

# BONDS Live Oak-Soquel bond approved

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SANTA CRUZ — County officials have been authorized to proceed with a \$23-million bond issue which will net \$16 to \$18 million — after loan costs — for sorely needed public improvements in the Live Oak-Soquel area.

The authorization came from the Board of Supervisors Tuesday, after a hearing during which a number of Live Oak and Soquel residents criticized the board in general and Live Oak Supervisor Dan Forbus in particular for failing to consult with them on which projects should be financed by the bond proceeds.

Bowing to complaints from representatives of a Soquel citizens group, Save Soquel, the board agreed to set \$1 million of the proceeds aside for the possible purchase of the O'Neill Ranch for a regional park. The property is currently targeted for residential development by a private developer, who has an option to buy the land and has already applied to the county Planning Department for a development permit.

Supervisors agreed Tuesday to put off a final decision on which projects to fund until June 14, following an informal "community meeting" and a formal public hearing.

County Administrative Officer George Newell had recommended a number of projects for bond financing, including \$4.4 million worth of road and roadside improvements and \$2.5 million worth of drainage work. He also recommended the county earmark \$2.8 million in bond proceeds for the acquisition of land for two neighborhood parks and for work on the 17th Avenue swimming pool project. And he proposed that funds be set aside for library facilities and for low- and moderate-income housing. The county must set aside at least 20 percent of all redevelopment funds for low- and moderate-income housing under state law.

The bonds will be financed by revenues from the Live Oak-Soquel Redevelopment Area, which was formed in 1986 to raise money for public-works projects in the heavily urbanized unincorporated community east of Santa Cruz. Redevelopment revenues, which will begin flowing this year, come from "tax increments" — property-tax increases resulting from new con-

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struction and rising property values.

It will take the county 25 years to pay the bonds off. Over that time, it is projected that redevelopment area revenues will total more than \$91.5 million. Principal and interest payments on the bonds will total \$43.3 million, according to county officials. But officials say that the real cost will be much less, because the bonds will be repaid with dollars devalued by future inflation.

According to the CAO's office, the real cost — in 1988 dollars — of repaying bond principal and interest will be \$22.5 million.

Third District Supervisor Gary Patton suggested Tuesday that the county might do better to simply accumulate redevelopment revenues and pay for projects as the money goes into debt. "People have a right to speak to (funding) priorities," she said, adding, "I don't think most people know what is on that (project) list."

CAO, it would seven years to

accumulate the \$18 million or so which the bond issue will raise.

Richard Musgrave, a UC Santa Cruz economist and public-finance expert, said recently that it would be "silly" for the county to put off needed public works projects while it tries to save money to pay for them.

Forbus, who is running for reelection this year, came under fire from Live Oak and Soquel residents Tuesday. They charged that he had reneged on earlier promises to involve them in decisions on how to spend redevelopment funds. Two of his opponents, attorneys Jan Beautz and Robert Taren, were among speakers calling for broader public participation in the decision-making.

"We asked for a community committee," said Beautz, who is president of the Live Oak Community Association. "People have a right to speak to (funding) priorities," she said, adding, "I don't think most people know what is on that (project) list."

"There is a serious lack of public input, which is insulting," agreed Taren.

Forbus did not take kindly to his critics Tuesday. The First District Supervisor criticized Live Oak Community Association members for demanding a "rehash" of previously agreed upon county capital projects. He charged that the group had "turned into a kind of self-serving political action committee."

Forbus also lashed out at Save Soquel members, saying, "Everybody in the area of Soquel has talked to everybody else except me. No one has ever come to me and said, 'Let's buy the O'Neill Ranch.'"

Save Soquel member Mimi Edgar said later that Forbus was wrong on that score. "Three of us met with Dan in his office some time last summer to talk with him about acquiring the O'Neill Ranch," she said.

Live Oak Community Association president and candidate Beautz said, meanwhile, that she was "tired" of having every "suggestion" made by her group "portrayed as (a) negative comment."

"All we asked for was to have a committee," she said. "He (Forbus) twists everything around."