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## The heart of Lafayette loses some of its rhythm

By Sharon K. Sobotta



Empty storefront in La Fiesta Square Photo J. Wake

On a given day, Jennifer McCarthy-Redman might have dropped off her children at Lafayette Elementary School, grabbed a morning coffee from Tutu's, a snack from Papillon, dinner from Urban Remedy and then meandered over to the Kinkos Fed Ex store to renew her passport. Now, both Urban Remedy and Kinkos Fed Ex have vacated, along with the gym and other storefronts in what McCarthy-Redman and others refer to as the heart of Lafayette are sitting empty. And, many are worried that this may only be the beginning of the vacancy trend.

In May, 2022, SITE Centers, a real estate investment trust, purchased the La Fiesta Square for \$60.7 million and the Lafayette Mercantile for \$42.6 million in what was called a "once in a generation" opportunity by the brokering real estate firm. However, the deal is much less sweet for many of Lafayette's small business owners and loyal patrons.

"That is the heart of Lafayette. It's what makes the place special," McCarthy-Redman says. "I think if things are just sort of thoughtlessly turned over to the highest paying tenants, it's going to diminish the desirability of the town that's known for green hills and great schools. There's something unique about this place that distinguishes us from Orinda or Moraga and Walnut Creek and our small businesses are a part of that."

Sam and Betty Sukh are proud to be the third set of owners of Papillon, a coffee shop that opened its doors well over four decades ago, in 1978. "Many of our customers have been coming here for decades and they enjoy meeting their friends here over a cup of coffee. It's like part of their daily life routine and rituals," Betty Sukh says. "It's a community space and a Lafayette icon."

The Sukhs recall being notified late last year about the monthly fee increase for all the tenants in the plaza of 20-30%, depending on square footage of the respective business. "Most of the fees are related to the property tax increase. They bought this place (above market rate) and the tenants have to pay the property tax increase. We can deal with an annual 3 or 5% increase but 20-30% is an unhealthy increase. It's unfair."

Betty and Sam Sukh say they're determined not to let their massive monthly fee increase be transferred onto their customers, because they want to stay accessible. "Our customers have already started worrying about us and some are saying that they'll understand if we need to raise our prices, but we really don't want to do that," Betty Sukh says. "The buyer is a big corporation that owns properties across the country so they don't necessarily care about our community of Lafayette (nor do they necessarily know anything about us)."

Another tenant and business owner in La Fiesta Square who declined to give her name says she fears the worst but hopes for the best. "I heard that the corporation bought the plaza at an above market rate and they're distributing that high property tax rates on all of us who run businesses here," she said. "I hope it's just about making up for the difference in property tax. We always worry about the possibility of them continuing to raise the rent and make it so expensive and unrealistic for the current tenants that we all get pushed out to make room for big business. I hope that's not the case." The tenant shared that her business also has no interest in raising prices. "We're one of the only places in town where you can replace a (watch) battery for \$10. The price has been the same for many years. It's a simple thing that we can do to be of service to our community at an affordable price and we take pride in that."

Parya Suri has lived near downtown Lafayette for the past three years with her husband and her now 2-year-old son. Suri also attended Bentley High School and considers Lafayette her home. Like many renters with aspirations of home ownership, Suri and her family will soon be exchanging their status as Lafayette renters to Walnut Creek homeowners. "We tried to stay here, but it just wasn't really feasible with the costs," Suri says. To hear that the survival of businesses like Papillon is on the line makes Suri feel sad. "I know Sam, who runs Papillon. My 2-year-old son Jayden loves him. We walk in and Sam immediately knows my son's order," Suri says. "It's nice to have that personal touch in the town that you live in. It's a community. It's comfort. It's home. I love the mom and pop shops. When we have external buyers who don't live here and are raising the rent (and fees) so much, you don't understand that you're literally putting people out of business. I would advocate for small businesses to stay here. That's what makes Lafayette the place that it is."

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