

High cost jeopardizes Fox Theatre project

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Higher-than-expected estimates of rehabilitation costs could jeopardize plans for turning Watsonville's Fox Theatre into a community center.

Total cost of rehabilitating the theater has been estimated at more than \$2.5 million. Added to the \$2.1 million purchase price, the city would have to pay more than \$4.6 million to put the Fox Theatre into operation as a community center. According to City Manager John Radin, it wouldn't be

worth it.

"The discussions I have had with several individuals and with the owner of the parcel concur that a 14,000 square-foot theatre can be built for less than what is proposed here," Radin wrote in a memo to the council.

"Based on the above amount," Radin wrote, "I cannot recommend proceeding with this project any further."

The council is scheduled to discuss the Fox Theatre project when it meets at 7:30 p.m. tomorrow. However, former

mayor Ann Soldo, who is chairwoman of the Fox Theatre Steering Committee, has asked that the discussion be tabled so the committee can have more time to review and study the report.

Soldo said committee members were "really shocked" at the high estimates.

"We were planning on not going over \$600,000" for total rehabilitation of the theater, Soldo said.

The steering committee had originally hoped to get a \$1.75 million bond issue on the May 9

ballot to help finance the \$2.1 million purchase price. The committee also planned to raise money through grants and donations.

Time ran out on getting the issue on the ballot, but the council gave its blessing last month to preliminary studies needed to continue with the Fox project, and committee members then pinned their hopes on a mail ballot or a special election.

The high cost estimates again threaten the project. However, Soldo questioned whether the

cost estimates of rehabilitation were accurate. She pointed out that the estimate of structural-engineering work of more than \$1.5 million was done by a Palo Alto contractor, who might have been using Palo Alto prices as a guideline, rather than Watsonville prices.

"I think it's the structural-engineering report that is the one that is very, very expensive," Soldo said.

The estimate was done by Jack & Cohen Builders Inc., a Palo Alto contractor hired by the engineering firm Watsonville hired to study the theater's structural condition. Jack & Cohen Builders Inc. is "the contractor responsible for the ongoing renovation of the Stanford Theatre in Palo Alto," according to the engineer's report.

The engineer is Meserve Engineering, of Los Gatos, which specializes in structural and civil engineering. Soldo said committee members would get in touch with Meserve Engineering to see if a price re-

evaluation could be done.

Soldo also pointed to an estimated \$297,000 cost of installing air conditioning in the Fox Theatre, which committee members feel could be eliminated.

"We didn't feel that was something that was a necessary item," Soldo said.

The Fox Theatre Steering Committee is obviously concerned about the high cost estimates because the bigger the bite to residents' pocketbooks, the smaller the likelihood they would approve a bond issue to preserve the Fox.

According to a financial report, a bond in the neighborhood of \$4.9 million to \$5.1 million would be needed to cover rehabilitation and related costs.

The bond would have to be approved by Watsonville's voters and would establish an assessment district, through which parcels would be charged fees. The financial consultant hired by the city figured how much it would cost property owners if the fees were charged according to parcels, or according to addresses.

Assuming an interest rate of 8 percent and charging according to parcels, the cost would be \$91.81 annually for each parcel. If figured according to addresses, the cost would be \$58.74. At a 10 percent interest rate, the cost would be \$103.38 and \$66.13, respectively.

REFERENCE

WATSONVILLE
REGISTER-Pajaronian
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