

Each area targeted for boosting tourism

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By JOAN RAYMOND

Sentinel Staff Writer

SANTA CRUZ — City Council members will open discussions Tuesday on redevelopment of the beach-boardwalk area, including a look at recommendations the council decides on hotel and housing sites, a bridge across Ocean Street and the means to finance all of it.

A package of reports on the Beach Street area was ordered by council members in April when they ordered a five-percent "amusements tax" on admissions to entertainment and recreational events.

City Planning Commissioners are recommending council members adopt a package of "beach area policy recommendations" to boost tourism without ruining neighborhoods and pushing residents from their homes.

The Economic Development Task Force is recommending the council identify locations for hotels and housing, increase city services to the beach area, form a redevelopment district, draft a five-year capital improvements plan and start a "beach area investor group" for projects financed through a combination of public and private sources.

City Manager Richard Wilson has issued a report stating the two "major" ways for financing beach-area improvements are the formation of a redevelopment area or an assessment district.

Typically, a redevelopment agency is created to finance specific projects within the target area. Revenues from increased property taxes, mostly generated from property sales in the target area, are used to finance projects. A Redevelopment Agency board, controlled by the City Council, oversees

Please see back of section

Tourism—

Continued from Page A1
the projects.

The primary effect of such an agency would be to redirect funds from the city's general fund to the beach redevelopment area, Wilson reported.

Assessment districts could be formed to fund "property-related" improvements, such as streets, storm drains, lights, parks, parking spaces, and median strips.

Property owners in the district pay for the improvements.

The city has not made "extensive use" of assessment districts in the past, but they should be "seriously" considered as a way to finance beach-area improvements, said Wilson.

Another less attractive financing tool, he said, is the city's "capital improvements" budget, but he said funds are "scarce" in that department.

City Planning Commissioners endorse policies calling for commercial and housing development in the area bounded by the beach, Third Street, Front Street and Washington Street Extension.

Their recommendations include a new motel or hotel, possibly a new bridge at Ocean Street to replace the flood-prone Riverside Avenue bridge, and a three-story parking structure.

Displaced housing would have to be replaced on a unit-for-unit basis, according to Planning Commission recommendations.