

# Compromise in annexation bill

By JAMIE MARKS  
Sentinel staff writer

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SACRAMENTO — A last-minute compromise was reached Thursday on the controversial Franich bill that will keep an amended version of the bill alive in the state Legislature while also giving local decision-makers a say in the issue.

The compromise appeared to please all sides in the thorny issue because it puts on hold any final

action at the state level until the Local Agency Formation Commission attempts to work out an agreement with the city of Watsonville and property owner Tony Franich.

If LAFCO fails to act on the annexation of Franich's 72 acres of apple orchard on East Lake Avenue before the Legislature adjourns Aug. 30, then the amended bill will be sent to the governor for final approval.

Watsonville  
The accord was hammered out in Sacramento at a closed-door meeting called by Assembly Majority Leader Tom Hannigan, D-Solano. It included Assembly members Sam Farr, D-Monterey; Dan Hauser, D-Mendocino, author of the so-called Franich bill; Dominic Cortese, D-San Jose; Watsonville City Manager John Radin and Councilman Rex Clark; Santa Cruz County Supervisor Gary Patton; property owner Tony Franich, his attorney

Tim Morgan, and their lobbyist, Fred Taugher; and another lobbyist from the Planning and Conservation League.

The bill, AB 4367, will proceed through the Assembly, possibly Monday, and make its way to a joint conference committee of three assemblymen and three senators, where it will lay dormant.

Meanwhile the city and LAFCO

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will draw up a memorandum of understanding outlining the details that need to be ironed out for the annexation to be considered. Among the details that haven't been resolved is whether the annexation, which was approved by LAFCO and the city in 1982, needs a new environmental impact report, or whether a "focused EIR" will suffice.

"We have 15 days to reach an MOU (memorandum of understanding)," said City Manager Radin. "If it's not, then we don't have an agreement."

Radin said the intent of the agreement is to follow the decision of the court of appeals, which overturned the annexation in 1987.

"It's the opinion of (our) attorneys that the court referred the issue to LAFCO to recertify the EIR and verify a partial annexation," he said. That's important, he said, because it means the annexation procedure "does not start from scratch."

Radin said Patton has indicated

he doesn't agree with that interpretation of the court's decision, and that may be a sticking point.

There was no talk about whether a partial annexation of 19 acres or 42 acres of land is acceptable to Franich or the city, but Clark said: "Nineteen acres is just not a feasible number. The numbers are not there to do everything that needs to be done."

Franich has agreed to build a storm-drain system to handle the flooding problem at the nearby retirement communities of Bay Village and Pajaro Village, and build a peripheral road extending Bridge Street through his property. He also will add three acres of land to Joyce-McKenzie Park, making it five acres.

"That leaves you with 10 acres," said Clark, adding, "maybe we'll end up with somewhat less than 72 acres."

Patton and Taugher met earlier Thursday and discussed amendments to the Assembly bill. Taugher said some of those changes included a clarification on the need for an EIR, a call for a

"development plan" which will be more descriptive than the pre-zoning which the city has approved, and an assurance that 15 percent of the housing will indeed be set aside for low- and moderate-income families.

Also, LAFCO will have final authority to "certify" that the city and Franich have followed all the procedures outlined by the accord, said Taugher.

Radin said the agreement calls for the "whole process" to be completed in six months.

The next steps are for the City Council to approve the agreement reached in Sacramento and for LAFCO to begin discussions with the city on the memo of understanding. Patton said he will put the issue on the June 1 LAFCO agenda.

Asked what effect the agreement has on the rift between the county and the city, Clark said: "I never felt it was as wide as some people have said it was. Deep down inside I think it's really a personality difference."