

Officials Negotiate Possible Regional Library in Capitola

by Mark Adams

Some people plan for a rainy day. Others plan for better weather. And it will be a sunny day soon, say planners of a proposed regional library in Capitola. Only in this state, the climate is never entirely predictable.

The early eighties were catastrophic times for Capitola. The floods of '82 and '83 soaked the Village and swept away millions of dollars of property and belongings. What nature had not swept away, the complex nature of state funding soon would.

In 1982, Capitola's library was closed having succumbed to the financial pressures of Proposition 13, a 1978 tax-rights initiative which tightened government spending.

This wasn't to be a permanent change, members of the Capitola City Council promised. Something would be done.

Around this time, the city established its Redevelopment Agency (RDA), a special district governed by the city council to foster economic growth. The council then announced plans to tap RDA dollars for the construction of a library somewhere in the city.

Thus began ten years of "on again, off again" negotiations between city and county officials.

Those talks came to a crossroads late last month when both sides signed a letter of intent defining the roles each will play in the re-establishment of a library in Capitola. And while

the letter is not binding or enforceable, it will be instrumental in guiding future talks.

The Library Remembered

The original Capitola branch was a small, store-front library across from City Hall on Capitola Avenue. It contained 10,000 items (books, magazines and records) and occupied approximately 1,200 square feet.

"It was the middle range of what we had [in the system]" said librarian Suzanne Rains who worked at the branch until late 1979. "It was used mostly by children and older people... It was a walk-in type library."

The library was a relatively busy branch, she recalled. In 1974, for example, 24,000 items were checked out. But by the 1980s, funding was sorely lacking and several smaller branches in the Santa Cruz County/City Library System were closed. The system, a joint venture between the City of Santa Cruz and the county since 1917, was pulling out of Capitola.

For a while, Capitola took control of the branch but by the end of 1982 it was disbanded and its books were dispersed to other branches.

Bringing the Books Back

Last month, both the Capitola City Council and the Santa Cruz County Board of Supervisors accepted a "letter of intent" to confirm negotiations regarding the proposed library. For a year or so, county administrators and city officials had been working on an agree-

ment to replace a 1987 pact.

In 1987, the city agreed to build 7,000-square-foot library as part of the Capitola Mall extension project. The county agreed to staff it. But that deal got complicated.

Capitola decided it wanted to build the library on property it had purchased off Clares street. The county wanted to build a larger branch, but acreage was limited at the mall site.

The project then shifted direction. Instead of building a smaller branch that would serve only Capitola, the county and city decided to pursue plans for a regional library.

They've been working on this concept—intermittently—for more than a year. The letter of intent is the most recent development in what has become a very integrated consortium to construct Capitola's library.

"The direction that we have always had was to pursue the agreement," City Manager Steve Burrell said. "The purpose of this letter was to focus the discussion."

The letter explains that Capitola will serve as the project coordinator and will provide staff to bring the project to completion. Furthermore, the city will organize a library committee consisting of county and city officials, library employees and residents to advise the city council.

The letter states that Capitola and the county will jointly build a 12,500-square-foot branch on city-owned property.

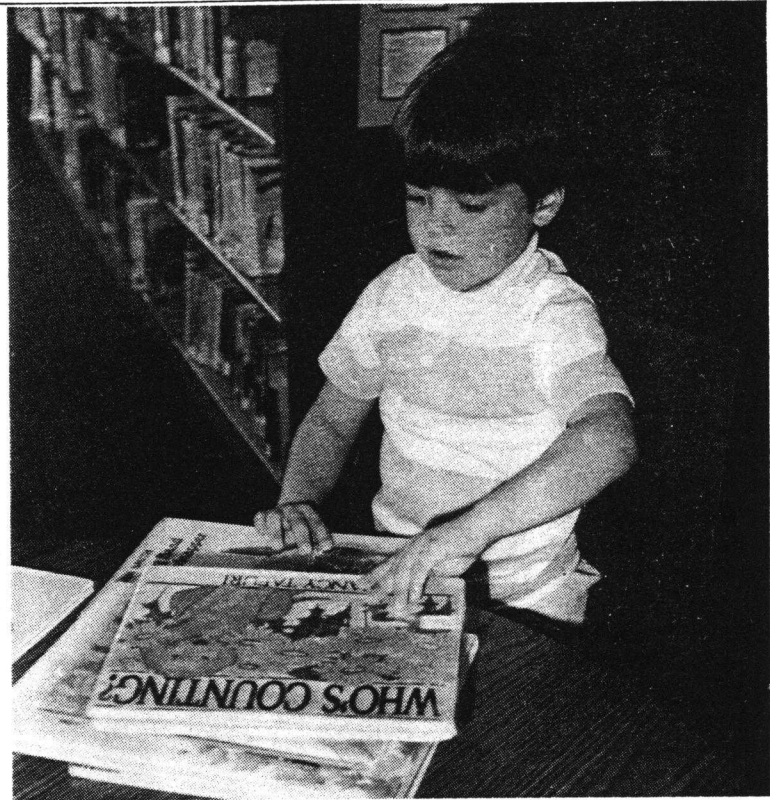
In 1988, the Capitola Redevelopment Agency purchased a five acre parcel of land near Clares and Wharf roads for \$1.5 million. Together with an adjacent parcel (the site of the historic Rispin Mansion), the city plans to build a community center and senior housing.

The letter notes that the Capitola Branch Library will be part of the County library system. It is tentatively scheduled to open in 1994.

The Capitola branch will serve as a regional library under the guidelines set forth in the system's long-range plans. Under this plan, the Capitola branch is classified as a Tier II library.

Three classifications are described in the plan. A Tier I facility, like the La Selva Beach library, is a small neighborhood branch. The Central Library in Santa Cruz City is a Tier III library, it is the largest in the county and serves as an administrative headquarters for the system.

Tier II libraries serve the immediate neighborhood and surrounding areas. The only Tier II library in Mid-County is



the Aptos branch.

"Right now we don't have a library that serves [all the needs of residents living in] Live Oak, Soquel and Capitola... This proposed library will be the first step in meeting the needs of Mid-County," Supervisor Robley Levy said. Levy's district covers most of Capitola.

But the library site falls in Supervisor Jan Beautz's district. She also stressed the importance of the project to Mid-County residents.

"I think an area library is important," Beautz said of the county's declared support of libraries. "I think more people will use them if [the branches] are near to where they live."

The proposed library will cost about \$2.4 million, officials estimated. This amount covers construction costs and the initial

book collection. According to the letter of intent, the city and county will split the cost.

Finding Dollars for the Branch

There are two ways to pay for the project. One way is to save and build later. The other way is to borrow and build today. The latter is more frequently the choice of elected leaders.

And while this has stirred much criticism from some members of the community concerned that the county is overextending itself, county officials contend the need justifies the risk.

Most capital improvement projects are built on borrowed money and serve vital functions that can't wait until tomorrow, county officials explained. These projects include roads, drainage systems and special

continued on page 13

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LIBRARY

continued from page 11

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The Capitola Branch Library may soon join this list.

The letter of intent indicates that each party will borrow to cover their share of the cost. Capitola's loan (\$1.2 million) will be paid for with a combination of City General Fund and City Redevelopment Agency funds, the letter stated.

The debt service on the city's budget would be about \$88,000 annually, according to a hypothetical, 30-year loan outlined in the letter.

This sum would be added to the city's present indebtedness. In 1986, Capitola issued \$10.2 million in Certificates of Participation, City Manager Steve Burrell said. The RDA budget accounts for the lion's share of this issue, he said.

The function of RDA's, as defined in the California constitution, is to create economic growth by making improvements to the infrastructure of a particular area. The improvements aid the economy and thus increase the community's tax base.

An incremental portion of the increasing tax is then distributed to the RDA fund. But to increase the "tax increment," RDA's must make improvements. To achieve this, RDA's borrow.

Borrowing to build the library is fiscally prudent, Burrell said.

"You're creating assets," he explained, "This is not the same as the national debt. When you're all done you still have the property."

County officials offer a similar argument when addressing the county's share of the cost and its indebtedness. For its part, half the funding for the Capitola library will be accounted for in the library system's budget.

During the 1993-94 fiscal year, the system's debt service (annual payments on debt) will decrease by approximately \$96,000. By then, the final payment on the data processing system will have been made.

Thus, as stated in a letter from the County Administrative Office to the Board of Supervisors, the system will be able to handle new debt.

The major concern regarding the Capitola Branch Library, however, is not the construction cost. The major issue now is the operating cost. Can the library system afford to operate an additional branch?

Keeping the Doors Open

Today's economic climate is not much different than that of 1982 when the original Capitola library closed. But, in spite of a prolonged recession and the continued uncertainty of state funding, county officials are confident that the library system can afford to maintain the

Capitola branch.

Still, these are troubled times. The system's book buying budget for the 1992-93 fiscal has been frozen, at least until December. During the course of the past several years, spending on books has not kept pace with inflation. Furthermore, the library system has reduced staffing and has curtailed hours at many branches.

But the county anticipates new revenue in 1994, the year the Capitola library is expected to come on line.

The opening of the new branch coincides with a change in the terms of Capitola's Redevelopment Agency Pass Through Agreement for Special District Augmentation Fund (SDAF).

Simply put, the Capitola Redevelopment Agency will begin to "pass along" a portion of its revenue (tax increment) to the county. This arrangement was established in 1984 and provided for no pass through of SDAF funds for the first ten years.

This enabled the Capitola Redevelopment Agency to build its tax base during the leaner years (the first years of a RDA are usually the leanest) and now requires a sharing of those funds.

The pass-through will increase the county's revenue by \$175,000 to \$200,000, County administrator Pat Busch said. It will cost about this much to operate the Capitola Branch library, he explained.

"It's coincidental," Busch said of the timing of these two events, "a very handy coincidence, I might add."

Those pass-through dollars, however, will go to the County's General Fund and not specifically to the operations of the Capitola library.

Would the county then guarantee funding for the operations of the Capitola library? The county's chief administrative officer, Susan Mauriello, indicated that the current board cannot take action that would obligate future boards.

"There is not a guarantee *per se* in a contractual sense, but it comes out of our desire to do as much as we can [to reinvest in the library system]," Mauriello stated.

In regards to the pass-through dollars, she noted: "They are appropriate funds to be used for the operations of the library."

The county's ability to operate the library remains a real issue for some members of the Capitola City Council.

"If they can't put books on the shelf and if they can't staff it, I don't see why we would build the shelves," Mayor Ron Graves said. "I want to see something in writing and that something in writing and that parties will sign to it."

Council Member Mick Routh, on the other hand, said the

guarantee is not a major issue.

"I'm really not too worried about it being maintained," Routh said. "Primarily because it has become such a political issue for [Supervisors] Jan Beautz and Robley Levy—and it will be the second largest library in the county—it wouldn't make sense to close it."

He said it would be "political suicide" for the county board to approve \$1.2 million for the construction of the Capitola branch and then not fund the operations.

County officials acknowledged that the operations aspect of the library has not been entirely resolved. A recent legislative action further generated concerns among the county staff.

During a special legislative session this Fall, the state assembly declared county library funds as special districts. In doing so, the legislature permanently shifted some tax revenue away from the county government. This year the loss totals approximately \$160,000. This action followed a previous shift of \$63,000 this year.

"With the current government and legislature it is very difficult to do long-range planning," Busch admitted. But, he added that the county government must push ahead.

Bad Times Don't Last Forever

The county library system is aiming to build 50,000 square feet of library space by the year 2000, according to the system's master plan. This will come in the form of new branches and expansions of older facilities.

"We have to be looking ahead," explained Anne Turner, director of the library system. "We are not going to be in this financial depression forever."

When California pulls itself out from under this cloud of financial despair, facilities to house library materials must be in place, Turner said. On the same note, library systems must implement cost-saving measures.

"There isn't enough money to run the library system now and there won't be in the future," Turner said.

In sense, though, Santa Cruz County is betting on the sunny days. In addition to the Capitola Branch Library, there are plans to build a 16,000-square-foot library in Live Oak. Funds for that project are available courtesy of the Live Oak Redevelopment Fund, Supervisor Beautz said.

This means two Tier II branches will serve the Mid-County area, although, library administrators speculate the branches will be staffed at just under Tier II levels.

Come rain or shine, county and city officials are pushing ahead. In this instance, accurate weather reports might become the most critical factor in the planning of libraries in the Mid-County area. □