

✓ CF Watsonville - Growth RP 4/27/92 p.1

Thumbs up for redevelopment

Watsonville plan to merge two districts wins support

By CHELA ZABIN
STAFF WRITER

Support was overwhelming at last night's City Council meeting for a plan to raise more than \$102 million over the next 45 years for business revitalization, schools and affordable housing in Watsonville.

The council chambers were packed, and several rows of folding chairs had been set up in the hallway to accommodate the crowd.

"This is one of the best things that could conceivably happen to the city of Watsonville," said Carl Blanke, chairman of the Economic

Development Department, expressing a sentiment shared by about 20 others who spoke in favor of the redevelopment plan.

Redevelopment diverts into a special fund some of the property-tax dollars from a designated area that would normally go to a city's General Fund and to other jurisdictions, such as the county, and school and fire districts. The money is collected for a set number of years and is used for projects within the area.

Watsonville already has two 25-year redevelopment areas, one on the west side and one downtown, that were established in 1973. The

city is considering merging the two, adding about 125 acres and extending the life of the project to 45 years.

A list of the various projects the money from the proposed plan would be spent on includes: \$17 million for a business attraction and retention fund; \$20 million of road and drainage improvements; \$23.8 million for affordable housing projects; \$5 million for upgrading the city's sewage treatment plant; and \$13.4 million for "public facilities," including \$2.5 million for parks, \$2.8 for library expansion, \$1.9 million for earthquake repairs to schools, \$2 million to Cabrillo

College for a Watsonville campus, and \$2 million for a county services building.

The City Council last night heard from food processors, representatives of downtown businesses, educators and housing advocates, among others. One person spoke against the project, and two others asked that a specific piece of property be left out of the project area.

A second person opposed to the project, west side businessman George Bassi, apparently left before project critics were able to speak.

See CITY / back of section ▶

✓ CF Watsonville - Growth
CITY RP 4/27/92 p.10

▶ From Page 1

The council is scheduled to take action on the matter at a special meeting next Tuesday.

Several supporters, after speaking in favor of the project, made suggestions as to how the money should be spent, and issued "challenges" to the council.

Some may have been thinking about how redevelopment money has been spent in the city in the past. Under former City Manager John Radin, downtown redevelopment power and money was used to condemn and purchase businesses on the 200 block of Main Street. The move was aimed at revitalizing an area Radin and others considered blighted, but except for the new post office building, the block has remained empty for years.

Kathy Bernard, the executive director of the Pajaro Valley Affordable Housing Corp., called the project "a unique opportunity (that) the city has to take control of its future economic development." But she warned the council that "there will be citizens in this community who will be screaming and yelling in a way perhaps they didn't in the past."

Joseph Moreno Jr., a businessman and chairman of the Hispanic Affairs Committee of the Pajaro Valley Chamber of Commerce, told the council to try to keep the \$100 million it spends in local hands. There's an economic theory, he said, that says that every new dollar spent turns over 35 times.

"That's a big shot in the arm that we could use here," he said.

Redevelopment critic Doug Kaplan, who spoke near the end of the meeting, said he felt "like a skunk at a garden party."

Kaplan asked the council to take "time out" for further public discussion and examination of the project before taking action.

Kaplan owns Watsonville Square Shopping Center, which would not be included in the redevelopment area.

He said he was opposed to the city's plan to "borrow our way out" of its problems. The plan authorizes the city to borrow up to \$102 million, and Kaplan said state law requires that the city borrow