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County Charges Watsonville With Diverting Taxes

Watsonville has improperly diverted \$300,000 in tax revenues from the county under the guise of redevelopment programs, county supervisors were told Tuesday by Deputy County Counsel Dwight Herr.

The county attorney's claim was met head-on by Watsonville Mayor Bill Johnston this morning who said, "Herr can go to hell."

Herr's report went to county supervisors as the board was debating whether to meet with Watsonville councilmembers over the redevelopment issue prior to the council's scheduled hearing May 4.

That hearing date was changed Tuesday to May 5 so that Johnston would be able to attend as he had another commitment on May 4.

The county board asked the council to delay its hearing on further redevelopment plans, but Johnston said that after Herr's analysis the city officials were in no mood to accommodate the Board of Supervisors.

"He's called us cheats and liars and said we've misappropriated funds (but) he's all wet and we're going to proceed with our own thing," Johnston said.

Herr agrees that his analysis does state that Watsonville in its first redevelopment area has diverted the \$300,000 and not improved the area. The city is allowed to take the increased amounts of sales tax in areas that have been improved. Herr says no improvements were done, and the additional tax monies were created by inflation.

Also, Herr has said that redevelopment plans on the board are estimated to use \$5 million and more than \$1 million of that should go to the county, but won't.

He said, "Those are the negative things that are being picked up by the press and responded to. It should be noticed that I also come up with alternative and one of them shows the city how to double the \$5 million amount and not hurt the county."

Johnston placed some of the blame on Supervisor Gary Patton, who sits at the opposite end of the political spectrum from the conservative Watsonville mayor.

"They left us along for 10 years while this was going on," Johnston said, "and now suddenly they come in."

"It's because Gary Patton needs more money to run his political regimes over there and he's got Dwight Herr to do his bidding."

Herr says he's working under direction of the board and not at Patton's bidding. Patton says county program money is at stake and the county is unwilling to give money away when it faces cuts in personnel and programs.

The latest flap comes at a time when both agencies are failing to meet on the issues of redevelopment, annexations, the Freedom area sewer system and the urban limits of Watsonville.

Johnston said he expects the issues will go to court—an action that will put legislative decisions into the hands of the judicial system.