

# SC Redevelopment Agency Gets A 'Job Well Done' And Closes

The Santa Cruz development project at San Lorenzo Park Plaza, termed "one of the most successful in the United States," officially has been closed by the federal department of Housing and Urban Development.

Robert Darrow, chairman of the Santa Cruz Redevelopment Agency, said the federal "close-out notice" was "a bit of good news."

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He said the agency felt the project was successful, since it accomplished goals expected of it, including rehabilitating land, stimulating improvements throughout the downtown area, and at the same time increasing the tax base for the city.

Darrow said many similar projects, started in 1956 as this one was, today remain incomplete, or with a bleak future.

Actually, the local agency still has responsibility for sale of three parcels in the 80-acre redevelopment area. Two of those are under option and the other has an interested buyer. Darrow said when these pieces of property are sold, the local agency will cease to exist, although \$600,000 of "pooling credits" are available for another (\$2.4-million) project. The federal government, which can



Robert Darrow

take away the credits at any time, has applied the credits to the local agency for community improvements such as Cliff Street and bridge improvements, a four-acre neighborhood park, undergrounding utilities and the new city library.

Darrow said the "estimated base" for the redevelopment sector's total valuation in 1956 was \$721,000, which would have generated about \$72,000 in taxes. Since then, he said the same

area had a total valuation of \$1.6 million, producing \$161,000 in taxes, during the 1969-70 fiscal year.

"And that doesn't include the Holiday Inn, the new United Artists Theater and Wells Fargo Bank building," he added.

He continued that the community will get the full benefit of the increase within two or three years. He explained the system this way: taxes generated on the original valuation (\$721,000), since improvements were made have been paid to the county. But increase over that valuation (about \$90,000 in 1969-70) must be used to pay off the agency's \$650,000 in bonds it backed when the project was initiated.

About \$148,000 (of the \$650,000) in bonds have been paid back already, and Darrow contends "with the new improvements, it shouldn't take more than two or three years to pay off the bonds. From then on the county will collect the full portion for school districts and so on."

Added Darrow, "This has been a rewarding experience and I think the community has benefitted from it ten fold in light of spurring business activity, boosting the tax base and providing a nucleus for improvements in downtown."

He added the agency was

anxious now to sell its three remaining lots so it could begin construction of a second deck on the parking lot adjacent to Wells Fargo Bank.

The agency has indicated it is interested in a housing urban renewal project on the southwestern section of Pacific Avenue, but Darrow noted a new agency board would have to be formed to follow through on such a project.

He added the San Lorenzo Park Plaza project gross cost was \$6 million; minus income from land sales it cost \$3.8 million net. Of that amount, the local agency was responsible for one fourth of the cost, much of it being picked up through credits, and three-fourths by the federal government.

Said James D. Richardson, HUD assistant regional administrator in his "certificate of completion" letter to the Santa Cruz Redevelopment Agency, "We congratulate you on your achievement in bringing this project to a successful conclusion and we are pleased to advise you we are closing our files on subject project."

"For its size, and the time it took to complete it, this project is one of the most, if not the most, successful of its kind in the United States, according to HUD officials," Darrow said.