

Watsonville wins redevelopment suit

By STEVE STROTH
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Watsonville won't have to turn over \$233,202 to Santa Cruz County thanks to a decision by the U.S. Court of Appeals Friday which accepted the city's version of the disputed west side redevelopment plans.

The court reversed a 1983 ruling by a visiting Superior Court judge who ruled in favor of the county. The county argued that the city had improperly spent money on a street project that was not specifically outlined in its redevelopment plan, called the Westside Industrial Redevelopment Plan. The county's objection was that the money would otherwise have been collected as county taxes. The plan takes in a 257-acre area around the west end of Ford Street.

The city was ordered to repay the money, but appealed that decision. It was granted a hearing before the full appellate court at a rare Santa Cruz session for the San Jose-based judges.

City officials were predictably happy about the ruling, which may have ended two years of litigation over the issue.

"I'm obviously delighted with the decision," City Attorney Don Haile said this morning. "The court followed the city's arguments right down the road."

County Counsel Dwight Herr, who argued the case before the the appellate court, said he was not sure if the county will appeal the decision.

"That's something we'll have to talk to the Board of Supervisors about tomorrow to get their

direction," he said this morning.

The county could petition the appellate court to reconsider its decision, or it could petition the state Supreme Court to hear the case, Herr said.

The appellate court ruled the city had not spent district funds improperly, and that it was following a general redevelopment plan for the area.

County officials argued that the City Council, in its role as the Watsonville Redevelopment Agency, had spent \$233,202 for major road improvements on West Beach Street not outlined in its redevelopment plans. The county contended the city should have spent money only on a fire access road.

The 25-year redevelopment plan was adopted by the city's Redevelopment Agency in 1973 to help revitalize the run-down

area at the west end of Ford Street.

"The city and redevelopment agency contend the plan provides a method of action to eradicate blight within the entire redevelopment area and thus is not limited to the construction of a single street as a matter of law," the ruling states. "We agree."

"Obviously, some flexibility in the final plan ... is essential to avoid the necessity of constantly seeking" changes in the plan, the court ruled.