

Santa Cruz Costco **gets green light**

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It looks like Costco will be coming to Santa Cruz after all. Overriding the city Planning Commission, the City Council last night gave all but final approval to the discount merchandiser's application to build one of its warehouse-type stores in the outskirts of Santa Cruz.

The council's unanimous decision came after four hours of mostly pro-Costco testimony from dozens of area residents, who praised the discount club — which sells only to members — on everything from its frozen hamburger to detergent.

Company officials say about 46,000 people in Santa Cruz County are members of Costco. These people now drive to stores in San Jose or Sand City, where it is estimated they spend \$22 million an-

nually.

The large national chain wants to build a 122,000-square-foot building on a 10.6 acre parcel in the Harvey West Industrial Park, two miles north of downtown Pacific Avenue.

Last night's approval essentially means a green light for the project, according to city planners, but a final design review will be held next Thursday before the Santa Cruz Zoning Board. The council's 7-0 vote approved an environmental impact report, a rezoning and a general plan amendment, from an industrial to a commercial designation, for the project.

Remaining concerns about traffic along Highway 1 and River Street are expected to be ironed out at next week's meeting. Traffic and environmental issues prompt-

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ed a denial of the project last month when the city Planning Commission reviewed the proposal. Officials of Costco, based in Kirkland, Wash., appealed the project to the council after that

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The approval didn't come without some disagreement, however. A group of merchants, headed by Bob Thomas, owner of Outdoor World, told the council the discount store could drive small stores out of business and thus mean lost tax revenue for the city. But council members indicated

they believe they will make out better in the long run with Costco. Both city and company analysts predict large sales which could mean nearly \$600,000 annually for the Santa Cruz city treasury.

Costco officials say they hope to begin construction next month, with the store opening in the spring of 1994.