

City strategy could save Porter Building

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The earthquake-damaged Porter Building, which has remained unrepaired since the earthquake and aftershocks rendered it uninhabitable, may get a new lease on life through an arrangement with the city of Watsonville.

Porter Building Associates, which owns the building and leases the land from the city through a 25-year agreement, has been unable to get financing to make the repairs. At its meeting tomorrow, the City Council will consider terminating the lease agreement it has with Porter Building Associates, then using Federal Emergency Management Agency funds — which are available for repairs to publicly owned property — to make the necessary repairs.

Once those are made, the city would reinstate the lease with Porter Building Associates under the same basic terms.

The group has held the lease since 1985. The building, on the corner of Maple and Main streets, was vacant and in a state of disrepair when they took over. Comstock said that the city had intended to demolish the building because of the high repair costs, but that there was some community outcry because the building had historical significance.

Porter Building Associates agreed to make the necessary repairs, pay the city about \$450 a month, and return the building to the city at the end of 25 years. A letter sent to the city from part-owner Barry Swenson said the group made the repairs with a \$412,000 loan and \$250,000 of its own money. Porter Building Associates still owes \$370,000 on the loan, he said.

Because the building has been without tenants, it has been unable to pay rent to the city, representatives of Porter Building Associates have said. In June, the council declared a breach of contract because the rent hadn't been paid for 10 months. The action was the first step in foreclosing on the building.

Assistant City Manager Chuck Comstock said this morning that the mayor and city staff met with the owners to talk about the problem and that several alternatives were discussed. Among them was to have the city "take back" the building temporarily in order to get the repair work done.

Comstock said the city is ultimately responsible for the building anyway and for repairs as a result of incidents such as an earthquake, but that terminating the lease makes it absolutely clear that the city owns it. He said FEMA has indicated that the building would qualify for aid.