

Financial uncertainty stalls projects in city

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Saving the best for last might be a practical philosophy when it comes to opening Christmas presents, but the concept is far less workable when applied to urban development.

The case in point is Watsonville, where, with 96 percent of its land developed, there remain 454 acres that are either vacant or under utilized, despite the fact that projects have been approved for a good portion of the land.

The problem, to the surprise of few, is money.

In a report to the City Council Tuesday night, Planning Director Maureen Owens said "the last land to be developed (in a city) can be the most problematic."

Of the vacant land, 206 acres are designated for residential development, and 185 acres have projects pending. The report cited lack of infrastructure to the properties, and the high costs of providing that infrastructure, as development roadblocks. Most of those pending projects are located near Watsonville and Struve sloughs where flooding prevents year-round access.

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ployment rate and a critical lack of affordable housing, the situation in Watsonville makes it more important than ever for the city to quickly adopt Watsonville 2005, the city's General Plan, and move ahead with expansion plans, Owens said.

Of the total undeveloped land, 6.2 percent is commercially zoned, 5.8 percent is industrial, and 1.6 percent is residential.

"It's important to note for the city the pressing need not to rely on having to meet our housing needs by just infill," Owens said. Developmental limitations coupled with land being tied up with "marginally feasible projects" could result in opportunities being lost to the city, she said.

These problems don't apply to parcels in the downtown area, where the infrastructure is already in place.

"It's tough right now, according to all the developers I've talked with. ... They write you the letters asking for extensions for their tentative maps," Owens said. "They're saying they can't get financing for residential projects right now. ... We've run out of the land where people can come in with a project, get a project through and build it real quickly."

Owens acknowledged that there is a lot of residential development under way in Salinas right now, but added that the land there is all flat and doesn't present the same soil, foundation, and other constraints as do Watsonville sites.

Mayor Oscar Rios wanted to know how to answer people, concerned about where to build, who would point to all the vacant land.

Owens responded, "The General Plan proposes adding 2,600 residential units in this area. We know

the projects we have proposed ... are at about their maximum density, considering that 23 percent of the (vacant) land we have right now, when we come to look at the project, is used for streets and sidewalks."

As an example, Owens said that given a 14-acre parcel, you'd have to subtract 23 percent to get your net developable acres.

"It's easy to say, 'Just get dense,'" Owens suggested, adding that she encourages people who call for increased density "to walk down Grant and Elm streets and tell me where you're going to get more density, and do you want to continue that type of density throughout the entire city."

Save for Capitola, Watsonville is the most densely developed city in the county, and the General Plan calls for a total of 5,300 new housing units to be built.

But City Manager Steve Salomon pointed out, "What is occurring throughout the state of California right now, is there are less and less incentives for cities to build residential developments. In order to survive and have enough tax revenues to support police and fire and libraries you have to generate sales tax."

Salomon predicted that would mean that in order to survive, the city would probably have to eventually look at converting some residential land to other uses.

In related action Tuesday night, the council gave final approval to the annexation of a small parcel of

county land at Freedom Boulevard and Clifford Avenue on which a Foster's Freeze restaurant will be built.

The .22-acre site was designated residential by the county, but has been used as a parking lot for a commercial building within city limits.

Sales tax from the new business will go into city coffers.

Pat McCormick, who heads the county Local Agency Formation Commission, which rules on annexations, addressed the council, and urged the city to pursue additional acquisitions of developed residential areas in unincorporated portions of the county.

"The concept is, over the long term, the city needs to have a program to try and annex some of the areas, like Clifford Avenue, that are already developed, that are residential," McCormick said. "You can't just pick off commercial pieces."

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