

It's a deal

Vacant Pacific Avenue property sells for \$1.9M



ABOVE: The Lau property — the unsightly hole in the ground on Pacific Avenue and former site of Bookshop Santa Cruz — will now be built up with condos and retail shops. **TOP:** Eric Lau strikes \$1.9 million deal with developer Norm Schwartz for the Lau property on Pacific Avenue.

Lot empty since '89 earthquake

By SHANNA McCORD
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SANTA CRUZ — Downtown property owner Ron Lau has sold his vacant Pacific Avenue plot to a local developer for \$1.9 million, ending a 16-year saga that started when the Loma Prieta earthquake crushed the heart of the city.

The deal, finalized Tuesday between the Lau family and developer Norman Schwartz of Bolton Hill, halts court proceedings by the city to seize the property next to Lulu Carpenter's through eminent domain.

"As a family, we're happy with the agreement and ready to move forward,"

'We're happy with the agreement and ready to move forward.'

ERIC LAU,
SON OF PROPERTY OWNER RON LAU

said Lau's son Eric Lau, who had previously vowed to engage in a long legal fight to stop the city from taking the property. "I don't know what the turning point was. You have to do what makes sense, and this makes sense for my family."

As part of the deal, Ron Lau and his ex-wife Sharon Lau will each be given a one-bedroom condominium — housing included in the planned \$25 million residential and retail project to be built at the site by Bolton Hill.

The 20,000-square-foot plot at the north

end of Pacific Avenue between Lulu Carpenter's cafe and World Savings, which Lau purchased in 1969 and which later became home to Bookshop Santa Cruz, was destroyed during the 1989 earthquake.

After the earthquake, Bookshop Santa Cruz relocated across the street and Lau was unable to find a building or project to put on the site that met his strictly held ecological and environmental beliefs.

Several projects proposed by Lau during the years fell through, and offers by the city Redevelopment Agency to purchase the land went ignored.

The agency's last offer in April of \$1.6 million, the property's appraised value, was never answered.

Santa Cruz officials, frustrated that the site had become an eyesore of weeds and graffiti in the center of downtown, agreed

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unanimously in June to seize the property through eminent domain.

When Lau was unable to prevent the city from proceeding with eminent domain, his children Eric and Lani Lau stepped in to negotiate a deal with Bolton Hill that would "avoid the expense, uncertainty and ongoing burdens of a contested litigation."

The deal reached after nearly four months of talks allows Bolton Hill to move ahead with a devel-

opment on the property that also includes buying two adjoining parcels owned by the agency and the city.

The five-level complex of 50-60 condominiums and two-story parking garage will reach from Pacific Avenue to Cedar Street.

"I appreciate the effort of both parties to come to a settlement agreement," said Ceil Cirillo, director of the Redevelopment Agency.

Though Bolton Hill's development won't be named after the Laus, Schwartz said, "We're going to find a proper way to acknowledge the family's long ownership of the property, possibly with a

plaque or something."

Three businesses now housed on Lau's property — Oswald's restaurant, which is owned by Eric Lau, Asian Rose and Artforms — will eventually have to move, but not until Bolton Hill is ready to break ground.

Relocation compensation will be paid by Bolton Hill.

Ananda Weerasekara of Asian



RON LAU

Sold his vacant Pacific Avenue property to city

Rose said he was offered \$14,000 to relocate his business, but he's hired an attorney to negotiate more money, up to \$100,000.

Weerasekara said he'd like to move Asian Rose, which has been on the Lau property for 12 years, to the former site of Rebecca's Mighty Muffins on Front Street.

"We need at least \$100,000," he said.

According to the \$1.9 million deal, \$303,000 will go toward paying off the property's remaining mortgage; \$101,000 to Lau's attorney William Markham in San Diego; \$170,000 to Lau's attorney Hubbard and Hubbard, and \$144,000 to Eric Lau for his cost of

moving Oswald's.

Bolton Hill is expected to close escrow in February, and Schwartz hopes to break ground on the development within 12-18 months.

The purchase of Lau's property by Bolton Hill was unanimously approved by the City Council at its meeting Tuesday, allowing the agency to back out of eminent domain proceedings.

"Going to court was nothing any of us wanted to do," Mayor Mike Rotkin said. "This is definitely a much better situation for the city."

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