

HALS  
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# Critics persist on new site for hospital

## Skeptics express worry over debt, industry loss, safety

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From all appearances, Watsonville Community Hospital appears to be on a smooth, if not fast, track toward a brand-new, state-of-the-art building at the former Seagate Technologies site.

Recently, the hospital announced the receipt of a report from the FAA that cleared the new building, across the street from the municipal airport, in terms of "airspace utilization."

At the time, hospital spokeswoman Cory Allen said two other hurdles — a final environmental assessment report from FEMA, the agency providing the bulk of funds for the new building, and a second environmental report — are expected to be cleared by the hospital. Plans for the building will have to be approved by the city planning commission, which, from past indications, seems to favor the new site.

But despite the official approvals, concerns about the new building persist. A group of pilots, former hospital board members, former city officials and others with a range of concerns from finances to land use to safety has organized behind the scenes and is asking questions of hospital officials and the various agencies involved in approving the new site.

Former Watsonville Mayor Betty Murphy is one of the group members. Among her primary worries is the amount of debt the hospital will incur in pulling off the \$67.4 million project. She points out that the hospital already has a debt of \$18 million.

"I think some of us are concerned about the ability of the hospital, the community, to bite off that chunk," she said.

Murphy said the group, which has been meeting once a month for some time, wasn't consciously organized. "People just found each other," she said.

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Other members include another former Watsonville mayor, Ann Soldo; retired doctor and former hospital chief-of-staff Janet Bell; landowner Bill Burgstrom; Stan Corder, representing the Watsonville Pilot's Association; Jim Rosewall, of Rosewall Construction; Ehler Eiskamp, the doctor for whom the hospital's Eiskamp building is named; Fred Wiloughby, the son of David Wiloughby, a former hospital board member; and Dan Chavett, a pilot.

The group has met twice with hospital officials and some board members. Hospital CEO John Friel has tried to assure them — as he has the media — that the hospital's projected income will be more than sufficient to carry the additional debt.

The new loans, which include \$9.3 million from FEMA and \$8.6 million from Seagate, will increase the hospital's annual debt service to \$1.4 million each year. Friel is projecting hospital profits of \$2 million this year.

Despite his assurances, Murphy and Soldo don't feel right about the financial aspect of the new hospital.

"I just feel like it isn't all pulled together," Murphy said.

"You can do anything that you want with figures," Soldo said.

But what concerns the two former mayors perhaps the most is the use of the 27-acre site, which had previously been zoned for industrial use, for a hospital. They are afraid of losing Watsonville's last remaining large, developable parcels, especially in light of the city's 20 percent unemployment rate. The city needs to preserve its industrial lands to encourage businesses to come to Watsonville, they said.

"When I was on the council, I'd hear from staff that such-and-such a company wanted to locate here, but couldn't because there wasn't a large enough parcel for them," Murphy said. "I think of what we lost because of that. I don't even mean it as a form of good planning; it's jobs."

Murphy said she doesn't understand the hospital's contention that there is enough industrially zoned land for the city's future needs, or that land could be converted from other uses to industrial. (Hospital officials say they got their information from city staff.)

The only other large, undeveloped parcels in the city limits are on the city's sloughy west side, Murphy said, and those have remained undeveloped in large part because of the expensive infra-

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'You can do anything that you want with figures.'

— Ann Soldo

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structure work development would require.

Hospital officials and others who support the Seagate site point out that the computer components manufacturer had few, if any, other offers on the building. It sure didn't look like businesses were dying to get in there, they say.

Others have said they wouldn't want such a huge business to move into the city because the local economy would become too dependent on one employer.

But Soldo contends that the Seagate buildings and/or the lot could be subdivided and sold to a number of smaller businesses. She added that she doesn't think four years — which is how long the Seagate site was on the market — is a long time to wait considering the sluggish economy and the size of the property. She thinks the location near the airport makes it

ideal for business.

Having businesses there would mean more tax dollars for the city in addition to bolstering the local economy. If the land is purchased by the hospital, it will be removed from the tax rolls.

Murphy and Soldo think the hospital should rebuild its current building, which sustained earthquake damage to underground plumbing and other systems as well as some first-floor damage.

"The second, third and fourth floors are fine," Soldo said. The hospital could do the repairs, she said, including any seismic retrofitting and update the interior of the building for a lot less than the cost of buying a new building.

Hospital officials have said the repairs would be difficult, if not impossible, to do without closing the hospital. Murphy and Soldo disagree. They think the work could be done one section at a time, and that some first-floor non-critical services, such as the cafeteria, could be moved to portable units temporarily.

The two former mayors are also a bit uncomfortable with the location of the hospital near the airport. Although the municipal airport has a very good safety record, they say something doesn't sit right with them about having sick people or the hospital's child-care center so close to an airport.