

# Quake converted program skeptics

## Benefits outweigh risks, officials say

By TOM LONG  
Sentinel staff writer

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When redevelopment comes to Santa Cruz, it probably won't mean the condemning of a lot of buildings and families being forced from their homes.

But if things go wrong, it has the potential to mean fewer police, fewer library books and perhaps more potholes on local streets a few years down the line.

Because the money that will be going into redevelopment over the next 30 years will not be going into the city's general fund, the city could have to juggle police, libraries, street maintenance and a myriad of other services the general fund pays for — and city residents have come to expect.

The city's downtown redevelopment area is supposed to raise about \$90 million over the next 30 years by diverting reassessed property taxes from the general fund to the redevelopment fund.

The idea is that the redevelopment fund will encourage retail business owners to get involved in rebuilding the earthquake-ravaged downtown. That will in turn generate lots of sales tax for the city and eventually make up for the money that was diverted to redevelopment.

"That's the idea. Sometimes it works, sometimes it doesn't," says former Mayor Mardi Wormhoudt.

Which is the cold hard reality of redevelopment. And it was a reality that many city leaders, including Wormhoudt, weren't ready to commit to ... until Oct. 17, 1989.

"I've always been somewhat skeptical of redevelopment because it tends to take money out of the general fund and concentrate it in specific areas," says Wormhoudt. "But after the earthquake it's clear it's the only way possible to get the adequate funds to rebuild downtown."

"We're in a position that we have to use every possible tool available to bring us back to where we were before the earthquake," adds former city councilman John Laird.

Redevelopment Agency Director Ciel Cirillo is certain the commitment to redevelopment will pay off. "I don't view it as a risk ven-

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— *Former councilman  
John Laird*

ture," Cirillo says.

Cirillo expects the sales tax money raised from redevelopment projects will "exceed significantly" the \$90 million redevelopment programs will cost the general fund over the next 30 years.

"When you're doing sales tax projections, you don't know what all the potential projects are over the next 30 years, but certainly on Pacific Avenue we'd be looking at over a \$1 million (sales tax increase) a year," Cirillo says.

"The return to the city will far exceed the city's investment," Cirillo predicts. As worrisome as the eventual loss of money for services might be for some, the biggest fear of redevelopment expressed by members of the public has to do with the redevelopment agency's power of eminent domain.

With that power, the agency can order a property owner to sell his property if it doesn't fit in with the redevelopment plan. The idea behind eminent domain is that it can be used to force a property owner to blend in with what's going on around the property. It is a means of making sure there isn't a field of weeds dead center in a long row of nicely appointed shops.

But for some, eminent domain conjures up images of bulldozers rolling toward some little old lady's lifelong home so that a housing project can be built.

Although eminent domain could be invoked eventually, Cirillo says any use of that power is probably a ways off. Thanks to the earthquake, there are already plenty of empty lots in downtown Santa Cruz in need of developing.