

Live Oak -

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# Sutter-Hill Against LO Incorporation

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The Sutter Hill Development Company, which has plans for building an extensive shopping center on 41st Avenue, "might seriously consider annexing to Capitola if Live Oak incorporates on its own," 75 persons were informed Monday at a Live Oak Improvement Association meeting.

Worth Brown, principle owner of property on which Sutter Hill is making its plans for a shopping complex, made the statement after consultations with Sutter Hill president Jack Taylor.

Brown said to use "untried and unproven officials of a new city (Live Oak) could present some problems."

He added, "We have no intention to go into a city and are satisfied with the ways

things are now (under county jurisdiction)."

Inability of a proposed city of Live Oak to realize sales tax revenue from the Sutter Hill firm (estimated by some to grow to \$250,000 annually) would obviously put a pinch on that planned municipality's income. The Live Oak Improvement Association last week asked the Local Agency Formation Commission for documents to go ahead with incorporation procedures.

Should Live Oak continue with its incorporation plans, Capitola would be the only other municipal alternative for Sutter Hill, since the city limits of Santa Cruz are not contiguous to 41st Avenue. Brown said he had not discussed the matter with Capitola city officials.

Brown said the firm would be afraid of developing in the

"immediate future" with newly appointed city officials which would need to be hired in a Live Oak city. He added that in spending millions of dollars on construction alone Sutter Hill would feel safer developing under a staff of an existing municipality.

"I feel no antagonism at all about Live Oak becoming a city," Brown said, but added "it may take five or 10 years for a new city to get on its feet."

Sutter Hill has stated it hopes to break ground and begin construction this year with a Sears department store.

Brown made the statement in a question and answer period following presentations by county officials, including auditor George Kriz, sanitarian Robert Carey, public works director Don Porath and assistant Terry Holzworth.

Since the proposed Live Oak city does not have definite boundaries or estimated income and revenue, officials said they were "summarizing what might happen" if incorporation became a reality.

Kriz reminded the group that "becoming a city will not change (your) status as a taxpayer. As a matter of law, you will continue to pay your current county taxes on top of any city taxes incurred."

Both Carey and Holzworth spoke of the East Cliff sanitation plant. Carey said with additional chlorination of sewage materials, "most samples taken at the outfall line are now at an acceptable standard."

Holzworth added about 2½-million gallons of effluents are treated at the plant a day, (except in the winter when

more is treated), "about half of the plant's capacity."

Holzworth also stated that a new request has been issued for a drainage study for the area between Soquel Creek and Rodeo Gulch, Soquel Drive and the bay. He said a combination of an assessment district, general obligation bonds and building fees would be needed to finance the project.

Porath said construction on road improvements on Portola Drive "should start shortly (between 41st and 30th Avenues) and will be an image of the recently completed Soquel Drive project (four lanes with parking)." He added the county was "sitting quiet" on a road improvement project on 7th Avenue because "we're not sure whether the people want to form an assessment district for curbs and gutters."