

Historical concerns



Dan Coyro/Sentinel

The La Bahia Apartments on Beach Street, above, are the proposed site of a 250-room conference hotel.

Some fear conversion of 72-year-old building into conference hotel will ruin SC landmark

By **DARREL W. COLE**
Sentinel staff writer

SANTA CRUZ — Supporters of a proposed conference hotel near the wharf and boardwalk amusement park see it as an economic engine that would be a catalyst for a beach-area revitalization, as well as earn the city more money to support community and social programs.

Developer King Ventures wants to move forward its plans for a 250 to 275 room conference hotel built around the historic La Bahia Apartments on Beach Street.

Santa Cruz City Council members and city planners who met with King Ventures representatives said the developer can do the \$34 million project as proposed.

But the intricate and sizable project has raised some red flags, including the potential loss of historical aspects of the building and the possibility the city's Redevelopment Agency will be asked to give money to the project.

The council has expressed unanimous support for a hotel conference center but a few are concerned about the city's level of monetary support. Residents have raised issues about a tall building obstructing views and that conversion would mean the loss of some historic aspects of the 72-year-old building.

One opposition group, Friends of La Bahia, has organized support for a much smaller conference hotel.

Councilman Tim Fitzmaurice said he's heard some of the negative comments about the project but has not made a decision on his level of support.

"But I'm not getting a bunch of phone calls on this either," he said. "I want to see what specific comments are made about the project and to make sure they (the developer) can fulfill our wishes like (prevailing) wages and historic preservation and then follow a proper public process."

In a special meeting scheduled for today at 4 p.m., King Ventures representatives will present project specifics to the City Council. The public will have an opportunity to comment on the proposal.

Built in 1926, La Bahia is a Spanish Colonial-style hotel with 45 residential units. The hotel occupies the entire block of Beach Street between Main and Westbrook. A domed bell tower distinguishes the building. A conference hotel at the site is part of the Beach and South of Laurel Area Plan, which the City Council approved in October 1998.

King Ventures of San Luis Obispo proposes to keep the historic facade intact, including the bell tower, something the beach plan also requires.

The private company is already known for waterfront projects along the coast, including a resort at Marina State Beach, scheduled to open this month. The company has been in contact with several hotel chains including Hilton, Sheraton and Weston about the La Bahia project.

Santa Cruz Seaside Co., owners of the Beach Boardwalk, owns the 1.5-acre La Bahia site and will sell it to King Ventures if a project can move forward. The Seaside Co. bought the property in 1985 from a group of investors, at a time when another conference hotel at the site was in the works. Plans for that project ended after the sale.

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— **Santa Cruz City Councilman Tim Fitzmaurice**

Local union organizations support the project because it will mean hundreds of union jobs to build it and union employees to work there once it is built. King Ventures has told some council members that it will hire union workers and that a union-friendly hotel chain will run the conference center.

Councilman Mike Rotkin, Mayor Katherine Beiers and Councilman Christopher Krohn met with King Ventures officials recently and were assured that the council's desire for union wages and historic preservation can be met as long as the project includes 250 to 275 rooms, according to Rotkin.

"We should be climbing over ourselves to get this built because it provides union jobs, preservation and money in our general fund," Rotkin said. "From our meetings with them they are waiting for the go-ahead."

Others on the council want to ensure that a thorough public process is conducted, something Rotkin agrees with but hopes "a few voices don't waive off the needs of those many."

King Ventures has waited in the wings for almost two years while the city debated the controversial beach area plan. While some supporters of a conference hotel are worried further delays and endless public hearings will discourage them, Rotkin said the developers haven't said so.

"They haven't said they want a quick process, they just want to know the process," Rotkin said. "The developers have not put an ultimatum down for us."

A conference hotel would mean more money to city coffers, which the City Council could use to offset a general fund budget deficit and, possibly, to help pay for some of its own special projects, like increasing donations to social service programs, or helping contribute to an affordable housing project or even a downtown plaza.

The city charges hotels a 10 percent tax for each room rented. The tax brought in about \$2.7 million in 1998.

Figuring an occupancy rate of 70 percent in a year, a 250-room conference hotel charging \$100 a day would potentially bring the city \$638,000 each year.

A special meeting on a proposed conference hotel conversion at La Bahia apartments on Beach Street will begin at 4 p.m. today at City Council chambers, 809 Center Street.