

Tax rolls post lowest growth in 35 years

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Santa Cruz County's property-tax roll posted its lowest increase in 35 years this year, and Watsonville's growth was the least among the county's four cities.

The county roll for the 1994-95 tax year grew 3.12 percent, and Watsonville was up 0.21 percent, County Assessor Bob Petersen announced yesterday.

Sharp decreases in assessed valuations on major industrial properties — including Norcal Crosetti Frozen Foods and Seagate Technology — and the sale of Tandem Computers were a major reason for the slow growth in Watsonville, Petersen said.

Without the decreases on industrial property, Petersen said, Watsonville's growth would have been substantially closer to the county average.

Decreased valuations on business property are not necessarily an indicator that a company is not

doing well, Petersen said. A number of factors can affect the valuation, including the general decrease in property values, and value of business equipment.

Norcal Crosetti applied for a decrease, and was granted a drop from \$13.8 million to \$7.9 million. The value of the company's land and buildings on Ford Street has remained constant, Petersen said, but there was a \$6 million decrease in the value of equipment.

Valuations can fluctuate as equipment is moved in and out of a business, Petersen said.

Ray Walker, Norcal's executive vice president, was out of town yesterday and today and couldn't be reached for comment.

The valuation of the Seagate Technology building off Airport Boulevard has decreased over the last two years as the company moved equipment out and eventually sold the buildings to Watsonville Community Hospital.

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Slow growth

Area	94-95 valuation	Change
Santa Cruz	\$3.00 billion	+ 3.47%
Watsonville	\$1.32 billion	+ 0.21%
Capitola	\$749 million	+ 3.49%
Scotts Valley	\$1.03 billion	+ 1.23%
Unincorporated	\$8.27 billion	+ 3.68%
County total	\$14.37 billion	+ 3.12%

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Seagate went from \$30.7 million a year ago to \$24.7 million for the current year to \$19.7 million for 1994-95. When the hospital takes over, the property will go off the tax rolls.

SCI Systems, which took over the old Tandem Computers building, received an \$11.1 million valuation, \$2 million less than Tandem had.

In the last two years, Petersen said, there have been reductions on 7,600 parcels, for a combined decrease of \$175 million. "As market conditions improve, these assessments will gradually return to their pre-adjustment levels," he said.

Those decreases have been offset by increased valuations on other property and new construction.

Watsonville City Manager Steve Salomon said he wasn't surprised at the low increase in Watsonville, citing the drops in business property. "We haven't had much new construction," he said.

The lower valuations mean less tax revenue, and local officials have based their budgets on the decreased valuations.

REFERENCE