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Plan to raise county indebtedness challenged

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The idea that Santa Cruz County supervisors could raise bonded indebtedness for the county's Redevelopment Agency with limited public notice drew opposition yesterday from a supervisor and an opponent of redevelopment.

Supervisor Walt Symons said he was concerned about the "cavalier approach" of refinancing \$58 million worth of bonds and borrowing an additional \$13 million as a routine matter.

The county staff sought approval for the refinancing on its "consent agenda," which is often routinely passed. But any supervisor or member of the public can pull an item off the consent agenda for discussion, and supervisors did so in this case.

Also objecting was Doug Kaplan, who owns shopping centers in Aptos and Watsonville and has been a vocal opponent of proposed

redevelopment in Aptos and Freedom.

"I believe public and members of the board were misled," said Kaplan, who had gone over the figures before the meeting with County Auditor Gary Knutson.

Supervisors took no action yesterday and asked Knutson for more information on the issue by next week.

The refinancing proposed is for Soquel-Live Oak, the only redevelopment project which has been approved in the unincorporated area. The Redevelopment Agency's money is separate from the county's, but supervisors sit on the agency's board of directors.

Knutson and county staff members said such refinancing arrangements are common, and it's the goal of the Redevelopment Agency to spend money on projects.

The proposal is similar to a

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homeowner who refinances with "cash out" rather than lowering his payments.

Knutson said the current proposal calls for the Redevelopment Agency to get an extra \$13 million now and pay back an additional \$435,000 for it over 25 years. The interest rate on \$71 million in bonded indebtedness would go from 7.62 percent to 5.25 percent, he said.