

Downtown complex faces vote

Pacific Ave.
■ Office/retail site planned.

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12-14-99

SANTA CRUZ — Jay Paul Co., which developed the new Cooper House in downtown Santa Cruz, hopes to build a similar office/retail building on Pacific Avenue between Espresso Royale Caffe and World Savings Bank.

The property at 1547 Pacific Ave. is owned by the Ron G. Lau Trust and includes buildings housing Oswald's restaurant and Kelly's French Pastry. The parcel extends to Cedar Street but the majority of the new building would be built on the vacant lot between the coffee house and the bank.

Paul and the Lau family have agreed to be partners in the development, which goes before the Santa Cruz City Council today. The council, in its role as Redevelopment Agency, is being asked to work with Paul and Lau on the development, which could involve underground parking. If the project moves ahead, Paul is expected to ask the city to waive parking fees.

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Krohn said he does have concerns about the size, the height and the design. He said he likes the looks of the Cooper House but would have preferred a smaller structure.

It's not clear how tall the building would be or what Lau proposes to do with existing structures at the site.

Cirillo said Santa Cruz has evolved into a prime area for home-grown technology companies and office space has been in greater demand in the past three years. One benefit to keeping technology firms in Santa Cruz is that employees won't have to drive to San Jose.

She said a recent survey of 100 mul-

timedia businesses in the city showed that 18 need additional office space.

Meanwhile, the council/redevelopment agency is scheduled to consider giving a \$98,334 loan to North Bay Ford so it can buy the property it's on at 1999 Soquel Ave. Without the 17-year loan, which would be paid back with interest, owners William R. Winterhalder, Michael C. Elward and Mark K. Elward would be forced to leave because of high property costs, according to city staff.

Under the proposed deal between the agency and the dealership, the property would have to remain a car dealership for at least 15 years. North Bay Ford is the largest sales-tax producing dealership in the city.

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The Redevelopment Agency also is scheduled today to consider a \$98,000 loan to the owners of North Bay Ford.

Paul completed the new Cooper House in October and has leased out all 76,000 square feet of office space on the top four floors. The ground floor will include a 4,500-square-foot restaurant and 16,600 square feet of retail space. Paul received a \$1 million parking fee waiver for that project.

The proposed building, roughly the same size, would cover one of the last remaining lots leveled by the 1989 Loma Prieta earthquake. The previous building there, owned by the Lau

family, housed Bookshop Santa Cruz and the Santa Cruz Coffee Roasting Co.. Two employees were killed when the structure collapsed.

The other large vacant lot remaining on Pacific is the Rittenhouse property at Church Street. The owners say they also are working on a development plan but City Council members and others are pushing for a public plaza there instead.

Ceil Cirillo, the city's redevelopment director, said she has worked with Ron Lau for years to develop an acceptable project for his property. Last year, the council tentatively approved a 74-unit hotel and Japanese tea room with an underground parking garage. That plan was scrapped, however, when Eric Lau, Ron's son, met with Paul, who suggested a 100,000-square-foot retail/office building. The city owns about 5,000

square feet of the property that would be needed for the project.

Though considerable office space has been added downtown in the past year, Paul said in a letter to the council that has had to turn down several potential office tenants for the new Cooper House, including many high tech companies. Those tenants would still like to locate in downtown Santa Cruz and Cooper House tenants will want to expand as well, a Jay Paul Co. official said Monday.

Councilman Christopher Krohn said he liked Lau's original hotel proposal but the economy might be better suited for Paul's project.

"I'm a little bit worried about the emphasis on office space but I'm happy to see something happening on that site," Krohn said.

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