

Landmark industrial park gets OK for street work

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The developers of the Landmark Industrial Park got permission last night to go ahead with only part of the project's required street improvements, but in the process were dinged for higher storm-drainage fees.

Scott Johnson, a partner in the Heritage Development Corporation, went before the Watsonville City Council last night to ask permission to build his project in phases. The total project will cover 106 acres along Harkins Slough Road and will be the largest single industrial development in Santa Cruz County history.

Johnson told the council it's been impossible to find financing for the entire project, but he has come up with financing for part of it. Although the council and Heritage have already agreed to a plan for phasing in the construction of the industrial buildings in the project, the council had set forth as a condition of the project that the street improvements be done all at once.

The biggest change Johnson sought was to be allowed to build only part of the road that is to run through the project. The plan calls for extending Errington Road from West Beach Street to Main Street near Clifford Avenue; Johnson proposed building the road only from Main Street partway into the industrial park as part of the first phase.

Johnson told the council he also plans to develop 11 of the 42 lots in the project in the first phase, which would cover

almost 25 acres. Those lots could have a total of as much as 430,000 square feet of industrial buildings.

Council members were concerned about Johnson's plan, largely because they felt the completion of Errington Road all the way to Main Street would be one of the major public benefits of the Landmark Industrial Park.

Councilwoman Betty Murphy argued against allowing the street improvements to be done in sections for that reason. If the plan to do it a little at a time was approved, there was no guarantee that the road would ever be completed, she said.

Johnson said that if the city demands the entire road be built at once, the project would have to be put on hold until the market for industrial property improves.

"We can sit and wait five years and wait for the market to change ... What will the city have gained in that time?" he said. "Something's gotta be better than nothing."

"Maybe that's where we differ," Murphy said.

The rest of the council, however, approved of the plan to build only the part of the road from Main Street into the project as part of the first phase.

By bringing his project back to the council for a change, Johnson opened himself up to a change in one of the concessions he had previously won from the council — a reduction in storm-drainage fees.

Such fees are charged of developers to help cover the

costs of the city's storm-drainage system. Johnson and his partner, Chuck Allen, had successfully argued before that since they were planning to put in their own retention ponds in the project and wouldn't place an additional burden on the city's storm-drain system, they deserved a break in the fees.

The council agreed last year to a 90 percent reduction in those fees.

Public Works Director John Cooper said last night that Heritage was given the break in fees based on the plans for a huge project with retention ponds. Now that Heritage is coming back with a scaled-down project, Cooper said it deserves no such special treatment.

Johnson said it would be "counterproductive" to raise those fees at a time when Heritage is doing what it can just to get the financing it needs to proceed with even a partial project.

The council followed Cooper's advice last night, deciding on a 4-3 vote to charge Heritage the full storm-drainage fees, based on a city formula. Councilmen Rex Clark, Joe Marsano and Roy Ingersoll cast the dissenting votes.

After the meeting, Johnson estimated the reinstatement of the storm-drainage fees will cost him about \$30,000 extra in the first phase of the project, and a total of \$70,000 extra over the course of the entire project.

Construction of the first part of the Landmark park should begin next April, Johnson said, and be completed no later than the end of 1988.