

Please see Watsonville - Annexation

Mello quits Franich bill

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A bill that would have allowed the city of Watsonville to annex Tony Franich's 72-acre apple orchard on East Lake Avenue without the approval of the county's Local Agency Formation Commission died in the state Legislature Wednesday.

The measure was put to sleep by state Sen. Henry Mello, D-Watsonville.

Though the bill was authored and pushed through the Assembly by Assemblyman Dan Hauser, D-Arcata, it could not go to the governor's desk for signature without Senate approval, and its fate always depended on Mello.

News of the bill's demise was greeted with dismay by Watsonville City Manager John Radin, Watsonville City Councilman Rex Clark, and by property owner Franich, who hopes to build housing on the property. Meanwhile, Third District Supervisor Gary Patton, a LAFCO member who had opposed the legislation, was gleeful.

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Mello decided to pull the plug on Hauser's bill after months of controversy, during which he tried, without success, to use the threat of state action — and the threat of no action at all — to pressure LAFCO and the city into settling a long-festering dispute over the Franich annexation. And Hauser announced Wednesday night in the Assembly that he too had given up on the bill.

Mello said Wednesday morning that he had decided to drop the bill after persuading both sides to return to the bargaining table for yet another attempt at negotiating a "memorandum of understanding" on the 7-year-old annexation proposal. The senator said he was optimistic that this time, the city and LAFCO would find common ground.

"We're going to go back to the negotiating table; the remaining differences can be worked out, and it's worth giving it a try," he said by phone from Sacramento.

Franich wants Watsonville to annex his orchard so that he can subdivide it and build houses on it. The city wants the subdivision because Franich would also build a new storm drain that would end the perennial flooding of the nearby Pajaro Village and Bay Village neighborhoods. Environmentalists and some LAFCO commissioners, meanwhile, say that annexation and development of the Franich property will destroy "prime agricultural land."

Coming just hours before the end of the current legislative session, Mello's decision to abandon the Hauser bill effectively killed the measure. Mello said that if the city and LAFCO can resolve their differences, there would be no need to resurrect Hauser's bill when the Legislature convenes its next session in December.

"I'm not happy; I feel we wasted three months of nothing," Watsonville City Manager Radin said of Mello's decision.

"Henry did ask me if we could negotiate further. I said, 'You can always negotiate.'" But, said Radin, "I would rather (have seen) the bill go through than negotiate, because negotiating with the other side is not going to accomplish a damn thing as far as I'm concerned." Radin said it was up to the council to decide whether to resume talks with LAFCO.

Councilman Clark said he didn't see "much point" in more talks. He scored Mello for backing down. "I can recall on at least two or three occasions that Mr. Mello said, 'My word is my bond; I'm going to push this (bill) through,'" Clark said. "I'd like to know why he isn't telling us (now) what he's been telling us all along."

Patton called Mello's decision "a kind of a victory for those who felt this legislation was totally inappropriate." He said Wednesday that he was "delighted that this bill is not going to pass, because (it) is terrible." Patton said he believed LAFCO and the city could iron out their differences and said "we will be able to give Mr. Franich a fair consideration and a prompt one."

Franich said meanwhile that he was "disappointed" by Mello's action. Said Franich: "My impression was, if there was no agreement (between the city and LAFCO), there would have been a bill.

"I'm in a state of disbelief. I would have liked (the bill) to have gone to a vote, and if I lose, I lose. But I understand the votes (to pass it) were there."

"I'm willing to get in on negotiations, and I hope the (Watson-

ville) council is," Franich said.

"If nothing happens, then in January, I'm willing to go up to Sacramento to see what can be done there."

Franich's attorney, Tim Morgan, said if the city and LAFCO were unable to reach an agreement by the end of the year, "then I would expect more legislation (to approve the controversial annexation) would be introduced in Sacramento."

Morgan said he expected that continued talks "will produce something."

Mello, who is up for re-election this year, has been walking a political balance beam on the Franich controversy since last February, when Franich, with the aid of a Sacramento lobbyist, prevailed on Hauser to introduce his bill.

LAFCO, normally the final arbiter of annexation requests, approved the annexation in 1982. But environmentalists challenged the decision, and last year the state Court of Appeal ruled that the commission's action was invalid because of a "technical error." The court said LAFCO must reconsider the Franich annexation.

In the meantime, the political makeup of LAFCO changed and Franich, believing that he could not get a fair hearing from the commission, decided on an end run through Sacramento. Hauser, who is chairman of the Assembly Housing Committee, eventually agreed to introduce a bill in Franich's behalf, after Franich and the city agreed to set aside 15 percent of the housing in Franich's subdivision for low- and moderate-income buyers.

With pressure building on him to take a stand on the Hauser bill, Mello began pressuring the city and LAFCO to reach an agreement. At one point, Mello personally intervened, bringing the two sides together for 12 hours of closed-door talks. Mello also pressured the City Council to require affordable housing as part of all new development in Watsonville and added a provision to the Hauser bill which would have required the council to enact a citywide affordable housing ordinance before the Franich property could be annexed.

Mello indicated all along that he was ready to push the Hauser bill through the Senate if LAFCO refused to negotiate with the city. Late last week, he also indicated that he would let the Hauser bill die if it turned out that the city had refused to negotiate in good faith with LAFCO.

Negotiations broke down Monday after the two sides were unable to reach agreement on several key points.

The Watsonville council wanted wording that would have bound LAFCO to approve the Franich annexation unless the commission could show that other land — with the same "financial resources" for public services — was available.

The council also demanded that the commission extend the agreement, with its provisions for special treatment, to cover future annexation applications for the Franich property, in the event LAFCO initially permitted the city to annex only part of the orchard.

Balking at both demands, LAFCO demanded in turn that the agreement be "governed" by current state law. City Council members rejected that proposal, saying it would make the entire agreement meaningless. They said that changes in the law since 1982, when LAFCO first approved the Franich annexation, would make the annexation impossible today.