

Council debates Lower Ocean project

Neighbors have mixed
reaction over Hyatt Place

Hotels and Boarding Houses
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SANTA CRUZ — The City Council on Tuesday debated the future of a new Hyatt Place Hotel in Lower Ocean amid objections from some neighborhood residents who fear the 111-room project will spike traffic and noise in an already congested zone.

If approved, the hotel would be built at 407 Broadway, the current site of the Unity Temple, a property the developers now own. The council had not voted by press time.

Of the nearly 30 people who addressed the council, more than a third said the hotel would brighten the area by replacing the church parking lot, a site of regular drug use and dealing. Others, most notably residents of the Pacific Terrace condos next door, said the hotel, which requires a zoning exception to be built in a residential area, is out of step and will worsen traffic at the nearby busy intersection of Broadway and Riverside Avenue.

But Bill Tysseling, executive director of the Santa Cruz Area Chamber of Commerce, disagreed, saying the city needs a business-class hotel that will appeal to visitors who now primarily choose the Hilton in Scotts Valley.

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"This is the kind of environment we want to create that makes this place one where we can take advantage of the great resources we have," he said.

Ron Beck, who owns a condo next door, supported the project, saying it will help reduce crime without substantially increasing traffic.

But Broadway resident Lynn Clausen said the project constitutes a "breach of trust" with residents because it is out of place. She said she doubted the economic impacts touted by the city.

"There are numerous hotels on Ocean Street," Clausen said. "How much revenue will be generated from this hotel that is just siphoning off revenue from other hotels?"

Owners Tejal Sood and Many Soma, whose family owns the Hampton Inn and Comfort Inn, said they want to create an upper scale hotel that will appeal equally to businesspeople and tourists. They said they have been in the hotel business for 40 years in Santa Cruz and are dedicated to the community.

The permits would allow for the four-story hotel to be built in a multiple residential zone and constructed a story taller than current zoning allows. The owners also requested an alcohol permit for beer and wine service to guests at night.

The hotel would generate between \$350,000 and \$500,000 in hotel occupancy taxes and create 12 to 25 jobs, the city estimates. Twenty trees would be planted to replace a heritage chestnut tree slated for removal.

The Planning Commission endorsed the project April 21 but recommended numerous conditions including design changes, a noise study and \$50,000 toward traffic calming measures in addition to a routine \$375,000 in traffic fees.

Traffic would increase 5 percent with maximum hotel occupancy, but staff did not support the \$50,000 mitigation payment or a requirement for a fixed percentage of local hires.

Ahead of council debate, Vice Mayor Don Lane said, "We are listening to everything everyone has to say."

Mayor Ryan Coonerty excused himself from the meeting citing a conflict. He lives next door to the site.

Also Tuesday, the council had been scheduled to hear an appeal from the owners of two other motels who owe nearly \$1 million in unpaid hotel occupancy taxes. The hearings were postponed because owners of the Torch Lite Inn and Motel Santa Cruz have filed for bankruptcy.