

# Former property owner settles suit with city

Ron Lau awarded more than  
\$500,000 after downtown  
condo project falls apart

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SANTA CRUZ — Former Pacific Avenue property owner Ron Lau will receive \$530,000 after a condominium project slated for the empty site fell apart over the past five years and two units he was promised from the developer never materialized.

Lau, 79, reached a settlement on Tuesday in his federal lawsuit against the city of Santa Cruz, Santa Cruz County Bank and former developers Bolton Hill and Bill Brooks.

In August, Lau filed a suit in U.S. District Court in San Jose seeking \$700,000 in damages for the developers' failure to build the luxury condominium complex they had envisioned in 2005, when Lau was forced to sell the property under the threat of eminent domain by the city's former redevelopment agency.

The settlement was reached in private mediation with retired Monterey County Superior Court Judge Richard Silver, according to Tony Condotti, Santa Cruz's assistant city attorney.

Santa Cruz County Bank agreed to pay Lau \$500,000; Norman Schwartz of developer Bolton Hill agreed to pay \$25,000 and the city agreed to pay \$5,000, Condotti said.

The city lost the \$220,000 it loaned the develop-

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**TONY CONDOTTI,**  
Santa Cruz's  
assistant city  
attorney

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ers in 2010 to keep the project alive.

Santa Cruz County Bank has owned the empty lot at 1547 Pacific Ave. since it went into foreclosure in 2012.

"What happened to Ron Lau was unfortunate," Condotti said. "It was dictated

by the real estate meltdown that occurred in 2008."

Lau's attorney, William Markham of San Diego, declined to offer much detail of the settlement.

"The case was settled on amicable terms with all parties," Markham said in a brief conversation Wednesday.

The former buildings on the site, Bookshop Santa Cruz and Santa Cruz Coffee Roasting Co., were

destroyed during the October 1989 Loma Prieta earthquake, killing two coffee shop workers.

City officials, acting on a downtown redevelopment plan, threatened to take the property from Lau by eminent domain unless he improved it.

City officials considered Lau's vacant property on the north end of Pacific Avenue blighted after it became an

eyesore, covered with graffiti and weeds, during the years after the earthquake.

The city was anxious to see a new business pop up to improve the look of downtown and contribute to the tax base.

Lau eventually sold the property to the company headed by Brooks in 2005 for \$1.9 million in addition to ownership of two condos or \$700,000.

Developers had planned to build 60 high-end residential condominiums in a five-story building with a parking garage for residents, a restaurant and retail stores on the ground floor.

The project, named Park Pacific, had been estimated to cost \$27 million.

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