

Watsonville moving ahead on purchase of 200 block

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About half of the 200 block of Main Street is now owned by the city of Watsonville.

Although the city appears to be working within its budget for the acquisition of the 200 block, the project may be overspent by time it is completed.

The City Council, acting as the Redevelopment Agency, has approved the purchase of the entire 200 block of Main Street — the area bounded by Rodriguez, Second, Main and Front streets. All the buildings will be demolished, then part of the block will be sold to the U.S. Postal Service for a new post office. The rest of the block will be developed by a private firm.

The city is eager to clear out the area where the post office is to be built — all businesses in that section of the block have been told they must move out by Nov. 1, redevelopment consultant Pete Harker said. Demolition will then begin on that part of the block.

The post office has agreed to wait until March for the site to be cleared.

To get going on that part of the project, the city has already requested, and received, from the Superior Court possession orders to take over all parcels in the post office site that the city does not yet own, Harker said.

There are five such properties in that area, which covers the south end of the block. As a condition of receiving the possession orders from the court, the city had to put more than \$2 million on deposit with the court. That money is the sum of the appraised value of the five properties, and two that had not been settled at the time the papers were filed, but have since been purchased by the city.

The court order allows the city to take possession of those properties even though it has not reached an agreement on a sale price with the owners. If any owners do not reach an agreement with the city, they can take the matter to the court, which would determine the purchase price.

The city has already purchased property from eight owners. The property owners, and the businesses that operated on their property were:

—Victor Ginelli — Model Barber Shop, Philippine Gardens Restaurant and Mity Nice Bakery.

—Charles Ford Co. — St. Vincent de Paul Thrift Shop, Cath-

olic Social Services and Watsonville Appliance's storage area.

—Peter Birns — a large building next to Star Surplus. (Birns also owns Star Surplus, but has not yet reached a settlement with the city on that parcel, which is not on the post office site.)

—John Wong — Star Cafe and R&M Bookkeeping.

—P.J. Freiermuth Co. — Thumbtacks to Cadillacs (closed some time ago) and the Roy Large Metal Works Co., which until recently was the P.J. Freiermuth Sheetmetal Co.

—Marie McMurray — Good-year Tire Center.

—The Marinovich family — 265 Club, Discoteca Mexico and Jalisco Restaurant.

—John, Eugene and Dennis O'Rourke — Freedom Tire Center and Freedom Alignment.

The city spent a total of \$2.75 million to settle with those property owners. The settlements include the purchase of the land, a payment to make up for the good will a business has accumulated while operating in that location, the relocation expenses of the affected businesses and, in some cases, the purchase of the equipment on the premises.

Those businesses listed above that are still open are temporarily renting their facilities from the city.

For the properties on the post office site that the city has not been able to purchase yet, the city has on deposit with the court \$1.37 million to cover their combined appraised value.

The owners of those properties, and the businesses that operate on their properties, are:

—Pajaro Valley Grocers — Daylite Market.

—John and Barbara Mullin — Centre Theatre (closed for some time).

—Philip and Lean Giammanco — Anthony's Fish Market, La Colmena.

—Manuel and Connie Gonzales — El Rio Laundromat.

—Clarice Parks and Anthony Zufich — parking lot behind Daylite Market.

In addition to the Star Surplus property owned by Birns, the city also has yet to settle with Pedro Sanchez, Florendo Sales and Isabel Garza. Sanchez's property includes the site of the Pasatiempo Club, Mi Casita Restaurant and Playas Novillero; Sales owns the property occupied by Fred's Barber Shop and the Fair Store; and

Garza owns the site of El Bohemio.

The appraisals on those properties are not available because they are confidential while negotiations for the sale of the property continue, Harker said. These businesses will not be forced to vacate by Nov. 1; the city has more time to settle because they are not on the part of the block where the post office is located.

According to the relocation plan adopted by the city, the city expected to spend \$4.9 million on the acquisition of the entire 200 block, the equipment in the businesses and for the relocation of the businesses there.

To finance this project, the Redevelopment Agency is counting on \$2 million brought in through the sale of revenue bonds, the \$1.7 million the Postal Service has agreed to pay for its share of the block, \$1.1 million expected from the sale of the rest of the block to a developer or developers, and the \$1.2 million the agency had in reserves at the beginning of the project.

That revenue adds up to \$6 million, which would leave the agency about \$1 million in the bank at the end of the 200 block project, if the cost of the project was estimated properly.

The agency takes in close to \$300,000 a year in taxes; that money is to go toward paying off the interest on the revenue bonds.

Since the city has already spent \$2.7 million on 200 block properties and relocation of businesses, and the properties yet to be acquired by November are appraised at \$1.37 million, it would appear the city may go over its estimate in completing the 200 block project. That's because there are still the four properties — owned by Birns, Sales, Garza and Sanchez — whose sales prices are not included in the published appraisals or the already-reached agreements.

Also, the \$1.37 million set aside for the five firms accounts only for appraised values. It does not include the cost of buying equipment, goodwill payments or relocation costs. There is also no guarantee the final sales price of those parcels will match the appraised prices, as the court will have the final say if the parties don't reach agreement with the city.

Demolition of the buildings on the post office site will begin sometime after Nov. 1.

Second Street

Rodriguez Street

Main Street

O'Rourke (\$565,000)	McMurray (\$400,000)
	Sales
Freiermuth (\$527,000)	Marinovich (\$175,000)
	Sanchez
	Garza
	Birns
Parks (\$121,500)*	Birns (\$350,000)
	Pajaro Valley Grocers
	John Wong (\$95,000)
Gonzales (\$115,000)*	(\$557,000)*
	Mullin (\$265,000)*
Giammanco (\$315,000)*	Charles Ford Co. (\$420,000)
	Ginelli (\$215,000)

First Street

The 200 block of Main Street, divided by property owners. Properties below the dotted line — the southern part of the block — must be cleared out by Nov. 1 to make way for the post office. The shaded parcels have already been purchased by the city — the cost to the

city is in parentheses. On the parcels yet to be purchased, the appraisals, where available, are listed and marked with an asterisk(*). Final settlements may differ. Appraised prices were not available for four of the parcels yet to be purchased by the city.