

Shaffer Group Abandons Plans For 7-Story Office Building

By Len Klempnauer

Park Plaza corporation surrendered unconditionally to the federal government yesterday.

Santa Cruz redevelopment agency members plan to register their distress in a letter to President Kennedy.

Keith Shaffer, Park Plaza spokesman, withdrew the firm's proposal for a seven-story office building in the post office triangle section of the San Lorenzo Park project.

In its stead, he announced plans to go ahead with a more modest two-story structure for a land title company, probably Title Insurance and Trust company.

The spoils in the long-time feud is parcel "1A," 22,000 square feet of Water street property contiguous to the post office.

Park Plaza corporation needed the land for parking area if it were to construct a high-rise building.

The post office department in April declared it would be financially unable to buy the small parcel until 1963 or 1964.

Santa Cruz redevelopment agency members last month approved sale of the land to Shaffer's firm. But the sale has been stalled at San Francisco urban renewal offices by rumor that the post office now wants the parcel.

"Quite frankly, we don't know where the hell we stand," Shaffer told the agency.

"My partners have come to the conclusion it is not feasible to build a seven-story building without adequate parking.

"The whole thing has been cut right from under us."

Agency member Arnold Levine asked Shaffer if Park Plaza corporation would change its mind if the land were made available today.

"If you told me it were available and we bought the land, six months from now when we are ready to build the federal government would come along and condemn it," Shaffer answered.

"You fellows (agency board) did all you could; it's not your fault this happened."

"If we could get the land committed in 60 days, would you change your mind?" Al Conquest asked.

"If you got President Kennedy's signature, we wouldn't accept the parcel. It (the signature) wouldn't do any good anyway," Shaffer replied.

Levine wanted to know if the agency could bring a suit against the federal government which would allow the board to act in one way or another.

Agency Attorney Lewis Yapp said no court in the nation would

decide the federal government couldn't ever buy the land.

"Title Insurance and Trust company is interested again. If I went along with you and six months later the federal government took over the land, then the title company might decide to pull out," Shaffer commented.

In its original proposal, Park Plaza planned to build a two-story building for Title Insurance and Trust company.

Shaffer added that a large office building might be feasible in the remaining western section of the redevelopment project. He said a large San Francisco investment firm has shown interest in four or five years. It would be part of the proposed Park Plaza shopping development.

Conquest said he wanted to start a campaign to "write every senator and congressman telling them what has happened here.

"It might not help this situation but it could mean something in future projects, here and in other redevelopment projects."

"Let's not drop this," Conquest fumed. "We're going to have to swing a big stick."

Carl Nelson said, "The only way to get this across is to go to Washington and sit in their offices until they get tired of us. If we fight now and make this unpleasant enough, maybe they (federal agencies) will think twice the next time."

Agency Director Carl White said the general service administration (federal agency which buys property for government organizations) is "so big and impersonal that no one there would have his feelings hurt."

"They carry a bigger stick," he added.

Sam Coombs, an ex-officio board member, said the agency should try to get an audience with President Kennedy when he attends the dedication ceremonies of the San Luis reservoir project August 18.

"He has bigger problems than ours to worry about," answered Nelson. "I wouldn't want to trouble him with this when he has to worry about things like the world being blown up."

But Yapp said it would be a good idea to write the president's Washington office.

"Maybe he won't see the letter. But someone from his office will," Yapp explained.

The board decided to follow Yapp's suggestion.

RENO HOTEL STRIKE

Neno (P). — Hotel and motel workers struck Reno's Riverside Hotel Thursday charging that management refuses to bargain.