

## History of the Redevelopment Agency

### I. INTRODUCTION

#### A. Formation of Agency

The Redevelopment Agency of the City of Santa Cruz was formed on January 10, 1956 following the December 22-23, 1955 floods. As originally formed, the Agency consisted of five members appointed by the City Council and an Executive Director. The initial charge of the Agency was to develop a project to assist the City in recovering from the devastating effects of the December 1955 floods to the commercial/residential neighborhood along the San Lorenzo River.

The initial Redevelopment Plan, the San Lorenzo Park Project, was adopted on March 9, 1957 by the Santa Cruz City Council and the project area included the area bounded by Water Street, Ocean Street, Soquel Avenue and Front Street. The City Council granted the Redevelopment Agency a broad range of powers with which to redevelop this area during the life of the project from 1957 to 1982. As a result of this project, an intensified downtown urban core was developed. New buildings within the project area included the County Administration Center, Holiday Inn, Villa Nueva Apartments, three bank buildings and the San Lorenzo Park Plaza Shopping Center. The Agency was also instrumental in the development of San Lorenzo Park and the U.S. Army Corps of Engineers' San Lorenzo River Flood Control Project. Project financing during this period was largely provided by the predecessor to the U.S. Department of Housing and Urban Development, the Urban Renewal Administration.

#### B. Reorganization of Agency

Upon completion of the redevelopment activities associated with the San Lorenzo Park Project in 1978, the Santa Cruz City Council phased out the Redevelopment Agency as an independent agency and established the City Council as the Agency legislative body. Executive Director activities were assumed by the City Manager and other Agency financing and planning activities were assumed by various City departments.

Activities of Reorganized Agency:

The City Council, acting as the legislative body of the Redevelopment Agency, undertook a number of planning activities in the early 1980s to determine the next phase of downtown development activities. As a result of these planning activities, in 1982 the City Council adopted a Downtown Parking Master Plan and the Pacific Avenue Design Plan. Both of these planning efforts indicated that new initiatives were needed to insure the continued vitality and economic success of the city's downtown area. One of the most critical problems identified through these planning efforts was the lack of adequate off-street parking serving the Pacific Garden Mall. The Redevelopment Agency, through the San Lorenzo Park Project, had developed sufficient parking to serve the new developments in the downtown area. However, due to the financial impact of the 1955 flood, the downtown Off-Street Parking District had been unable to respond to the increasing parking need created by construction of the Pacific Garden Mall in 1969. To address this problem, the City Council in 1984 adopted a new redevelopment plan, the North Mall Public Improvement Project. This project was

developed to help finance the parking and other infrastructure work needed to assist in the continued revitalization of downtown Santa Cruz. The redevelopment project boundaries were limited to the commercial properties within the area bounded by Water Street, River Street South, Soquel Avenue, and Cedar Street. Among its initial activities, the project assisted in the funding of the second parking deck on the Lot 10 parking structure at the corner of River and Front Streets.

### **C. Establishment of Redevelopment Agency as Operating Department**

On October 17, 1989, Santa Cruz was struck by an earthquake measuring 7.1 on the Richter scale. The earthquake destroyed over 50 percent of the downtown commercial core. It displaced over 250 commercial, professional and service businesses, and hundreds of residents. In February 1990, the City Council established a Redevelopment Department as a separate City administrative entity to meet the challenge of rebuilding downtown Santa Cruz. The Director of Redevelopment was to act as the Executive Director of the Redevelopment Agency. With its newly assigned staff including the Current Executive Director Ceil Cirillo, and Assistant Director Joe Hall (formerly with the City's Planning Department), the Redevelopment Agency simultaneously undertook a number of important planning and legislative initiatives to begin the post-earthquake rebuilding effort.

## **II. ADOPTION OF REDEVELOPMENT PROJECT**

### **A. State Emergency Legislation--SB39X**

A key initiative undertaken by the Redevelopment Agency was the introduction of emergency legislation to streamline the adoption process for a new and expanded redevelopment project to assist in the post-earthquake reconstruction. The necessary redevelopment legislation was introduced by Senator Henry Mello in the emergency state legislative session which followed the Loma Prieta Earthquake. This effort took shape as SB39X and was subsequently signed by the Governor on July 18, 1990. The bill established a process through which the Redevelopment Agency could merge its existing North Mall Public Improvement Project and San Lorenzo River Safety and Beautification Project, and add additional area to a new merged project to deal with the post-Loma Prieta earthquake rebuilding needs. Facilitated by SB39X, the Merged Earthquake Recovery and Reconstruction Project was adopted by the Santa Cruz City Council on October 25, 1990.

### **B. Project Description**

The Merged Earthquake Recovery and Reconstruction Project involved the merger of the project areas of the North Mall Public Improvement Project and San Lorenzo River Safety and Beautification Project. These two areas are approximately 325 acres. As part of the merger, properties in Harvey West/Portrero Street, Ocean Street, Soquel/Broadway/Ocean Street, and Mission Street areas were added to the existing project area representing an additional 482 acres. The new merged project area encompassed a total of 807 acres and provided a mechanism with which to address post-earthquake reconstruction, as well as specific needs in those various areas.

### **C. Project Planning**

The second major City post-earthquake initiative was the creation of a 36-member public/private partnership—Vision Santa Cruz. Through this advisory body, business leaders and private citizens were able to quickly come together, develop a plan, and lay the framework for downtown rebuilding. Developed through public process, the Downtown Recovery Plan sets forth land use development standards, circulation, parking, and streetscape improvements for the Downtown Santa Cruz area. Additionally, the Plan included an economic strategy to be used to complement the physical rebuilding of the City's downtown area. The Plan was adopted by the City Council on September 10, 1991 and provides the planning framework for the downtown redevelopment activities of the Merged Earthquake Recovery and Reconstruction Project.

### **III. ADOPTION OF EASTSIDE PROJECT AREA**

#### **A. Eastside Business Improvement Project**

On October 9, 1990, the City Council adopted the Eastside Business Improvement Redevelopment Project. This project area includes the commercial properties adjacent to Water Street and Soquel Avenue from Branciforte Avenue on the west to Capitola Road on the east.

#### **B. Project Activities**

Establishment of the Eastside Business Improvement Project Area was the first step in addressing existing parking, traffic circulation and other blighting conditions in the area and encouraging development on the Eastside of Santa Cruz. To identify priorities and establish a planning framework for the Eastside Redevelopment Project Area, in the spring of 1992, the Redevelopment Agency appointed a 12-member Eastside Plan Advisory Committee consisting of business and commercial property owners, and residents from the adjacent neighborhood. To prepare the Plan, the Committee held five neighborhood workshops focusing on issues ranging from bicycle/traffic, building design and parking. Through this process, the Eastside Business Improvement Plan was developed which addresses urban design, parking, traffic, and marketing programs necessary for the improvement of the Eastside Business Area and elimination of blighting influences. The Plan was accepted by the City Council on March 22, 1994.

### **IV. REGIONAL ECONOMIC MARKET**

#### **A. Downtown Santa Cruz**

The downtown Santa Cruz that residents know today had its origins in the early 1800s. As the Santa Cruz Mission expanded, new commercial developments were attracted in the 1830s and 1840s to what is now the Pacific Avenue. The gold rush propelled downtown Santa Cruz to significant growth as a supply base for lumber and other light manufactured goods. The Southern Pacific Railroad created a second growth period with its arrival in the 1880s. Rail service expanded Santa Cruz's recreational use by San Franciscans and made possible the construction of a waterfront casino in 1906.

Through the early years of the 1900s to the post World War II era, downtown Santa Cruz was the key commercial hub of northern Santa Cruz County. Buildings and the physical infrastructure of the downtown were developed to serve the commercial needs in this era. Following World War II, commercial growth continued in the downtown area with the construction of a large number of office, bank, and retail uses as part of the San Lorenzo Park Plaza Redevelopment Project. Construction of the Highway 1 freeway allowed growth to expand easterly.

In the early 1960s, commercial growth in northern Santa Cruz County began to shift to 41st Avenue which was ultimately annexed to the City of Capitola. The 41st Avenue area offered open spaces and available building sites for new commercial development, which, unlike downtown Santa Cruz, would be developed to accommodate the automobile. During the 1960s and 1970s, retail growth in downtown Santa Cruz slowed in comparison with 41st Avenue, and the Capitola Mall absorbed the largest percentage of new north county retail growth. With the completion of Gottschalks Department Store in 1991, the Capitola Mall totaled over 600,000 square feet.

Within this competitive context, Santa Cruz had undertaken a number of projects to maintain the downtown commercial core. These projects included construction of the Pacific Avenue Garden Mall, the establishment of an Off-Street Parking District and a Downtown Promotion District.

#### **B. Eastside Business Area**

The Eastside Business Area contains over 130 retail establishments which occupy approximately 430,000 square feet of retail space. The area consists of auto dealers, eating and drinking establishments, food stores, home furnishing and appliances outlets, specialty and other retail uses. As with downtown, the 41st Avenue areas has historically been the major competition to the Eastside Business District.

Numerous shops and buildings in this area were constructed in the period from 1920 to 1960 and did not offer either the commercial square footage or parking to easily compete with the 41st Avenue Mall. In response and similar to downtown, the Eastside Business Area shifted its market orientation to more closely serve the needs of the adjacent residential area. Numerous activities have been undertaken by the Agency to assist in this process. These activities include the development of adequate off-street parking and other support facilities to ensure a successful transition to a new market focus.

### **C. South of Laurel/Beach Area**

The Santa Cruz area has long been a recreational destination for Northern Californians. The City of Santa Cruz, especially the South of Laurel/Beach area, is the major destination, providing a warm climate and sunny, white sand beaches in addition to lodging, events year round, and the Boardwalk amusement park. It is estimated that this area serves over five million visitors annually from the San Francisco Bay Area and from locations in the United States and abroad.

The South of Laurel/Beach area is also home to more than 5,800 residents. With the exception of Beach Hill properties, the residential units are generally small, often overcrowded and sometimes severely substandard. Improvement of the physical infrastructure, housing and employment base in this area is vital to maintaining this area's significant contribution to the City of Santa Cruz's economy.

In 1998, the Redevelopment Agency, Planning Department, and City Council adopted the Beach/South of Laurel Comprehensive Area Plan in an effort to improve this area. The Plan offers specific goals for the area which will be implemented over time.

### **Sources**

- *Excerpted from: City of Santa Cruz Redevelopment Agency web site. Used with permission.*

*The content of this article is the responsibility of the individual author. It is the Library's intent to provide accurate local history information. However, it is not possible for the Library to completely verify the accuracy of individual articles obtained from a variety of sources. If you believe that factual statements in a local history article are incorrect and can provide documentation, please contact the Webmaster.*