

Overlook project 'going forward'

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WATSONVILLE — City planners called a meeting with Overlook developers at city hall Thursday to assess the legal standing of the shopping center, which is currently under fire.

"It's going forward — the litigation is a temporary obstacle," was the developer's position, said Wayne Petersen, the city's project manager for Overlook. He said that Overlook consultant Gary Coats re-

assured Watsonville officials that plans for the shopping center are moving ahead.

"They hope to have (the lawsuit) cleared by summer, and begin building," Petersen said today.

In November, Santa Cruz Superior Court Judge Sam Stevens ruled that the project could move forward. But last Friday, lawyers for the opponents filed a notice of appeal in their continuing attempt to stop construction of the 270,000 square foot project near Ramsay Park.

The shopping center would include a Target department store, Lucky's food market, Staples office supply and fast food restaurants. It would be the largest shopping center in Watsonville, employ up to 800 people, and would generate up to \$800,000 in tax revenue annually, according to a city economic analysis.

Watsonville City Attorney Alan Smith said the developer, Don Orosco, can begin construction despite the appeal, because an injunction has not been issued. Orosco said this morning that he is finalizing blueprints and has not decided when to break ground. But he said, "The project will be built."

Orosco also said he has been encouraged to move forward by an outpouring of calls from supportive neighbors and business people.

The lawsuit to stop the project accuses Watsonville of violating state regulations in rezoning 33 acres on the north end of Main Street from low-income housing to commercial property. The suit also cites the need for housing in the city and the possible negative impact on downtown businesses that a new mall might have.

The appeal will argue that Stevens' ruling was a mistake, said attorney Keith Sugar, who is representing two petitioners in the case, Watsonville Wetlands Watch and Comité Derecho Humanos de Watsonville. A third petitioner in the original suit, the Watsonville Committee for Business Preservation,

dropped out of the appeal. Sugar said appeal arguments will be filed in three or four months.

The notice of appeal has moved the case from Santa Cruz Superior Court to the state's Sixth District Court of Appeals in San Jose, where a panel of three judges will hear the case. Court dates have not been set.

City officials also discussed Thursday the possibility of receiving federal grants to pay for some of the public utility improvements associated with the project, such as sewer pipes, gas lines and roads.