Scotts Valley, Santa Cruz resume talks on Sky Park 7-9-89

By MARIA GAURA Sentinel staff writer

SCOTTS VALLEY - Negotiations on the fate of the abandoned Sky Park airport were rekindled last week with a private meeting between city officials from Scotts Valley and Santa Cruz.

The 46-acre airport property is located smack in the middle of Scotts Valley's prime Mount Hermon Road commercial district. but is owned by Santa Cruz and is legally incorporated in the city of Santa Cruz.

The two cities have been tussling over the fate of Sky Park for years now, with Santa Cruz wanting to develop the site for maximum profit and Scotts Valley insisting that 20 acres of the land be set aside for a city park. Neither side can move without the cooperation with the other, because Scotts Valley will have to provide utilities and services to any development on the site, and Santa Cruz will have to agree to allow a park on its land.

Negotiations had bogged down in recent months, but were rekindled after a letter from Scotts Valley **Public Works Director Bob Rockett** to Santa Cruz Public Works Director Larry Erwin was made public last week.

Scotts Valley is interested in sending its wastewater to Santa Cruz's sewage treatment plant, and Rockett claimed Erwin had put him on notice that Santa Cruz would not consider the sewer linkup unless Scotts Valley relented on the Sky Park issue.

Officials from both cities downplayed the significance of Rockett's letter Friday, claiming that the sewer linkup is a negotiating point, but not an ultimatum.

"Santa Cruz has never held a gun to our head, they would never do that," said Scotts Valley City Administrator August Caires. "There's just an understanding that both items are on the table. We have discretion over the annexation (of Sky Park) and they have discretion over us hooking up to their treatment plant.

"We're not trying to say that Santa Cruz is being uncooperative or manipulative," he said. "They're not."

The issue of Santa Cruz's agreement to an intercity sewer linkup may end up irrelevant, since the federal Environmental Protection Agency has taken a dim view of the project. The EPA recently notified Scotts Valley that it would require

the return of \$12 million to \$13 million in past sewage treatment improvement grants if the city went ahead with the linkup. Scotts Valley is asking the EPA to reconsider its decision, but if the agency doesn't reconsider, the linkup is dead. Caires said.

According to Caires, each city has outlined several objectives to be negotiated. Scotts Valley wants a park on the site; it wants the balance of development on the site to be "appropriate" to the commercial district it's located in: and it wants to include the site in its Redevelopment District. Caires would not specify what might be considered "appropriate" to the site, saying that issue is under negotiation.

In turn, Santa Cruz wants a fair return on the sale or development of its land: it wants the site annexed into the city of Scotts Valley; and it wants a General Plan amendment that will allow it "certain land uses" on the site.

Those "certain uses" were also not defined by Caires or by Santa Cruz City Manager Richard Wilson.

Caires said he hopes the cities can come to an agreement on the site by the end of the year.