

# Costco Forum explores Costco's impacts

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SANTA CRUZ — Traffic and the economic impact of a Costco warehouse store here were the major concerns raised at a forum Wednesday night attended by local residents and Costco executives.

More than 50 people attended the two-hour discussion with four Costco representatives headed by Jeff Brotman, chairman of Costco Wholesale Corp. It was the second such meeting sponsored by the Santa Cruz Chamber of Commerce on Costco's proposal to build a store near Harvey West Park.

"My concern is the traffic problem it creates, and whether it is still safe for the kids playing at the park because of the increase in traffic," said Carl Conelly, a local real-estate broker who said his two grandchildren work for Costco.

The proposed 120,000-square-foot store would be built near the intersection of highways 9 and 1. At the meeting, the Costco representatives showed their blueprint for the first time since they announced the project in November.

"I did not expect a 600-car parking lot," said N. Manfred Shaffer, who works at Graniterock across the street from the the proposed store. "It will create lots of difficulties in delivering concrete."

Responding to the mounting concern over traffic, Costco's Brotman said an environmental impact study is under way. If it shows problems that can't be solved, "we will not be here," he told forum participants.

Another concern raised was the economic impact on local businesses.

Bob Thomas, of Outdoor World sporting goods, worried

that Costco would hurt small-business owners. "... The business renovation in downtown Santa Cruz may be delayed for five to 10 years," he said.

He said that when Costco built its Sand City store, more than 10 percent of business in his Monterey store was taken away.

"It will directly destroy small businesses that can't compete on price," he said.

Based in Kirkland, Wash., Costco is the nation's largest chain of warehouse stores. Its wares range from frozen food to tires, at warehouse prices. The company reported annual sales of \$6.5 billion last year.

The company announced this month that it will merge with former competitor The Price Co., operator of Price Club warehouse stores.

Brotman, slated to be vice chairman of the new company, was asked whether the merger will affect the Santa Cruz project. "There will be no change," he said.

Construction in Santa Cruz is scheduled to be completed next summer if the project moves smoothly, one of the representatives said. The company says it plans to hire 150 to 175 local people, and would generate about \$500,000 a year in sales taxes for the city.

But some business people were not happy with the figure.

Richard J. Sacks, in the computer business in Capitola, said the impact on his company was limited, but the overall impact on the local economy would be detrimental.

"We don't see the full benefit (of Costco's coming into Santa Cruz)," he said. "We give up a lot while the major part goes to Washington."