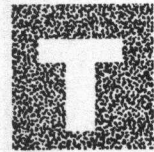


East Side Businesses Unite

by Melody Quarnstrom



The City Council and the Redevelopment Agency of the City of Santa Cruz will hold a joint public hearing next month to consider and act upon the long-awaited East Side Business Improvement Project. The project, approved last July but bounced from its agenda because of the earthquake, was formed to make improvements to the East Side Business area.

One merchant who will be especially pleased about the new redevelopment designation is John Schroeder. Owner of Eastside Electronics for the past fifteen years, he is chair of the East Side Business Association and a booster for area merchants.

"We want Soquel Avenue to be a more pleasant, appealing thoroughfare," says Schroeder. "Things have looked pretty much the same for the past twenty years." Schroeder, in fact, has a photo of the street, peppered with telephone and utility lines. While the photo is 25 years old, it could have been taken yesterday.

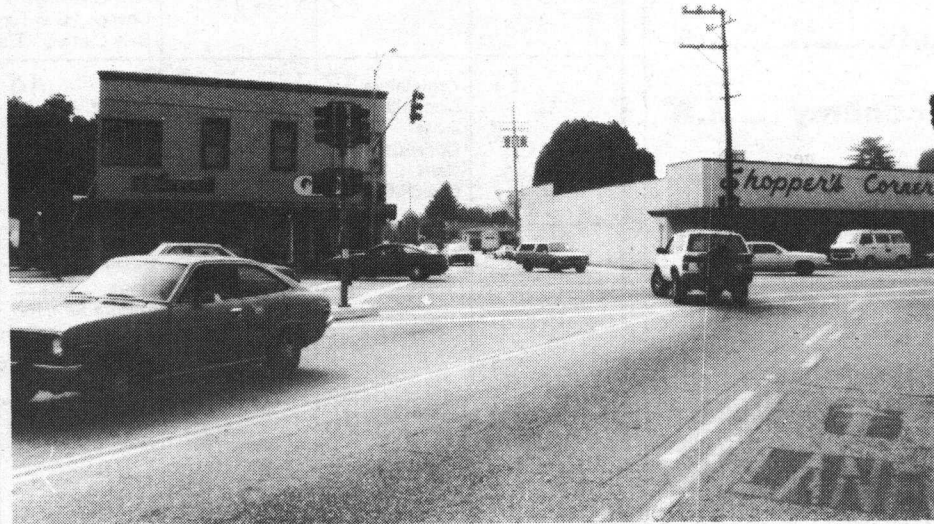
"The east side, generally bounded from Ocean Street to Capitola Road extension, is one of the largest retail areas in Santa Cruz," adds Schroeder.

"This area has more than 500 mostly locally owned, retail/service oriented business."

Merchants want to change the old perception of a "fast way out of town" via Soquel Avenue and Water Street to

love this neighborhood. I'm really happy to be here and I want to make it even better.

"I'm hoping [that the Redevelopment Project] will bring a better awareness of the East Side. The merchants



The corner of Branciforte and Soquel Avenues, home of popular Shoppers Corner market.

become a vibrant and visible part of Santa Cruz.

"I think it's a wonderful place," says Sally Nordman, co-owner of the Book Loft for the past eight years. "I

tend to be real friendly and helpful. Santa Cruz has been very good to us and I'm very happy here.

"Naturally, we'd like parking for our customers" continued Nordman.

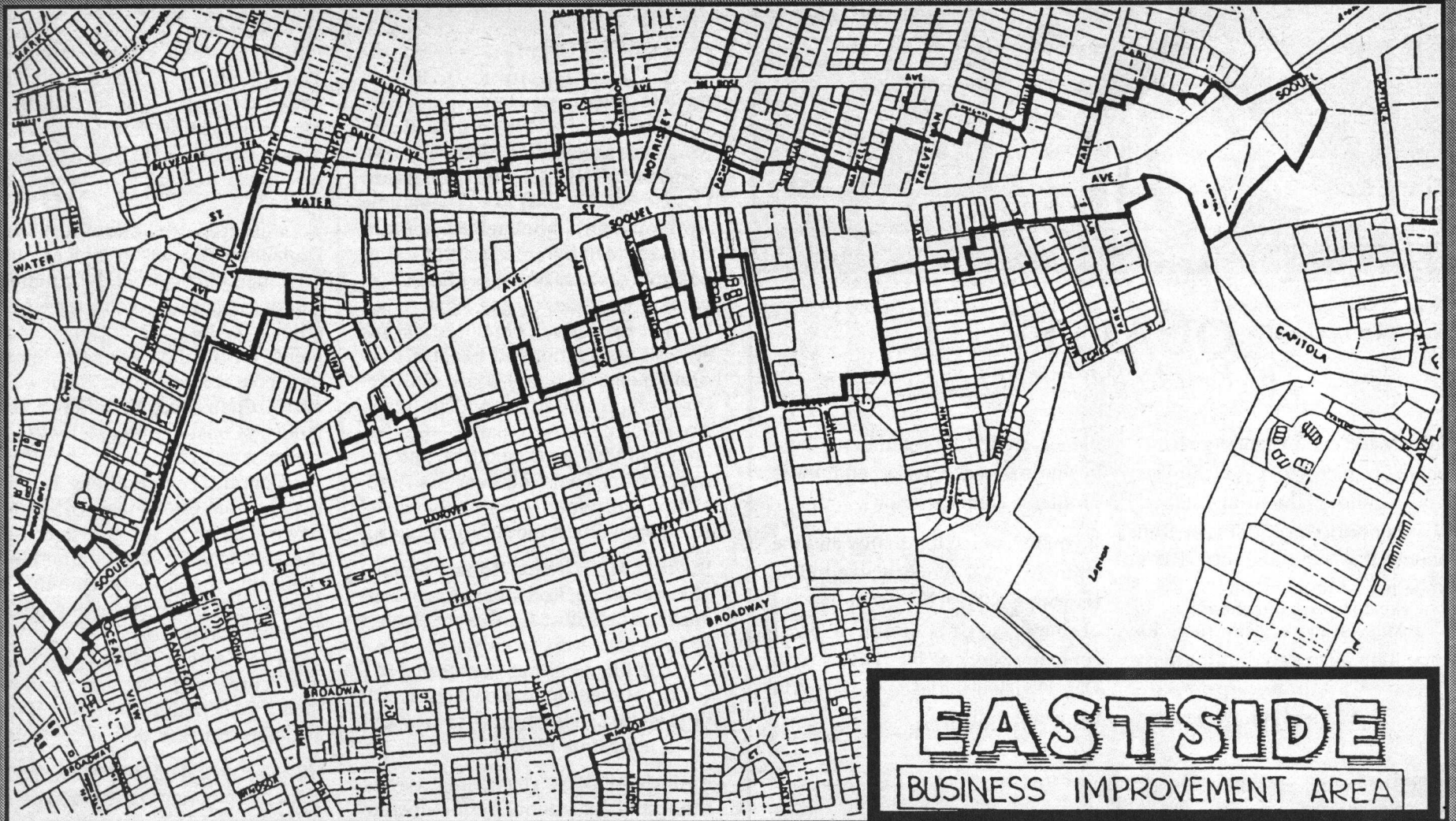
"We pay a private lot right now and I'd like to see us develop some better parking strategies. Some of my older customers are afraid to cross the street. And I'd like to see trees if that were possible. And flower boxes."

Once approved, the project will provide that additional parking, improve area circulation through minor street widening, reconstruction and synchronized signals, strengthen the existing businesses through promotion and market studies, attract new business, improve esthetics through trees and beautification, provide rehabilitated housing, and encourage mixed residential commercial projects.

The short-term plan, to be implemented over the next three years from Pacific Avenue to Morrissey, uses existing rights-of-way with roadway width and striping modification to change existing lane configurations while maintaining as much parking as possible but adding Bike Lanes. The plan includes landscape medians, channel left turn lanes, signal coordination, traffic lights and bus turnouts to facilitate public transportation and even possible changes in direction of traffic flow.

What does the concept redevelopment mean to an area, anyway?

A redevelopment plan is essentially a charter of authority of an agency with respect to all planning and development within a given area. It estab-



EASTSIDE

BUSINESS IMPROVEMENT AREA

lishes planned use for the area and controls and restrictions on development, and authorizes the agency to undertake and finance a variety of activities.

It turns out that the East Side has an unusual lot pattern, an overlapping of various plotting techniques from the Spanish period to current times. This lot pattern has contributed to lack of adequate parking and other on site improvements.

The mix is a combination of community-serving uses (markets, drug stores, cleaners, other specialist retail stores) and some city-wide or even regional uses—principally automobile dealerships. Residential (89 units) represents less than 1% of the total number of housing units within the city. Only 225 people live in the Redevelopment area.

Redevelopment Agencies are financed in various ways, including federal, state, and local sources. Local financing usually involves a special assessment district and tax increment financing.

Joe Hall of the city's Planning Department has been working with local merchants to form the agency. In the case of the East Side, tax increment financing will be used.

At the beginning of the project, an initial tax roll is established and any subsequent increases in tax revenues (tax increments) may be used by the agency to finance improvements in the project area that implement the project area plan. Tax increments result from increased property valuations, building improvements, and

property sales. Due to the lack of vacant land, property sales will be the primary source of tax increments.

Tax increment funds may be used as a basis for the issuance of bonds or other activities to finance the project. When all loans, advances and indebtedness of the project are repaid, the project financing is completed and the tax increments returned to the taxing agency which in turn benefit from increased tax revenues resulting from the project. The agency hopes to raise \$16 million, paid back over a

period of 30 years.

Financing may come from private sources as well. Mike Schmidt, Vice President/Manager of the Santa Cruz Main Bank of America, notes that the bank has established funds to work with municipalities on these kinds of projects: "We may have some Community Reinvestment Act money through the Bank."

With the bank's main office on Soquel, Schmidt is quite aware of area needs. "I get a lot of input from my customers about circulation patterns,"

remarks Schmidt. Schmidt also serves on the Vision Santa Cruz group of 36, the volunteer group who is working to rebuild downtown.

"More and more merchants are getting excited about our project," says Schroeder. "I just got a call from several merchants on Frederick Street concerned with the possible loss of street parking in front of their businesses. That's why we established an association—it's a way to work with the city on just such issues." ■