

Hospitals - Watsonville Developer buys old hospital in Watsonville

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WATSONVILLE — A local developer has bought the old hospital on Green Valley Road for \$4.6 million and is proposing turning the site into a 15-acre complex of offices, affordable apartments and businesses.

Escrow won't close until January, which gives developer Don Gardiner the chance to ensure his proposed project earns the necessary city approval.

The development proposal — which includes a gas station, convenience store, car wash and fast-food restaurant — is on the fast track in the city because Gardiner faces a state-imposed deadline of Dec. 15 to apply for tax credits.

Gardiner would qualify for tax credits because he is proposing to build 82 three-bedroom apartments that would be rented at affordable rates.

The Planning Commission is expected to get the proposal — which has been winding through the city's planning pipeline since September — on Nov. 30. It's scheduled to go before the City Council for final approval Dec. 8.

The project is expected to be completed in phases, with the commercial development slated for the final stage.

"It looks like an appropriate use of the vacant space because it's mixed use and provides new housing," said Deputy City Manager Marcela Tavantzis. "I think mixed use is always very attractive because it gives you a mix of populations."

According to Carl Sprague of PacCom Management Services, which represents Gardiner, the proposal before the city calls for:

- Remodeling the old 140,000-square-foot hospital into office and warehouse space.

Sprague said the work must include retrofitting the building to meet current earthquake standards, which is one reason early work on the plan has been so time-consuming.

- Building new affordable apartments along the Holohan Road portion of the property.

- Adding commercial development on the corner of Holohan and Green Valley roads, an intersection most people traveling west over Hecker Pass use on their way to the coast.

Plans for the commercial portion of the project include a gas station, fast-food restaurant, car wash and convenience store.

Officials have determined a full environmental review of the project is unnecessary because none of the concerns that popped up in the initial study proved to be so thorny they could not be mitigated.

The council must certify a "negative declaration" in place of a full environmental-impact report.

The two key environmental issues addressed in the initial environmental work are the fact the project is adjacent to agricultural land currently in production, and that building 82 new apartments likely would have an impact on already overcrowded Pajaro Valley schools.

Gardiner plans to deal with those issues by providing a 200-foot buffer zone between the project and adjacent ag lands, some of which he owns. He also plans to regulate when the land is in production in an attempt to minimize potential problems.

As for the schools, Gardiner plans to negotiate a fee with the district that would help offset impacts caused by the new apartments bringing more students to the area.

"We've gotten positive feedback from the city," Sprague said. "We're trying to preclude as many of the anticipated questions as we can in working with city staff, so we cover all the bases before going to the council."