

Big plans for beachside hotel

Hotels + Boarding Houses
Rebuild pricetag could reach \$88 million

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SANTA CRUZ — The City Council will consider Tuesday whether to move forward with an \$88 million proposal to rip down the Coast Santa Cruz Hotel and replace it with a 268-room hotel and conference center.

That money includes \$61 million in demolition and construction costs and \$27 million to pay off the debt on the property, which is home to the 163-room hotel, formerly known

as the Dream Inn.

The figures were revealed in a feasibility study released Friday by Jones Lang LaSalle, a real estate services and investment management firm.

If the project is going to happen, the city, according to early projections, may need to kick in \$17 million.

The conference center would

include 19,500 square feet of meeting space and a 614-space, L-shaped parking structure. The garage would be built on what is currently the hotel's ground-level parking lot at Bay Avenue and West Cliff Drive.

If the city goes ahead with a joint venture with Northwest Hospitality

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The City Council will consider Tuesday whether to move ahead with an \$88 million proposal to rip down the Coast Santa Cruz Hotel, right.



Dan Coyro/Sentinel

Hotel

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Group, which owns the hotel, this would be the city's largest public-private venture; in comparison, the city kicked in roughly \$10 million over a decade to fund the rebuilding of the Cooper House downtown.

Partnership plan

Redevelopment Director Ceil Cirillo emphasized Friday that the city would only move forward with the project if it were assured "there would be no impact on the general fund," and that the hotel/conference center would more than compensate for the city's upfront expenses.

In fact, if the city moves forward with the project, it would have to borrow the money it would need to pay for its share of the project.

One possibility is issuing a bond to pay for the city's share of expenses, then trying to recoup the investment through revenues, such as new sales tax on food and beverage, room rents at the hotel and fees charged at the parking structure, according to the Redevelopment Agency.

Cirillo said the city may wish to consider owning portions of the project, such as the conference rooms, allowing it to collect fees

from clients. The city also may wish to finance and own the parking structure, which would also serve a planned Monterey Bay National Marine Sanctuary visitors center nearby.

The council has invested \$33,000 in the feasibility study.

The council may decide to invest \$15,000 to \$20,000 in redevelopment fees to pay legal and economic advisers to help craft a development agreement.

The council, however, will not reach the point of no return Tuesday; it could be months before the city considers signing a contract with Northwest Hospitality, Cirillo said.

Abuzz with building

The conference hotel was discussed briefly during a recent meeting of the Lighthouse Cowell/Westside Neighbors group, but there are so many projects under way or being proposed for the Westside that the reaction, so far, has been subdued.

There has been more discussion on the proposed Lowe's and Home Depot proposals for an industrial section of the Westside.

Westside residents also have been abuzz about UC Santa Cruz's recent purchase of the Texas Instruments building.

Lynn Robinson, facilitator of the neighbors group, said it's too early to get a sense of where residents

stand on the hotel plan. But she said it's crucial to look at these projects' cumulative impacts.

Councilman Mark Primack, who is an architect, had a different perspective on the hotel plan. He said the proposal was an opportunity to replace an unsightly building with something worthy of Santa Cruz, with the potential to bring long-term revenues to the city.

"We have a big tall hotel there, and it is not a very attractive hotel. Improving it doesn't necessarily mean making it smaller. No one ever said the Taj Mahal was too big or that (Frank Lloyd Wright's) Fallingwater was too tall. Those buildings are well-designed."

Councilwoman Emily Reilly owns Emily's Good Things To Eat, a Westside bakery where customers are talking about the list of proposals.

She said it is important for the city to move forward intelligently and not reactively.

"There is so much going on," she said, referring to a proposed expansion of UCCS's marine research facilities on the Westside and a planned remodel of the Mis-

sion Street Safeway. "It is exciting that people want to do things here, and we need to be very thoughtful and careful."

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