

City may take land downtown

Developer can't close deal with owner of lot on north Pacific Avenue

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Pacific Ave
SANTA CRUZ — A valuable, long-vacant piece of property on Pacific Avenue may soon belong to the city.

The City Council, acting as the Redevelopment Agency, on Tuesday will consider exercising eminent domain on the site, which has sat empty since after the 1989 Loma Prieta earthquake.

Property owner Ron Lau has been unable to settle on a project that suits his environmental and ecologic ideals. During the past year he has refused several offers by local developer Bolton Hill and the city Redevelopment Agency to buy the 20,000-square-foot lot.

Lau failed to respond to the Redevelopment Agency's April 20 offer of \$1.6 million, reportedly the property's fair market value, said the agency's Marty Ackerman.

"It's a blighted piece of property," Ackerman said. "It really is located on one of the key blocks on Pacific Avenue, and it's been sitting there undeveloped for 15 years."

Lau's property is a concrete pit between Lulu

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MARTY ACKERMAN,
REDEVELOPMENT AGENCY

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Carpenter's cafe and World Savings Bank on the north end of Pacific Avenue.

Lau has vowed to fight attempts by the city to seize his land.

"I'm not interested in selling it," the Watsonville resident told the Sentinel in February.

He could not be reached to comment Wednesday.

In November, the council approved a plan by Bolton Hill, a 25-year-old Santa Cruz development company that specializes in housing projects, to build a complex including condominiums, retail stores, a restaurant and parking garage.

The project would require Lau's land and two adjoining parcels owned by the city and the Redevelopment Agency.

Existing businesses on the properties would get help to move if the project goes forward.

The council has allowed several extensions to give Bolton Hill a chance to strike a deal with Lau. The latest 90-day extension

expired May 22.

"It's important for the council to take this next step and encourage him a little more," said Bolton Hill's Norman Schwartz, who said he last met with Lau in mid-May. "We'll ask the City Council to compare our track record with Mr. Lau's track record. This is long past due, and it's a shame."

Bolton Hill is responsible for the Pacific Shores apartment complex that opened in 2003 on Shaffer Road.

Lau has said that several ideas for the property have fallen apart because he's not exactly sure what he wants to put there.

Eminent domain — the power of govern-

ment to condemn private property and seize title for public use, provided owners receive fair compensation — requires approval by five of the seven council members.

The Redevelopment Agency also must show that taking Lau's land is in the public interest, and meets its project requirements.

"The very worst thing that can happen to Mr. Lau is that he gets full market value for his property," Schwartz said. "And, there are tax advantages for Mr. Lau if eminent domain goes through."

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