

# La Bahia plan faces first test

*Hotels & Boarding Houses*  
S.C. council's yea,  
nay a crucial step  
in rebuilding hotel

By **HEATHER BOERNER**  
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SANTA CRUZ — Barry Swenson Builder is ready to spend \$47,000 to begin converting the beachfront La Bahia Apartments to a hotel — but not if the council opposes the project.

Officials from the Santa Cruz-based company will present their proposal to the council at its meeting Tuesday. The council won't give the project a thumbs-up or thumbs-down Tuesday, but it will tell the developers if they're going in the right direction, according to a staff report on the project.

"What happened last time, we don't want that to happen again," said Swenson vice president Jesse Nickell III. Controversy erupted in the 1990s over a plan to demolish much of the 75-year-old building and expand it into a 250-room hotel and conference center. "We don't want to do it if the community and the council doesn't want it," Nickell said.

Barry Swenson Builder has held one neighborhood meeting and has been given a tentative green light by the Historic Preservation Commission because the proposal calls for no demolition. If the council tells the developer the project is "headed in the right direction," Nickell said, the company will submit its plan to the Planning Department and pay the \$47,000 in fees associated with filing the application. That will start the process of Zoning and Planning Commission hearings.

If approved, Nickell said, the renovation would cost \$17 million to \$20 million.

Barry Swenson Builder, which was involved in the renovation of the Del Mar Theatre, the Univer-

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city Town Center and the Bank of America Building downtown, wants to convert the 74-year-old historic building into a 100-room hotel with underground parking, outlets for electric cars and bicycle storage.

Nickell said the project does not include a conference center because "the community as a whole doesn't want traffic year-round heading down there."

If approved, Nickell said, the project could bring in \$500,000 in hotel taxes to city coffers. That's about the same amount the city said it expected to lose from the conversion of the Holiday Inn on Ocean Street to a UC Santa Cruz dorm. Nickell also argued that building the hotel could help serve a greater good, because the tax money it could bring in could help the city leverage up to \$2.2 million for low-income housing.

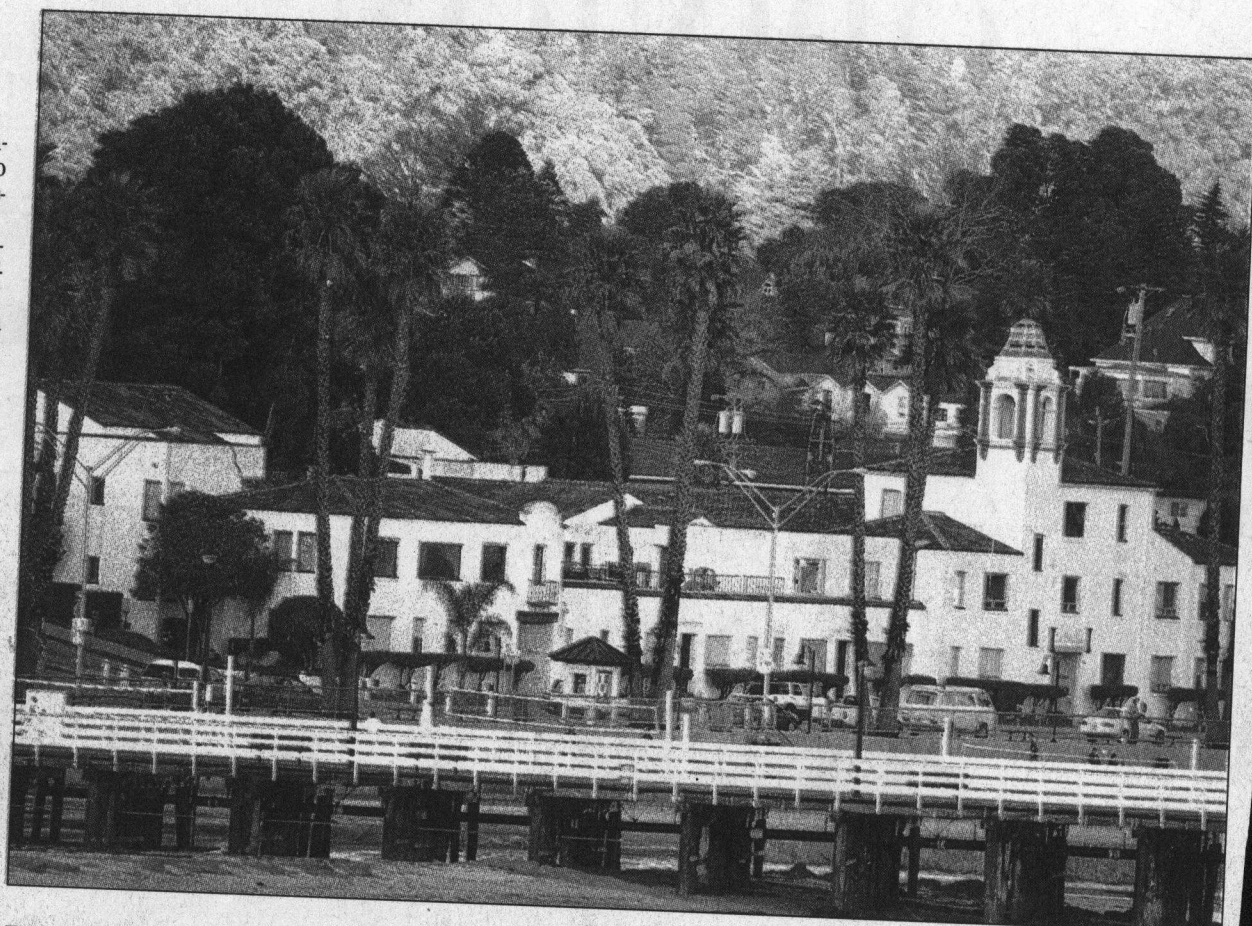
Now, the building's 40 apartments house UC Santa Cruz students during the school year and Santa Cruz Beach Boardwalk employees during the summer.

Council members have opposed destroying the building. In November, they said they would withhold judgment on the project until it came before them.

In other business, the council will consider leasing land on Gault Street to Mercy Housing California for a senior affordable-housing complex. The council agreed to option the lease to Mercy. The project has yet to come before the Planning Commission. The council will discuss that issue at its 5 p.m. session.

The council will hear the La Bahia proposal at its 3 p.m. session Tuesday, held at the Council Chamber in City Hall, 809 Center St. Council meetings can also be seen on Community TV of Santa Cruz, AT&T Broadband Channel 25.

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