

Some changes have been subtle, others more dramatic, but there is no doubt that San Clemente's shifting demographics are changing the downtown business district and how merchants do business. San Clemente's changing demographics, growing destination presence and higher business costs are pressuring downtown business owners to update, upgrade or reinvent themselves.

Whereas 10 years ago it seemed that the downtown district was destined to be a sleepy haven of consignment stores and antique shops, the T-Zone area of Avenida Del Mar and El Camino Real is instead thriving today: a mix of Spanish revival architecture, one-of-a-kind shops, service salons, and eclectic eateries.

"San Clemente has changed dramatically," said Michael Kaupp, a two-term president of San Clemente's Downtown Business Association (DBA).

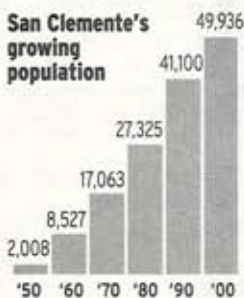
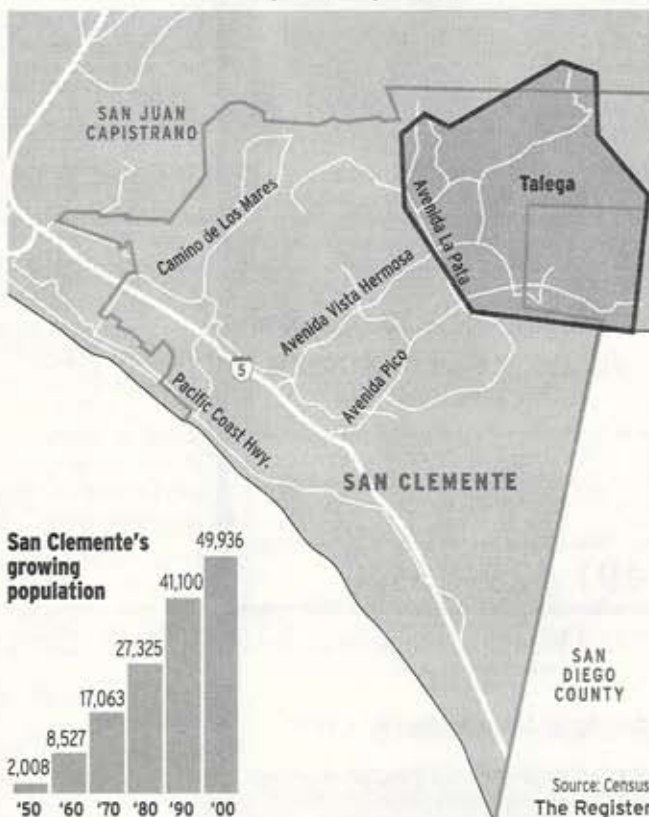
"San Clemente is clearly not that same city it was when I moved my family here in 1980. In fact, it's not the same city it was five years ago."

Kaupp has witnessed firsthand the changing street-scapes of Avenida Del Mar and El Camino Real. In 1995 he purchased and refurbished two historic downtown buildings. Today, 106 Avenida Del Mar houses Kaupp's Stanford Court Antiques and eight upstairs apartments. With a passion for historical architecture and a background in landscape design, Kaupp also sits on the city's planning commission and is chairman of the commission's design review sub-committee.

"When I moved here, San Clemente certainly did not have the affluence it has today," he said. "It was predominantly a retirement community and summer get-away, and the shops and businesses along Del Mar reflected those demographics. Today, young working adults and families with more disposable income are replacing our senior pop-

San Clemente in change

San Clemente is no longer just a historic town with the emergence of Talega to the east.



Source: Census
The Register

ulation."

FACTORS FORCING CHANGE

Major factors driving the city's demographic shift are Talega - a new home development on the mountainside of the San Diego (I-5) Freeway - and the opening of the San Joaquin Hills (73) Toll Road. At final build-out, Talega will consist of about 4,000 homes. Add the 318 homes proposed for Marblehead and San Clemente's population is expected to soar above 68,500 within the next few years, said

Leslie Davis, housing coordinator for the City of San Clemente. "Before the Toll Road, San Clemente was a bit isolated," said Kaupp. "The lack of access to San Clemente protected our charm as a beach community. The Toll Road opened the floodgates for people in Irvine, Newport Beach, Costa Mesa and beyond to visit San Clemente and even consider living here ... commuting northward to their jobs in northern Orange County and Los Angeles. The Toll Road and Talega have a lot to do with the influx of vis-

Fresh menus

S.C. Chamber of Commerce CEO Lynn Wood says new restaurants in the T-Zone are helping make San Clemente a popular destination. These restaurants opened there within the past three years:

- Avila's El Ranchito**
- BeachFire**
- Del Agave Mexican Grill**
- Iva Lee's**
- La Cafe.com**
- Vine Country Cuisine**
- Gordon James Bar & Grill**
- La Café Lorocco's Pizzeria**
- The Library Café**
- Pacific Taste**
- Pizza Port**
- Del Mar Sushi**

Taking the toll



"The Toll Road opened the floodgates for people in Irvine, Newport Beach, Costa Mesa and beyond ..."

Michael Kaupp

itors."

Talegans visiting downtown is not a happenstance. Talega developers actively promote the ambience of downtown, the Pier Bowl and beaches in their sales literature, ads and Web site. Talega residents also have access to shuttle buses that make multiple trips daily down Avenida Del Mar, to the Pier Bowl, and back.

DOWNTOWN

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THE T-ZONE FACTOR

Lynn Wood, executive director for the San Clemente Chamber of Commerce, agrees with Kaupp that the Toll Road and Talega are driving change in the downtown area, however, she also believes the proliferation of T-Zone restaurants is pushing San Clemente to the forefront

of beach city popularity.

More than a dozen restaurants have opened in the T-Zone in the last three years. "The newer restaurants like the Vine, Iva Lee's, Gordon James and Beach Fire offer fresh menus and an entertainment atmosphere that attracts younger, more affluent residents and visitors," said Wood. "Once the restaurants get them downtown, and they get to see how great it is, they come back again and again to shop, eat and go to the beach."

Although Carbonara Trat-

toria Italiana has been a popular downtown eatery for 14 years, owner Tony Carbonara isn't taking success for granted. The new competition has him reevaluating his menu.

"The changes are good for downtown, but if existing business owners don't keep up with the changes, their businesses may suffer," said Carbonara. "I don't care about being the most popular restaurant in the area, but I want to be among the best so I am willing to make changes."

NIGHTLIFE, OPPORTUNITIES

It wasn't too long ago that once the shops closed around 5:30 p.m., Avenida Del Mar became a ghost town. Today, live music and spirited conversation reverberate throughout the T-Zone after dark. Some shops around the intersection of Ola Vista and Avenida Del Mar have extended their hours hoping that restaurant patrons will shop before or after dinner.

"For 50 years we closed at 5:30 p.m., but now we stay open Thursday through Saturday until 7 p.m., and may stay open until 8 p.m. in the summer," said David Russell, third-generation owner of Russell Stationers at the northeast corner of Ola Vista and Del Mar. "The new restaurants and nightlife are the only reasons we stay open later."

Established in 1950 as an office supply store, Russell Stationers has also changed its inventory to accommodate the changing demographics. Today, Russell sells more gifts and souvenirs than office supplies, including an assortment of beach-themed wind chimes; myriad shells, and an array of San Clemente and "OC" sweatshirts and T-shirts.

Like Russell, the owners of

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Other challenges include parking shortages and finding a way to keep older businesses thriving as property values, taxes and rents climb.

The DBA and city leaders are working to remedy the parking problem. Possibilities include allocating city funds for opening private parking areas for public use, and building a public parking structure. The issues of possible tax and rental increases are not so straightforward.

"Rent increases are already changing the demographics of downtown businesses," Kaupp said. "Business that may be struggling to survive may choose not to stay downtown. New businesses that could potentially replace the existing businesses, their owners may come in with a mindset that is more reflective of the new demographics ... more accepting of higher rents."

Future property tax increases for downtown could further fuel rent increases. DBA leadership wants to form a Property-Based Business Improvement District (PBID) for downtown. If approved, property owners would assess themselves a fee that would fund improvements that benefit their businesses. The fee could trickle down to tenants in the form of "slightly" higher rents.

Kaupp and Wood agree that, depending on how it goes, PBID status could dramatically change the downtown area.

"At what point is success enough success," Kaupp said. "How do we successfully meld the city's past, current and future cultures? These are philosophical questions community leaders have to ask."