

Hotel issue leads to 'progressive' squabble

Hotels and Boarding Houses

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— **Mayor Katherine Beiers**

La Bahia conference hotel proposal to get more study

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SANTA CRUZ — A City Council debate about a proposed conference hotel on Beach Street received unanimous support for more study Tuesday, but turned into a heated battle about what acceptable development is in a progressive city.

Mayor Katherine Beiers and Councilman Christopher Krohn expressed concerns

that a 250-room hotel could transform not only the beach area but the entire city with an influx of year-round tourists, while encouraging growth.

Councilman Mike Rotkin said if council members want to restrict growth, they should vote against moving ahead with the proposed conference center at La Bahia and save the city and developer time and money. Then he launched into a passionate speech about progressivism and what level

of growth progressives should support.

"What's happening in our community is a tendency to be slow-growth or no-growth and we don't want any development," said Rotkin, who added that his comments were not a personal attack.

"Clearly, not all development is acceptable but 275 rooms is trivial. I think there is a political question here ... are

'... 275 rooms is trivial ... It's not like this is a toxic dump or anything.'

— **Councilman Mike Rotkin**



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we going to be an elite, slow growth town or are we going to pick projects like this that can really help people. It's not like this is a toxic dump or anything."

Beiers and the three councilmen — Krohn, Tim Fitzmaurice and Keith Sugar — that help her make up a majority on the council sat back in their chairs, taken aback but smiling at the comments.

"How do you really feel?" Sugar said, trying to break the tension after Rotkin finished.

Beiers said she wasn't going to get involved in a debate about what it means to be progressive, but didn't back down on her comments.

"It really will transform the area and impact day-to-day life," Beiers said about the hotel proposal. "I think Santa Cruz in the last few years has grown like mad ... this won't stop at one hotel."

She also said the millions of dollars in revenues a hotel could bring in won't be so necessary now that the downtown is becoming known as Silicon Beach, drawing in high tech businesses to new buildings like the Cooper House and 1200 Pacific Avenue.

The special meeting lasted about four hours and was held so the council and public could hear what the city knows about the project. Developer King Ventures of San Luis Obispo is willing to develop the project and says it can do so by preserving most of the historic La Bahia building and hiring union workers.

Costs to build the 200,000 square-foot building could range from \$35 million to \$45 million, according to David Watson of King Ventures. The building would be two or three stories high and include parking underneath the structure, he said. A hotel project this size could generate as much as \$1.3 million a year for the city, which could be used to serve social service programs, affordable housing projects and increasing other services like fire, police and parks and recreation.

The council agreed to have city staff and the Redevelopment Agency work out more details, such as costs, whether the city would be asked to give tax breaks or money and how the developer will guarantee union labor is hired.

But the hot topic that arose from the meeting was whether a council majority wants any development, particularly a project this "enormous." Fitzmaurice, Krohn, Sugar and Beiers all had questions about the project, which Hernandez said was "stalling or putting this on the back-burner."

Beiers said every development that comes before the city is defended by proponents saying it will bring in more money to the city. That's no rationale to approve a project, she said.

"I hope we have debate every time this hotel project comes to us. This has been a good debate and I hope we will do it every time and ask, is it good for Santa Cruz?"

Krohn said even the progressive community is mixed on the conference center development. "It's a 'we' up here and it's the 'we' that I represent that is very mixed on this."

Fitzmaurice had a different take on the debate about progressivism.

"The definition of progressive ... I don't care if I'm meeting someone's definition of it. I have questions and we have to have that kind of discussion."

Another aspect of the proposal the council struggled with is that by moving forward the city is in essence taking the lead in a development project.