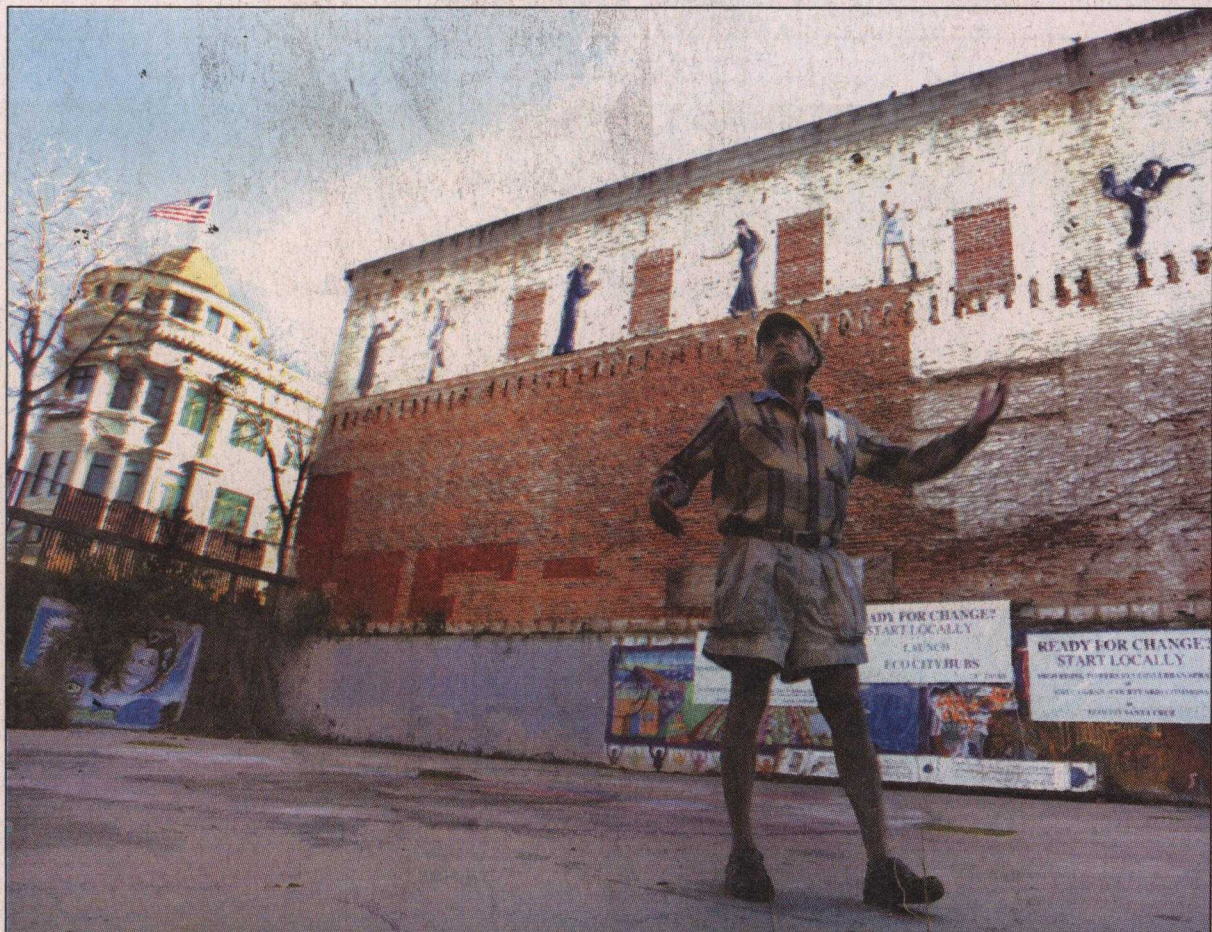


# S.C. tells landowner: Use it or lose it



Dan Coyro/Sentinel photos

Ron Lau, who owns the Pacific Avenue lot the city wants to develop, says he is devoted to the idea of constructing an 'ecologically advanced' building, but his plans over the past 15 years all have fallen through.

*Pacific Ave.*

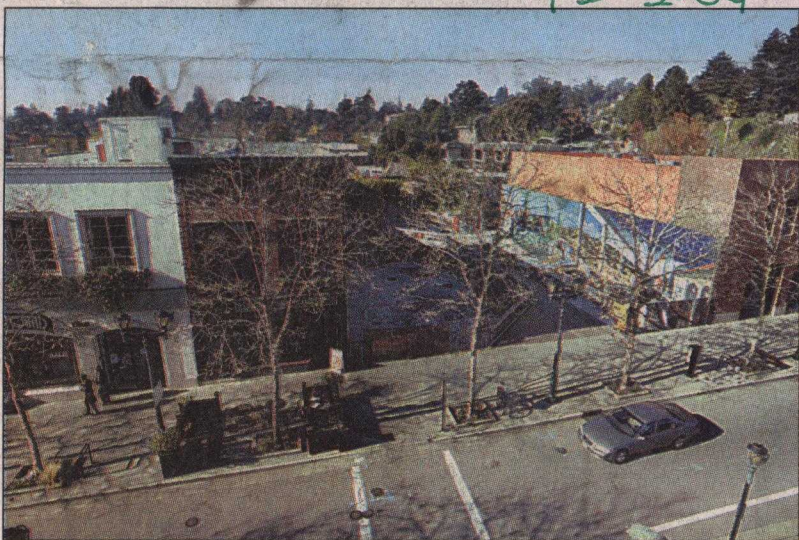
## City considers eminent domain on long-empty downtown lot

By **SHANNA McCORD**  
SENTINEL STAFF WRITER

✓ **SANTA CRUZ** — Downtown property owner Ron Lau vows he will fight the city's attempt to seize his land for redevelopment.

"That's unfortunate and misguided and just a flaw in how we as human beings operate," Lau said of the city Redevelopment Agency's plans to condemn his Pacific Avenue property that has been sitting empty since the Loma Prieta earthquake leveled much of the area in 1989.

A Hawaiian native who lives in Watsonville, Lau is a self-described free spirit who doesn't like to be told what to do or when to do it. He owns the gaping concrete pit between Lulu Carpenter's and the World Savings Bank branch — a spot many see as nothing but an eyesore and place for weeds to sprout in the heart of downtown.



Ron Lau's 20,000-square-foot lot, center, to the right of Lulu Carpenters coffee shop, has been appraised at \$1.4 million.

The 20,000-square-foot lot has been appraised at \$1.4 million.

Lau has 90 days to accept an offer by local developer Bolton Hill to buy the parcel. If a deal is not reached, the agency will attempt to negotiate with Lau. If that proves unsuccessful, the city says it will consider eminent domain.

Bolton Hill is a 25-year-old Santa

Cruz-based development and consulting firm that specializes in housing projects. It's responsible for the Pacific Shores apartment complex that opened last year on Shaffer Road.

Bolton Hill first approached Lau with an offer to buy his downtown plot a year and a half ago. When Lau

# Lau

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rejected that offer, Bolton Hill struck a deal with the Redevelopment Agency in September 2003 to assist in acquiring the property.

Eminent domain is the power of government to condemn private property and take title for public use, provided owners receive fair compensation.

"With all due respect to Ron, he has been trying to get a project there that was sustainable, but it's been difficult for him to find and develop a relationship with someone who could meet his ideologies," said Ceil Cirillo, the agency's director. "He hasn't done anything so far."

## Fault lines

Devoted to the idea of constructing a building he believes is "ecologically advanced," Lau's numerous development plans over the past 15 years have fallen through.

In support of his environmental building ideas, Lau has posted banners on a wall facing his property that endorse "building cities in balance with nature."

There should be more high-rise buildings, in his opinion, rather than further urban sprawl.

Lau said faulty development plans and perpetual delays

# Rittenhouse lot also empty

By **SHANNA MCCORD**  
SENTINEL STAFF WRITER

SANTA CRUZ — Lost in all the talk about plans for Ron Lau's empty Pacific Avenue lot is the future of the Rittenhouse property.

Louis Rittenhouse, owner of the empty lot at Pacific Avenue and Church Street, said he's ready to launch a four-story 80,000-square-foot retail and office building just as soon as he finds committed tenants.

A building on the lot was damaged during the Loma Prieta earthquake 15 years ago, and was then torn down. The lot has since sat vacant.

"We have the design permits ready to go, we have working drawings," Rittenhouse said. "All we need is a couple of tenants."

His plans were approved by city officials in 2001, just a few months before the Sept. 11 terror attacks brought about an economic downturn, which Rittenhouse blames for the delay in constructing the

through the years are partly the result of him not knowing exactly what the perfect fit would look like.

"I've never been a developer and

20,000-square-foot site.

The council agreed in April to grant Rittenhouse a three-year extension to develop the parcel.

Councilmen Tim Fitzmaurice and Ed Porter voted against the extension, expressing belief that come 2007 the spot will still be vacant.

"We are aggressively working on this project. If not, the council would not have granted the extension," Rittenhouse said. "I'm not willing to build an edifice in my name and not draw rent-paying tenants."

About \$1 million already has been invested on drawings and design, he said.

"We've been doing everything Ron Lau hasn't," Rittenhouse said.

The site would fit well for a department store, but Rittenhouse said there's no interested parties.

He also owns the Flatiron Building at the north end of Pacific Avenue.

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I have no idea what the hell to do with it," he said. "I like to understand things thoroughly. I'm interested in the nuts and bolts. I'm not just interested in putting money

## Eminent domain in Santa Cruz

■ March 1991: 554-square-foot vacant land owned by Bernard and Kay Zwerling was taken for construction of a parking structure at Locust and Cedar streets. (This involved only a partial taking.)

■ September 1996: A 6,700-square-foot portion of Marmall Alley off Soquel Avenue.

■ October 1996: Property owned by Irma Hansett taken for Gateway shopping center project on River Street.

■ October 1996: Frontage property owned by Robert and Wanda Cash taken for River Street widening project.

■ July 1997: Property owned by Frances Bonne taken for Soquel Avenue/Front Street parking garage.

Source: Santa Cruz City Redevelopment Agency

in and taking it out. I want to see things holistically."

Last week Lau made a last-ditch attempt to present the City Council with a "green project" plan drawn by Healdsburg psychologist Craig Brod, who recently developed a condominium project in San Diego.

The council unanimously rejected that idea.

## Up next

Bolton Hill's plans for the site include two adjoining parcels owned by the city and agency.

The entire project reaches from Pacific Avenue to Cedar Street and would involve displacing Oswald's restaurant, Asian Rose Cafe and Artforms; all three are housed in buildings owned by Lau.

The businesses would receive relocation assistance and benefits, Cirillo said.

"We think it's very sad that something hasn't occurred there in 15 years," said Norm Schwartz of Bolton Hill. "It's not good for the quality of the community. The impacts of not doing this project are significant."

Restaurateur owner Lou Cavaglia, who operates Clouds Downtown, has spoken of opening a similar restaurant on the site.

Up to 60 condos and a parking garage would be included.

Burt Rees, owner of the Lulu Carpenters cafe building adjacent to Lau's property, said it's been frustrating to listen to his neighbor's repeated empty promises of putting a new building there.

"I've listened to Lau, I've talked to him, I've never had a cross word with him," Rees said. "I've supported every idea he's had, but nothing has come to fruition. ... I've become frustrated by the fact nothing has happened."

Rees said a store or restaurant on Lau's property would improve

safety in the northern section of Pacific Avenue.

"There's not a lot of light and energy at that end of the mall," he said.

Eminent domain would require a super-majority City Council vote — approval by five of the seven council members — which doesn't appear to be a problem.

The agency would also have to show that taking Lau's land is in the public interest and meets its requirements.

"There's no question that this will pass the eminent domain test," Mayor Mike Rotkin said. "It's a blighted hole in the middle of downtown. People expect to walk down the street and see storefronts. Fifteen years is a long time to leave a hole in downtown."

Lau's property was home to Bookshop Santa Cruz when the earthquake hit. The building partially collapsed, falling onto a coffee shop, where two people were killed.

Lau, still searching for the ideal eco-friendly project, wants the council to reverse its latest rejection of his plans and allow a project that "better satisfies the needs and aspirations of the local community."

Of the Bolton Hill plan, Lau said, "There's nothing special about it. It's done in the same old routine way."

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