

UCSC agrees to give city \$75,000

Chancellor Greenwood: Payoff not meant to cover lost Holiday Inn taxes

Holiday Inn
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University and city officials have struck a deal **SANTA CRUZ** that will boost city coffers by \$75,000, but it's not clear how long the money will flow.

The deal, announced by outgoing Mayor Tim Fitzmaurice on Tuesday, comes after months of negotiations between UC Santa Cruz and the city over taxes lost when UCSC took over the Holiday

Inn on Ocean Street to house students.

Chancellor M.R.C. Greenwood denied that the promised payment was aimed at compensating the city for its estimated annual loss of \$300,000 in hotel taxes. Instead, the university is offering to help pay for law enforcement to keep students safe in a post-Sept. 11 world, she said.

"This is not a quid pro quo (for the Holiday Inn)," Greenwood said. "We are concerned about our students in town and understand the city has some budgetary issues just like we do. We're try-

ing to build a partnership."

Although the university will review the contribution annually in light of its financial situation and the city's need, Greenwood called the \$75,000 a "one-time payment."

But city officials believe the payment, while not guaranteed, will be made annually for the duration of UCSC's stay at the former hotel.

"That's the spirit of the agreement," Fitzmaurice said. "It's not something they signed on to."

In August, city officials turned down a uni-

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versity offer of a one-time payment of \$100,000, city manager Dick Wilson said.

UCSC surprised city officials with news in January that it had secured a 10-year, \$19.5 million lease for the Holiday Inn from Ramco Illinois Inc.

When city officials complained about the lost taxes, Greenwood promised in February to "make things right."

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