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By PAUL BEATTY
Sentinel Staff Writer

A Mixup For Downtown Bus Project

A \$420,000 grant request to purchase the J.C. Penney auto store in downtown Santa Cruz for a bus depot came as a surprise to the company and has caused hard feelings between Caltrans and a local transit administrator.

"Caltrans blew it, and if it is published, it will probably deprive Santa Cruz of a downtown transit station," Scott Galloway, director of the Santa Cruz Metropolitan Transit District, told The Sentinel this morning.

"We had to release that information (as) the Penney auto store was on the application," Dick Friedman of Caltrans answered today.

Friedman, of the state Highways Information Office, said that the Santa Cruz Transit District had submitted an application for \$420,000 in state funds, to be matched with \$105,000 in local funds, to develop the Penney's store into a

transit center that would allow connection between Peerless and Greyhound buses and local buses.

"They've apparently done it without our knowledge, no one in the real estate division knows anything about it," Ken Gage, an official with Penney's, said.

Galloway said the application was made when it was known that state funds were to be made available for such projects, and that he submitted the application, naming Penney's, but also indicating there could be alternate sites, to get the district state funding.

"It's grantsmanship," he told The Sentinel.

Friedman agreed that the application noted there could be alternate sites, "if the Penney's negotiations fell through."

Galloway noted, "There are a number of other sites in that area—a number of car lots among them." The transit director said that he was told "by a manager, or possibly by now former-manager, of Penney's that the lease was coming up in months, or a year."

Gage said the company's lease is good for a few more

years and that he had no knowledge of plans to relocate or build another Penney's store in this area.

"On such relocations, we would have one to five years' notice," Gage said.

Rather than the \$420,000 asked for by Galloway, Caltrans has recommended the district receive \$40,000 for further research and planning of the project.

The legislature still has to agree on the amounts that will be allocated from a \$4.6 million budget.

Galloway concluded by saying he wished the state office had not released the name of the company because "you can't negotiate that way."

Friedman replied, "How can you talk about a project without naming the project (and) it's the only project named in the application."

He also said, "I talked with Mr. Galloway yesterday and mentioned a Caltrans report on reconstructing the old line (rail line) from San Jose to Santa Cruz.

"He told me there was room in his program for that too," Friedman said.

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