

Forest City pullout may open new possibilities

Deal kept some from setting up shop in downtown Fresno.

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By Tracy Correa / The Fresno Bee

Jose Lorenzo once planned a 17,000-square-foot building near Chukchansi Park to complement his growing restaurant supply business, but he said he backed down because development plans by Forest City Enterprises in the same area made it too difficult.

To make sure his building would fit with Forest City's massive 85-acre development vision for downtown Fresno, Lorenzo said, city planners required him to have 20-foot setbacks and specific element designs -- things that would have ended up costing him far more than he expected to spend.

"The city was asking for too many things, and we walked away," said the owner of J & E Restaurant Supply. "They made it almost impossible for us to build."

But now Forest City's development isn't going to happen.

On Friday, the developer pulled out of its planned \$300 million mix of housing and commercial businesses south of Chukchansi Park. Forest City Enterprises was unable to raise the last \$100 million it needed, said Kevin Ratner, president of Forest City Residential West.

The plan essentially locked up blocks of downtown after the city in 2004 gave Cleveland, Ohio-based Forest City exclusive rights to develop the area.

It forced many businesses in the area to adjust their own growth plans to fit Forest City's vision. And it scared some out of downtown altogether, fearing the city eventually would take their property by eminent domain.

The news that Forest City called it quits dropped like a bomb for downtown business owners like Lorenzo.

He said he laughed when he read the news about Forest City's plans to exit Fresno -- but he also is frustrated at how much faith the city placed in Forest City at the expense of local businesses.

"We tried to do something nice," Lorenzo said. "They [city] trusted somebody from outside. It never happened, and they left us hanging."

He said that if Forest City plans hadn't gotten in the way, he would have expanded his business, brought more revenue to the city and hired more employees.

Lorenzo said he won't build on the vacant land he owns downtown. He said it has become more affordable to buy a building.

Bruce Baskin, owner of Baskin's Auto Upholstery, said he is glad Forest City is out because its plans called for condos where his business stands.

Baskin's great-grandfather launched the family business in 1917 at 729 Broadway. The business began as a wrecking yard, then shifted to auto parts sales and for the past 40-plus years has focused on upholstery.

"We would have been forced to relocate," he said. "And we wouldn't have gone willingly." Baskin said he and others were prepared to sue if the city tried to force them out.

The idea of the city using its power of eminent domain to force businesses out of the area hung like a dark cloud over many owners, some of whom tried to sell their properties to no avail.

Baskin said he knew people who considered buying downtown property but were afraid to do so because they feared they could be forced out to make way for Forest City.

While Forest City's departure is a loss for the city, Mayor Ashley Swearengin said she understood the decision given the current economy. She also said she remains committed to downtown Fresno's revitalization.

Fresno developer Reza Assemi said there is reason for optimism.

"The way I look at it, it just opens up opportunities for others," he said. Assemi has a handful of apartment complexes and commercial projects downtown, including Broadway Studios, about four blocks from Forest City's planned project.

Forest City's plans, if they had come through, would have been a good mixed-use development for downtown, he said. "But at the same time, I don't think it's a disaster that it didn't work."