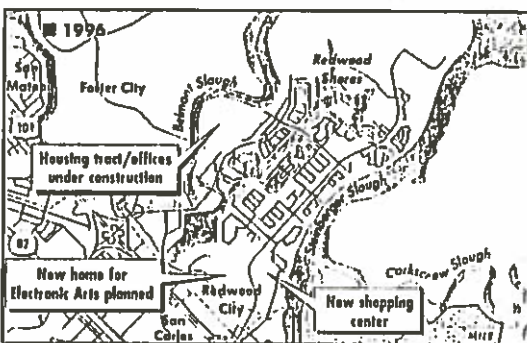
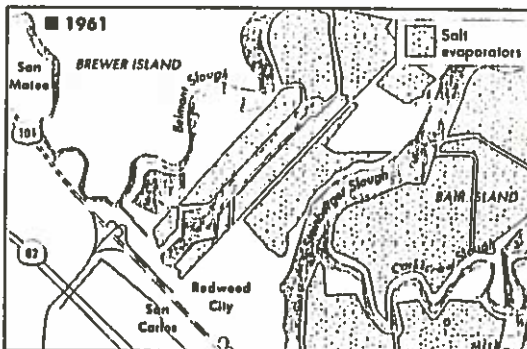
'The services we receive from the city of Redwood City don't come without a fight'

— LAVERNE ATHERLY,
PRESIDENT, REDWOOD SHORES
HOMEOWNERS' ASSOCIATION

cause developers failed to stick to a plan. In Redwood Shores, the plan to create a balance between jobs and housing, to adhere to the water-oriented theme — even though more water meant less homes — "has been followed religiously," he said.

Redwood Shores Properties, which has shelved plans — for now — to build on marshland south of Redwood Shores, has also been willing to take a short-term loss in hopes of long-term gains, Warren said.

THE EVOLUTION OF REDWOOD SHORES



CHRONICLE GRAPHIC

Attracting the Hotel Sofitel, an upscale French-themed full-service hotel, meant subsidizing it, Warren said. That was necessary because key ingredients in attracting corporate offices are a first-class hotel and a first-class health club. The Pacific Athletic Club opened a few years ago, complete with valet parking.

With space to build and its proximity to Silicon Valley, Redwood Shores has become something of a software haven. Planning to join the ranks of Redwood Shores' software tenants is Electronic Arts, which has bought 43 acres for a planned 1 million square feet of office space.

The growth and the physical distance from downtown Redwood City has helped create a separate identity for the community. Oracle Corp., for instance, lists its address as Redwood Shores, Ca.

Many residents feel the same way.

"The services we do receive from the city of Redwood City don't come without a fight and constant battle with the city council and the school district," Atherly said.

Much of the trouble, Atherly admits, is the political indifference shown by his fellow residents. For instance, in last fall's election, with three council seats up for grabs, only 14.65 percent, or 612 Redwood Shores' residents, cast ballots. That's compared to 29.9 percent for the rest of Redwood City.

Redwood Shores certainly carries its share of the city's tax burden. With about 15 percent of the city's population, the neighborhood generates more than a quarter of the city's property tax revenue, according to an estimate by the Finance Department.

That's the rub for many residents. "If it weren't for Redwood Shores, I doubt very much the city of Redwood City would have been able to build the buildings they have — Red Morton Community Center, the new police station, the

new library," Atherly said.

Though happy that a new fire station is in the works, many residents want a temporary station open long before the \$1.4 million permanent station is finished by Jan. 1, 1998. A recent council vote, however, nixed the temporary station plan.

"If there was an emergency, the bridges were closed or, God forbid, there was an earthquake and they came down, who is going to get to Redwood Shores? We're stuck," said resident Carlier.

Aside from the grumblings about City Hall, there are few complaints about an area that features manicured lawns along the main roadways and bursts of flowers on many corners. Redwood Shores also boasts plenty of neighborhood

parks and a range of housing, from condominiums at \$200,000 and up to \$700,000 waterfront homes.

What has made Redwood Shores a success, Warren said, is having a master developer. When a developer wants to build a project, Redwood Shores Properties reviews the plans and decides whether to sell the land.

Warren predicts that Redwood Shores will be built out in five years, a maturing community with a full array of businesses and services and about 10,000 residents.

"If you had dozens of property owners with different interests all following the vagaries of the market, you end up with a mish-mash. If the master developer has a long-term commitment to the community, they will govern themselves."