

# City makes annexation pitch to LAFCO

Officials lay out problems, solutions, hope to persuade LAFCO to endorse industrial park

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SANTA CRUZ — Watsonville has all the keys to solving its problems, except land. That's the message city officials gave members of the Santa Cruz Local Agency Formation Commission (LAFCO) at a special study session Wednesday.

"We are land-locked," Watsonville Mayor Al Alcalá told the commission. "People who drive

by (Watsonville) think we have a lot of vacant land — it's not true."

In an effort to persuade LAFCO officials to support Watsonville's request for annexing the 216-acre Riverside Drive property for an industrial park, city officials went through every single vacant parcel of industrial-zoned land in the city and painted a sad picture for Watsonville's development possibilities.

The problem is that companies want five to 10 acres of open land to build on, said Deputy City Manager Marcela Tavantzis. Watsonville has only 47 acres available, and most of it is broken into parcels two acres in size or smaller. Only one parcel is greater than 10 acres.

Tavantzis said she gets six requests for information per week from businesses interested in relocating to Watsonville. And she

showed the commission the inquiry records to prove it.

And the city is short on existing buildings as well. Watsonville's manufacturing vacancy rate is 1.4 percent, one of the lowest on the Central Coast. The buildings along Walker Street that appear to be vacant are actually being used as low cost storage, supporting Pajaro Valley's agricultural industry, Tavantzis said.

Dozens of companies are willing to provide Watsonville with thousands of jobs, Tavantzis told the commissioners. They are looking for a community with an abundant labor force, highway access, tax incentives, and sometimes a local airport — things Watsonville can offer.

"LAFCO members hold the fate



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Watsonville Mayor Al Alcalá (left), Enterprise Zone Coordinator Jeff Wells, Deputy City Manager Marcela Tavantzis and Interim City Manager Carlos Palacios ready their arguments for LAFCO.

of Watsonville in their hands," said Watsonville City Councilman Oscar Rios to the commission.

The city of Watsonville has an application pending before LAFCO, to increase the size of its sphere of influence, a boundary outside city limits that marks areas for possible future annexations.

The city must have its sphere of influence extended to include the 216-acre Riverside annexation before LAFCO can legally include the requested annexation into city limits.

LAFCO is the countywide governing body with the sole authority of setting boundaries for cities and special service areas.

## The challenges

Interim City Manager Carlos Palacios gave LAFCO commissioners a report Wednesday outlining Watsonville's economic condition:

- Unemployment across the nation is at a low of 5 percent. Watsonville's rate tops 20 percent.
- Other local cities have relatively stable populations. But growth in people is soaring in Watsonville, up to 34,248 from half that number in 1970. That brings Watsonville's density to 5,271 persons per square mile, the second highest among all county municipalities.

- Watsonville's work force is less educated, with only 54 percents of adults having graduated from high school, compared to 91 percent in Santa Cruz.

## The solutions

Palacios spelled out a three-pronged strategy for overcoming the obstacles:

- "We have to invest in our youth," Palacios said.

He said support is needed for job training programs and expanding youth center activities, to cater to Watsonville's under-18 group which accounts for 31 percent of the city's overall population. The programs have been supported by million dollar grants from the Federal Rural Enterprise Community Program.

The city places job-seekers with local employers in internships in manufacturing, bookkeeping, auto servicing and general office positions, Palacios said.

- "We have to offer incentives for business to come to Watsonville," Palacios said.

The Watsonville City Council reduced the cost of building permits by 15 percent, and has agreed to finance or defer a number of other permits and fees. The city will also guarantee private development loans through Monterey Bay Bank and the Santa Cruz Community Credit Union.

The newly approved tax incentives of the California Enterprise Zone could save businesses who expand in Watsonville millions of dollars in state tax liabilities. The enterprise zone could be extended into the Riverside annexation area if it is approved, city officials said.

Another tool for growth, the

city's Redevelopment Agency, allows the city to borrow money for improving physical and economic deterioration around town. City officials then lends the money to projects that have a promise of revitalization.

- "We have to have enough land to bring business into Watsonville," Palacios said.

Not only could a Riverside Drive industrial park provide thousands of jobs, it could also bring in \$1.63

million in new taxes to the community every year, city officials said.

## Community support

Nearly a hundred people from Watsonville showed up at LAFCO's meeting at the county government



## Municipal numbers

Here are some of the economic figures presented by Watsonville city officials to the Local Agency Formation Commission:

### Per capita income:

Watsonville:	\$10,422
Santa Cruz:	\$15,538
Capitola:	\$17,075
Scotts Valley:	\$21,514

### Median family income:

Watsonville:	\$31,160
Santa Cruz:	\$40,157
Capitola:	\$36,758
Scotts Valley:	\$53,978

### March 1997 unemployment:

Watsonville:	20.4 percent
Santa Cruz:	8.9 percent
Capitola:	7.5 percent
Scotts Valley:	5.6 percent

center to support the city's annexation drive. They wore badges that said "Pro-Annexation" and "Viva Watsonville."

Bruce Woolpert, president and CEO of Graniterock, spoke in favor of the city's request, saying there is a feeling among employers in town that Watsonville is in a "downward spiral." Some are considering leaving, he said.

Jim Conklin, director of the Santa Cruz County Business Council, and John Friel, president of Watsonville Community Hospital, also spoke in favor development around Watsonville.

### Future cooperation?

After hearing the city's presentation, leaders on both sides of the development issue expressed enthusiasm for future cooperation.

"I think we can make some headway here," said LAFCO Commissioner Roger Anderson, signaling support for reaching an agreement with the city over development. "I agree — we need to move forward," said Commissioner Mardi Wormhoudt, who is also a Santa Cruz County Supervisor.

Last month, LAFCO members voiced their reluctance to permit development on farmland. They rejected a 14-acre annexation to build 100 homes near the Pajaro Village retirement community, citing a need to preserve ag land.

While several commissioners commended the city officials for

making a "very good presentation," whether it will have an effect on their decisions remains to be seen.

Commissioner Jim Van Houten, who voted against the 14-acre annexation, said he is "keeping an open mind," to Watsonville's sphere of influence and Riverside annexation requests.

Commissioner Katherine Beiers, who voted against the 14-acre annexation said, "I don't know if (the presentation) will affect my opinion."

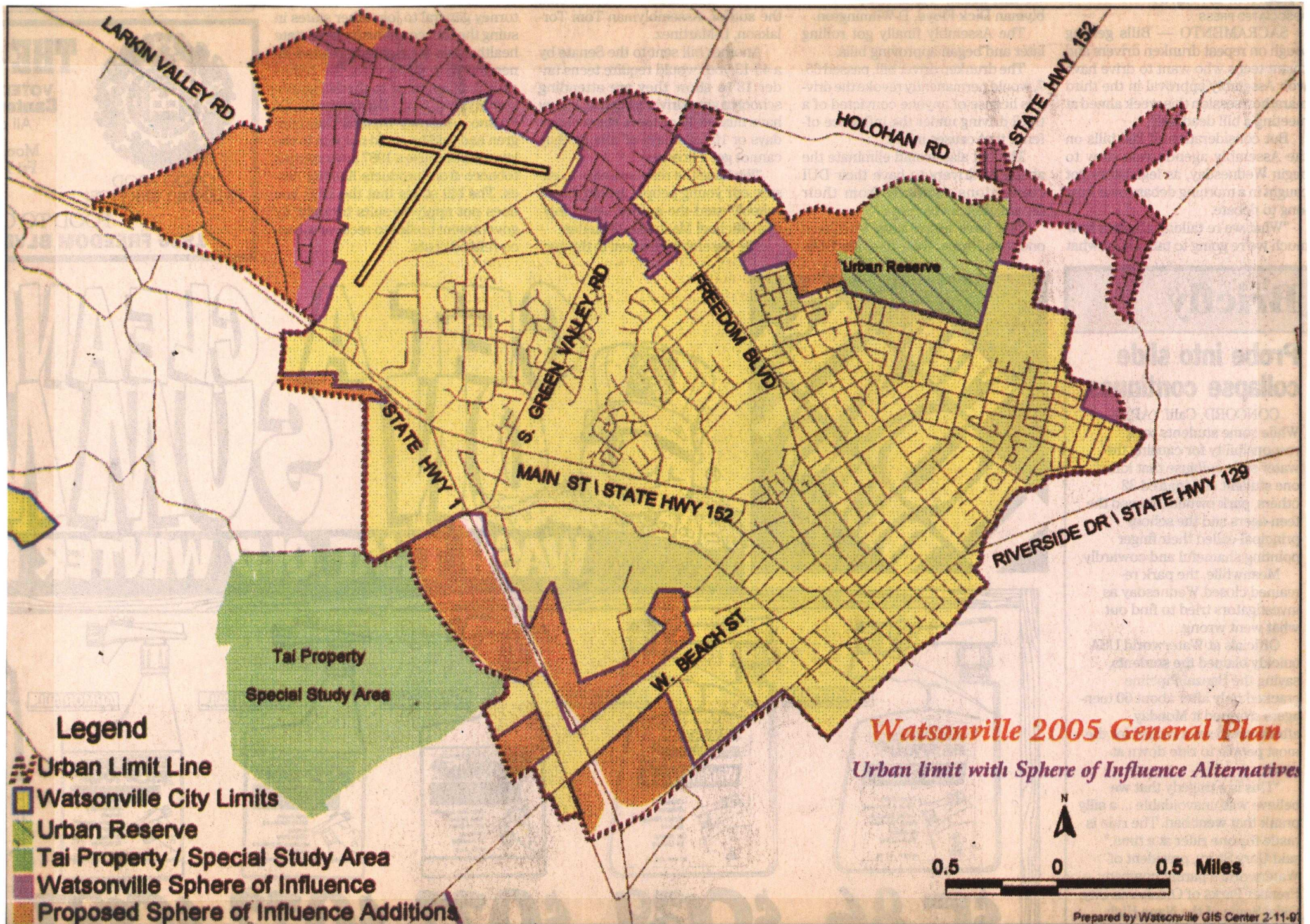
Commissioner Wormhoudt criticized media coverage of LAFCO's decision to reject the 14-acre annexation last month. She said it is unfair to characterize differences as being split between north county and south county sentiments, "as if we're coming from two different places."

After the study session, the com-

missioners scheduled a hearing for public comment on the city's request for an expanded sphere of influence. It will be held Sept. 3 at 7:15 p.m. at Lakeview Middle School in Watsonville.

LAFCO action on the Riverside annexation request has not been scheduled.





The outlines of Watsonville's sphere of influence and requested extension. The Riverside annexation is four parcels in the southwest corner of town.