

# Council OKs La Bahia plan

Proposal includes partial  
renovation of historic building

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**SANTA CRUZ** » Tuesday, the Santa Cruz City Council unanimously approved the third set of plans to arise in the past decade for transforming the historic but shoddy La Bahia apartments into an upscale hotel presiding over Main Beach.

Supporters heralded the project as a catalyst for revitalization and extending the tourism season beyond the summer by attracting conferences and a greater diversity of travelers. The city's beach plan cites La Bahia as the ideal location for a large conference hotel, but detractors say the project should save more of the historic structure and offer more parking.

"This new hotel will be the centerpiece of our ongoing effort to improve the beach area that already includes the Sanctuary Center, an upgraded Dream Inn, ongoing improvements at the Boardwalk, wharf restoration ahead of us and traffic and parking improvements," Vice Mayor Don Lane said. "This will make this community

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proud when done."

"What's going to be built will be a lot nicer, more exciting, safer, ADA compliant and will win international awards for Santa Cruz and attract people from all over the world just like it's supposed to," said George Ow of Santa Cruz.

Approved last month by the city's Planning and Historic Preservation commissions, the proposal calls for a 165-room hotel to replace the 44-unit Spanish Colonial apartments built in 1926 on the 200 block of Beach Street. The nearly 200,000-square-foot project will save the southeastern portion of the building containing an iconic bell tower, which will remain on the city's historic survey, but the rest of the structure will be demolished and rebuilt.

Previous plans for renovation approved since 2003 hit roadblocks.

The first, which saved the historic structure, was abandoned by the developer for financial reasons, and the second was denied by the state Coastal Commission for exceeding height limits.

Property owner Santa Cruz Seaside Co. hired developer Craig French in 2012 to revive the plans,



MATTHEW HINTZ — SANTA CRUZ SENTINEL FILE

La Bahia's iconic bell tower is seen through a vacant space behind the building at the corner of First and Main streets. It will be preserved under a plan approved by the council Tuesday.

which were designed by the San Francisco architectural firm Leddy Maytum Stacy.

"We have a better project," said Councilwoman Hilary Bryant, who vigorously supported the previous plan.

The hotel requires a planned development permit to accommodate a height of 43 feet in a few portions, whereas zoning calls for a maximum 36 feet, or three stories, without it. Historic demolition, design and coastal permits also are required, and the council's approval can be appealed to the Coastal Commission.

The council also voted Tuesday to certify a final environmental report that identifies the loss of historic resources and an increase in area traffic, with

findings that increased hotel and sales tax revenue, expanded visitor-serving accommodations, and new jobs are public benefits that overcome those impacts. The hotel will offer more than 200 full- and part-time jobs, French said.

Santa Cruzan Joe Michalak said the city should not reward the developer with tax benefits but rather take advantage of state and federal tax credits to undertake greater historic restoration.

"To approve the proposed project would involve the destruction of a significant cultural resource, a potential focal point for heritage tourism," Michalak wrote the council. "A restored and rehabilitated La Bahia combined with the resto-

ration of the Santa Cruz wharf would provide a powerful impetus for heritage tourism."

The developer is required to document and salvage historic elements and pay traffic fees to improve key intersections. An economic analysis demonstrated renovation that saves more of the original building was not financially feasible.

The hotel is expected to be a money-maker for the city, including a share of \$750,000 in property and sales taxes and \$1.4 million in annual hotel tax revenue by the third year. However, the developer will benefit from a program approved by the council in July to split 50/50 future lodging tax revenue with new large hotel developers up to \$2 million over 10 years time.

In recent days, First Street neighbor Don Weber and others negotiated additional conditions with the city, including that hotel patrons can use the Boardwalk's Main Street lot whenever the Main Street parking garage is full and that they be directed upon exiting the garage that they are prohibited from turning right into residential areas of Beach Hill. There also must be an off-site parking plan and shuttle for employees during weekends and holidays between Memorial Day and Labor Day.