

City still has plans for depot

Fire did not destroy plans for SC property

By **KAREN CLARK**

Sentinel staff writer

SANTA CRUZ — The fire that destroyed the historic Southern Pacific depot on Washington Street Monday has not derailed city plans to buy the property.

"We wanted to save the building, clearly that was a priority, but I don't think it will change the city's intentions," said City Manager Dick Wilson.

Developer Barry Swenson and the property owner, Union Pacific Railroad Co., are in escrow on a deal that carries a \$3 million price tag for the six-acre site.

For the past several months, the plan was for Swenson to use two acres of the site for an apartment complex, and then sell the rest to the city for parking and a neighborhood park.

But, according to Swenson Project Manager Tom Nelson, that all changed last week. Swenson decided that it would be in the best interest of the city to have use of the entire site.

"Barry does things with Santa Cruz that he wouldn't do with other communities," said Nelson. "He has a long history with the city. ... He's selling the whole site to the city for the greater good of the community."

Nelson said Swenson may ask the city to pay for staff costs incurred during the negotiation process, in addition to the \$3 million sale price.

The deal between Swenson and Union Pacific, said Wilson, is on hold because several technical issues must be resolved. But Wilson said once it goes through the city will assume Swenson's position as buyer.

Swenson had negotiated a "bargain price" for the site last spring, which is why the city wanted to assume his position rather than negotiate on its own, said Wilson.

Real estate agent Phil Burke of BT Commercial said the deal between Swenson and Union Pacific is expected to close within 60 days.

The property is zoned for tourism and commercial use.

City officials have applied for grants from the Santa Cruz County Regional Transportation Commission to offset the cost of the site. The City Council has suggested that a portion of the site could be designated as a central hub for a variety of transit uses, including rail.

"We won't be in a position to buy it until that grant money is available," said Wilson.

Other uses being contemplated for the site include a neighborhood park, and a soccer and/or ball field.

The abandoned depot building, said Wilson, was either going to be restored at the site, or moved closer to the beach as part of the large-scale redevelopment planned for the South of Laurel area.

"(The depot) was an added bonus," said Wilson. "We are very sorry to have lost it. But the remaining reasons to buy the site are still in place."

Meanwhile, city officials spent Tuesday trying to make the burned-out, century-old building safe enough for firefighters to conduct a search for possible victims of the blaze.

Santa Cruz Deputy Fire Chief Jerry Ochoa said additional heavy equipment would be at the site today to clear any remaining dangerous portions of the abandoned building to allow the search.

Ochoa said there is no evidence to indicate anyone was caught in the fire, which started at 7 p.m. Monday. But some of the homeless "people flushed out of the place" by the blaze told firefighters that "they didn't think everybody got out."

Sentinel staff writer Steve Perez contributed to this story.