

Conditions of deal may kill Watsonville annexation plan

By **BOB LINNEMAN**

Sentinel staff writer

WATSONVILLE — While the city of Watsonville is now free to apply to annex 94 acres at Riverside Drive and Highway 1, it's not clear just when that application will be made — if at all.

While some in the city feel the project is all but dead, others would like to see the annexation go

through so the city could at least have something to show for its years of toil.

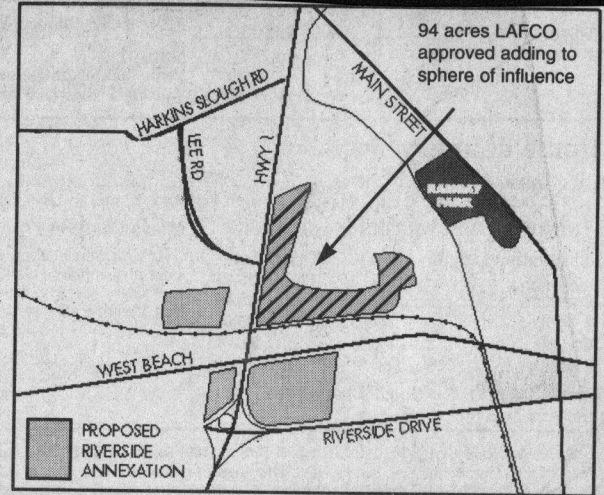
But a series of conditions placed by the Local Agency Formation Commission has resulted in some confusion at City Hall.

"It's not clear under what conditions they would ever allow that property to be annexed into the city," planner Charlie Eadie said.

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"I'm not sure we have anything."

The city may decide the conditions brought by LAFCO commissioner and county Supervisor Mardi Wormhoudt are just too stringent and abandon the idea of building an industrial complex in that area altogether. That's what Ray Belgard would do.

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"(The City Council) would be fools to accept something like that," said Belgard, also a LAFCO commissioner and the supervisor representing South County. "Of course they wouldn't try to annex. It's not acceptable to agree to get Coastal Commission and LAFCO permission to go west of Highway 1 and then work on some damn study that we don't even know what it is. I'd be very surprised if they do something."

The LAFCO decision, delivered late Wednesday night after a lengthy public hearing, has seemingly handcuffed a city determined to expand its boundaries to ease a high unemployment rate and an overcrowded housing situation.

Conversely, the decision was met with joy by annexation opponents. They're pleased that the bulk of the prime farmland in the proposal will be saved.

"We're happy," said attorney Keith Sugar, who has attempted to preserve the farmland with lawsuits against the city. "It's headed in the right direction. The main thing was exposing the whole annexation gamble for the fraud it is. It's not the panacea for all the city's planning woes."

But many at City Hall were sent reeling by the LAFCO decision. "They've isolated us," Mayor Al Alcalá said. "I would like to see us go forward, but what kind of recourse do we have? Do we take it lying down and say, 'Here it is, this is what we have to work with?' Or do we aggressively say we won't take it?"

That will likely be discussed at City Council meetings in the near future.

"I feel like it's North County rules again," said Belgard, one of two LAFCO members who favored allowing Watsonville to expand the way it had proposed. "I think the commission was wrong."

Belgard railed against what he terms a liberal bent to the commission — an obstacle too difficult for the city to overcome.

While the city was not completely shut out, its plans must now certainly be altered in light of the reduced acreage it can apply to have annexed. In addition to the 94 acres at Riverside, which was reduced from 219, the city also was granted 249 acres in the West Buena Vista area. The city had hoped for 733 acres.

The conditions imposed by LAFCO are:

- The city must analyze the industrial potential of the Landmark property, a 150-acre parcel within city limits currently zoned for residential use. If it has development potential, the land will be rezoned to industrial use and "all reasonable efforts will be made to develop it."

- The city must evaluate the Packard Foundation-funded Watsonville Futures Study of the city's "infill" potential — developing land already within current city limits. A plan to put relevant recommendations into action will

agreement with Santa Cruz County and the California Coastal Commission to prohibit future sphere-of-influence applications by the city for land on the ocean side of Highway 1 — unless the city gets the other two bodies to agree on a proposal.

Interim City Manager Carlos Palacios hopes to see the city go forward with the 94 acres. Once the LAFCO conditions are evaluated, he said, "We want to try to annex as soon as possible."

He said 55 of the 94 acres are developable and could be converted to five 10-acre parcels with 100,000-square-foot buildings.

"But if the conditions preclude that, we'll have to re-evaluate," he said.

Bill Burgstrom owns 25 of the 94 Riverside acres LAFCO approved. He, too, is not sure what will happen. He believes the city will have difficulty agreeing to the terms set

forth by LAFCO.

"We're sort of caught in the middle of the county's war on the city," he said. "We just happen to own the property but have no power to do anything with it. There's nothing we can do about it. There's no one we can appeal to."

Burgstrom could take it to court, as could the city — but it's too early to tell if either party is willing to go that far. Burgstrom believes a court would just abide by the LAFCO decision.

"I'm sure the city won't agree to out-and-out blackmail," Burgstrom added. "Who knows, maybe at some point LAFCO will become objective, rather than strictly political, and fulfill what it's supposed to do."

Burgstrom's land, and the adjoining land owned by the Manabe family, are currently in strawberry production. Burgstrom favored annexation to not only increase the

land's value as an industrial park, but as a way for the city to increase its job base.

"The city is in a bind," Burgstrom said. "It's true they do feed a good portion of the people around, but the city can't gain any revenue from that. That's the reason they worked 10 years on a general plan, to gain some balance. But the balance is not meeting any approval from the authorities that need to do it."

LAFCO seems intent on having the city develop the 150-acre Landmark property. LAFCO Executive Director Pat McCormick said 100 of those acres are developable.

That land was annexed into the city in 1972 and never developed. Most recently, it's been zoned residential. The problem there, Eadie said, is Errington Road. Until recently, the city was unable to get approval from the county to extend the road all the way from West

Beach to Harkins Slough Road.

But now the road will go through, which should make the land workable for development.

LAFCO Chairman Roger Anderson also suggested the city look hard at selling off the airport to build both housing and an industrial complex. But that isn't feasible, Belgard said.

He reminded Anderson that if the city does sell the airport, it would have to repay the federal government what it has invested over the years. "That would limit its cost-effectiveness," Belgard said.

While city leaders still seem to be in shock over LAFCO's decision, there is a sense of urgency to move forward with some kind of plan. The city's status as an Enterprise Zone, entitling participating businesses to tax incentives for ex-

pansion, is only temporary. It will run out in 15 years — and the slow process of getting something built could be crippling.

"If we're going to get this annexation, and LAFCO approves it, it needs to happen ASAP," Eadie said. "It's particularly important if we're going to plan something in the Landmark area."

It could literally take years before any ground is broken in either the Landmark area or the two areas LAFCO added to the city's projected boundaries.

The city could also try again with LAFCO — altering the proposal and starting from scratch. Sugar, for one, thinks the city just might try that approach. He doesn't see city officials giving up.

"It's not over," Sugar said. "Like Arnold and the Terminator — they'll be back."

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