By ROSEANN HERNANDEZ

APTOS — The Cabrillo Foundation has received $50,000 in grant funding from Safeway and its wholly owned subsidiary Property Development Centers to provide technical assistance to tenants of the Rancho del Mar Shopping Center.

The funds will be used to help businesses impacted by the proposed large-scale redevelopment of the center, which is expected to last two years and will see the Safeway store expand to around 60,000 square feet, move across the shopping center and add a second story.

Teresa Thomae, director of the Small Business Development Center at Cabrillo College, said it is not unusual for big-box stores to give grants for small business support within their community — Walmart does this regularly.

Thomae said the funds would enable the SBDC to help merchants explore their options. Up to 14 of those businesses may need to move during the construction phase due to the "redesign," she said.

"Can [businesses] afford to move, and where would they move to?" Thomae asked. "Could they sustain their profitability at a new location — what are the costs and revenue projections?"

Thomae said her team of advisors includes a retired business broker, a construction specialist, a retail specialist and a finance advisor who is a retired SBA lender and accounting professor.

"They all have an interest in the community," she said.

The fate of the businesses at the shopping center was put into flux when Safeway purchased the center from the Penon family — which owned the property since it was built in 1961 — in 2011. In addition to dealing with the prospect of being caught in the middle of a large-scale construction project, the purchase triggered an increase in property taxes for tenant businesses due to the stipulations set out in the purchase agreement.

PROP 13

The 1978 proposition in the state, which was meant to protect owners from being taxed out of their property, revalues property values every time there is a change in ownership.

"In most instances, shopping centers are bought and sold every five to 10 years," said Charles Eadie, principal associate at Hamilton Swift and Associates. "This was a very atypical situation."

The property tax rule, Eadie said, shields shopping center businesses from what rents are like out there and it did not matter who bought the shopping center.

"It could have been Darth Vader or Mother Teresa," he added.

"When work with the SBDC is done, some (businesses) will decide they want to be in a different location anyway or want to remain in the center," Eadie said. "So many things can happen. This is not a one-size-fits-all situation."

Rodney Hoffer, owner of Ace Hardware in the shopping center and a vocal critic of the redevelopment, was skeptical of the motivations behind the giving of the grant, calling it a "public relations" move from Safeway.

"Are they going to find us another location?" Hoffer asked. "No."

"For businesses looking to move to another location in Aptos, they may be in for a challenge."

"Inventory is scarce for retail," said Dan Watson, broker associate at Hirsch and Associates.

At the moment, Watson explains, there are two comparable retail listings in the Aptos area.