

# Local greenbelt gets slice of state budget



**Fred Keeley**  
Assemblyman

*Greenbelt*  
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**SANTA CRUZ** — A state budget deal hammered out in Sacramento will provide \$6 million for greenbelting Santa Cruz and help preserve farm land in the Pajaro Valley, Assemblyman Fred Keeley said Tuesday.

The Santa Cruz County provisions are part of a deal that will also cut vehicle taxes by \$1.4 billion and eventually raise per-student spending to the national average, he said.

Keeley, who represents Assembly Speaker Antonio Villaraigosa on the budget conference committee, said that while details of the compromise have yet to be worked out, he expects passage of the bill next week.

"We think this is a principled compromise between the governor and the Legislature," the Boulder Creek Democrat said.

The "Big Five" — the governor and the four legislative leaders — are scheduled to meet on the deal today.

Locally, the city of Santa Cruz's drive to create a greenbelt will get a \$6 million boost — \$5 million for the Coast Dairies property and \$1 million for the Bombay tract on the city's Westside, Keeley said.

Pajaro Valley residents may benefit from a provision that will allow the state to buy up development rights on agricultural land. That, in effect, pays farmers to keep farming rather than sell their land for commercial or residential projects.

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More broadly, the agreement will cut the state vehicle registration fee by \$1.4 billion this year — the largest tax cut in California history, Keeley said. Fees now average \$185 per vehicle.

Cities and counties have complained that the tax cut will reduce funds intended for local governments. But Keeley said that under the budget compromise, the state will make up the difference.

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## What's in it for us

■ The city of Santa Cruz will benefit to the tune of \$5 million to help buy the Coast Dairy properties on the Westside.

■ Another \$1 million will help Santa Cruz buy the Bombay tract, allowing the city to continue creating a protected greenbelt surrounding the city.

■ Pajaro Valley farmers could benefit from a provision that preserves agricultural land, essentially paying farmers to keep farming rather than selling the land for residential or commercial purposes.

## Budget

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Future tax cuts of up to \$3.6 billion by the year 2004 will depend on how the economy performs.

Democrats sought and won a guarantee that before the vehicle tax dropped further, per-student expenditures would be brought up to the national average, the assemblyman said.

For this year, education spending will increase \$800 million over last year's, said Keeley.

Once the budget is approved, so-called "trailer bills" will come up for a vote, including one by Keeley that would increase funding for salmon protection and marine fisheries planning.

While Keeley was optimistic, Gov. Pete Wilson and state Senate leaders were more cautious about whether the 65-day budget standoff has reached an end.

They did confirm that a verbal agreement was reached Sunday among Wilson and four top legislative leaders to cut vehicle license

fees by \$1.4 billion next year.

If they all approve the written version, that could resolve the biggest single stumbling block in the way of enacting a \$76 billion state budget for the fiscal year which began July 1.

But a spokesman for the Democratic leader of the state Senate, John Burton of San Francisco, said that while significant progress has been made on a bipartisan deal, there were still unresolved differences between Democrats and the Republican governor.

"We are not of the opinion there is a deal," Burton spokesman Sandy Harrison said. "We are in agreement on a lot of things, including the major provisions of the tax cut. But there are a lot of provisions that have not been finalized."

A spokesman for Bill Leonard, the Republican leader of the Assembly, stressed that there are still unresolved issues that must be settled before either the budget or a tax cut are enacted.

"Assemblyman Leonard saw a lot

of these news stories today (about a budget agreement) as premature," Leonard spokesman David Oswalt said. "There are a lot of things being negotiated that are not final."

Another tentative part of the tax deal would speed up the timetable for more generous state income tax credits for dependents.

A 1997 law increased dependent tax credits from \$60 last year to \$120 this year and to \$222 on 1999 tax returns. The new proposal would increase the credit to \$222 this year, making it available to taxpayers on returns they file early next year.

Another provision would restore tax credits for low- and moderate-income renters.

Those credits — \$60 for individuals and \$120 for couples — have not been allowed since 1991, when they were suspended as part of an emergency revenue package enacted to help close a \$14 billion revenue gap.

Sentinel wire services contributed to this report