

Santa Cruz takes aim at redevelopment plan

Redevelopment of Capitola's 41st Avenue is under attack from the city of Santa Cruz.

Santa Cruz sent a letter to the city last week, objecting to the expansion of the Capitola Mall and the proposed redevelopment agency. Santa Cruz County is expected to fight provisions in the redevelopment proposal that funnels all property tax from new development in the area into the redevelopment agency to pay off revenue bonds, rather than being divided among numerous taxing agencies as is now the case with property tax collections.

Santa Cruz City Planning Director Peter Katzberger sent a letter to

Capitola last week at the behest of his city council objecting to the redevelopment project.

Katzberger listed three objections Santa Cruz has to the Capitola project.

First, Capitola's mall expansion will have an economic impact on Santa Cruz's retail businesses. "Since there is a limited amount of retail sales potential in the county, this project will, no doubt, further shift commercial emphasis in the county to 41st Avenue at the expense of other areas," Katzberger said.

Santa Cruz is also objecting to Capitola's determination that the 41st Avenue area is "blighted." Based on this report, Katzberger said,

"there do not seem to be indications that there exists a substantial amount of blight in the area."

"The city," he adds, "sees a situation where major development is proposed without sufficient or adequate support facilities and the use of redevelopment as a convenient method to finance improvements which should be borne by the project or the City of Capitola.

"It is the kind of proposal," the Santa Cruz official added, "that has given redevelopment a bad name in the past. While there may be traffic problems in the area, caused by failure to address the needs of initial Mall development, it reaching a little far to suggest there are depreciating property values and economic maladjustments sufficient to constitute blight. The motive here seems to be the provision of infrastructure for commercial development yet to come."

The environmental impact report with the comments from Santa Cruz and other governmental agencies has been referred back to Capitola's consultant. It will be on the City Council's agenda April 22.