

✓ Capitola 990 sells land for homes

Clares Street lot

By ERIN K. QUIRK

Sentinel staff writer

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CAPITOLA — The four-acre vacant lot at the corner of Clares Street and Wharf road will soon have a new owner.

The Capitola city council voted Thursday to sign a letter of intent to negotiate exclusively with Kauffman and Broad of Salinas, which, according to city staff, plans to purchase the Clares/Wharf property for nearly \$2.5 million.

A spokesman for Kauffman and Broad was not available for comment Friday.

The proceeds from the sale have been strictly designated to reduce the city's bond debt. According to City manager Susan Westman, the sale could bring the city's present debt from \$8.3 million to \$6.3 million. Any remaining funds will be used to pay the city's remaining debt to the Redevelopment Agency and to the department of Housing and Urban Development.

Beardslee, Floyd and Burkett, a Capitola investment group, initially offered \$2.5 million for the property but could not close escrow before the city's May 25th deadline for the bond refinance program.

Planning director Kathy Barbaro said the city and the Beardslee group mutually agreed that the city should seek another offer. Barbaro said the Beardslee group will continue to work on the Rispin Mansion project, but that project is currently taking a back seat to the Clares/Wharf sale and the bond refinancing.

Westman said the impending sale is consistent with the goals of the refinance plan designed by the city's independent financial counsel. She said the goal for refinancing the city's troubled \$8.3 million bond has been to level out the city's debt payments without extending the life of the debt. She said the city has not yet decided whether or not it will skip the next payment due — \$874,000 — as part of the refinancing.

Kauffman and Broad plans to build a 45-lot, single-family subdivision on the four-acre property.