

## REDEVELOPMENT ASSETS

# Eastside businesses want to keep key parking lot

Santa Cruz hopes for  
change in ruling,  
state legislation

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**SANTA CRUZ** » Eastside residents and business owners gathered Tuesday to hear the city's plans for defending its claim on a public parking lot that state finance officials say may need to be sold.

The California Department of Finance has determined Santa Cruz's former redevelopment agency cannot count the lot at 1111 Soquel Ave., which businesses see as a critical facility for customers, as a public use for the purpose of maintaining it as a long-term asset.

"We recognize the public good," J. Guevara, an economic development manager for the city, noting Santa Cruz also identifies the lot as a staging area for emergency vehicles.

State officials have made a similar ruling about the landmark Del Mar Theatre and a related downtown lot, suggesting the properties could be sold and revenue shared with schools, fire districts and other jurisdictions.

The state did away with redevelopment in 2012, but has drawn resistance from cities and counties that want to keep their property and cash to fulfill long-standing development and improvement plans.

Santa Cruz officials have decided not to sue the state over

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## Parking

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the findings yet, choosing instead to seek a change in the ruling and await the outcome of pending legislation to expand the use of former redevelopment properties and tax revenue. Santa Cruz sold \$35 million in bonds in an attempt to tie up future tax money, but the state has frozen the city's ability to use those funds.

The former agency bought the parking lot, which has about 50 spaces, in 1993, and it remains free for up to three hours each day for the public. Street parking is at a premium on Soquel Avenue and side streets, some of which are in residential areas.

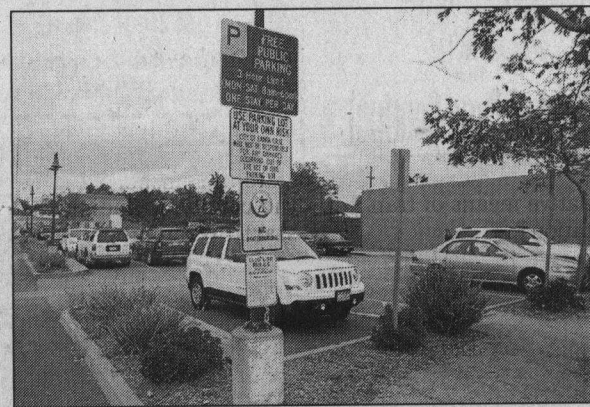
Gary Bascou, a co-founder of Staff of Life who

helped organize the community meeting at the Masonic Center, said the Eastside generates more tax revenue than downtown businesses largely because of automobile sales.

But it also features several grocery stores like his and Shopper's Corner, and a number of popular restaurants, and doesn't benefit from a dedicated parking district like one that governs parking meters, lots and garages downtown.

Lindsay Johnson, who in 2011 bought the historic Cayuga Vault, said the lot across the street is critical for the retail business she rents to, as well as her psychotherapy practice in the back.

"There is no place else to park," she said. "The city sounds committed to protecting the parking spaces."



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The State of California may force the City of Santa Cruz to sell the Eastside parking lot serving businesses along Soquel Avenue.

Guevara encouraged those who attended Tuesday's meeting to speak at a Sept. 25 meeting of the board appointed to oversee the former redevelopment agency's assets and to contact legislators and city council members. If the state's ruling stands,

the city could still hold on to the property, as well as the Del Mar, by essentially buying it from itself for fair market value with the agreement of taxing entities who would otherwise benefit from the revenue generated by the sale to another party.