

SL Park Multi-Million Dollar Motel Gains Agency's Approval ^{3/23/62}

The Karp Development company proposal for an eight-story multi-million dollar convention motel was approved in principle by the Santa Cruz Redevelopment agency Thursday.

The San Francisco developers have been asked to submit a check for 10 per cent of the estimated \$232,800 purchase price by next Friday.

All undeveloped property between Soquel avenue, Branciforte creek, and Dakota and Ocean streets is included in the proposal.

Philip Karp, president of the development firm, said a custom layout for the sprawling 2.9-acre site is being prepared by architects and should be to the agency early next week.

"Our original plans were for a metropolitan site," he said, adding that all proposed features will be carried over.

These include a total of 168 rooms, a cocktail lounge, restaurant, banquet rooms, drug and gift shop, offices, gas station, meeting rooms, swimming pool, and Finnish baths.

In answer to questions by the agency, Karp said the service station facilities would be strictly for convenience of motel customers.

The agency has denied public

service station requests in the past.

The Karp transaction hinges on economic and engineering feasibility reports, which must be satisfactory to both the developers and agency.

Karp said he is concerned about ability of the ground to support high-rise structures without excessive foundation costs.

If both parties agree to proceed, Karp will be bound to pay 4 $\frac{3}{4}$ per cent annual interest on the entire purchase price if he should default at a later date. This would come from the easic dbposit.

Formal agreements will be drawn once feasibility of the proposal is proven.

Agency Attorney Lewis Yapp said the above procedures could be construed as an option.

Agency Director Olin Carl White said they aren't. "We're requiring them to prove to us that what they propose is feasible," he said.

The final purchase price will be based on \$1.50 per square foot for parcels fronting Ocean and Dakota and \$2.25 for the key parcel fronting on Soquel.

The developers were steered to the agency by Borresen Realty of Aptos. Arnold Borresen and Hugh Brown, representing that firm, sat in on the agency meeting.