

LA BAHIA HOTEL

# Coastal agency staff recommends hotel plan



DAN COYRO/SENTINEL FILE

Coastal Commission planners released recommendations Friday for the 125-room La Bahia hotel proposed for Beach Street. The panel is slated vote Aug. 11.

Report requests program for low-cost rooms; Coastal Commission to vote on project next month

By J.M. BROWN

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SANTA CRUZ — Planners for the state agency charged with determining the fate of a proposed 125-room oceanfront hotel-condo project have recommended approval of the long-delayed plans if the city agrees to make some changes.

In a report released Friday afternoon, staff from the Coastal Commission's Central Coast District Office recommended the 12-member panel allow demolition of the historic, 85-year-

old La Bahia apartments at 215 Beach St., to be followed by construction of a high-end hotel that would extend beyond existing height limitations by 1½ floors. The commission is slated to vote Aug. 11 at its meeting in Watsonville.

But the staff predicated its endorsement on a number of modifications, including requiring reduced-rate accommodations or related fees in order to meet the Coastal Act's provisions for visitor-serving uses by the public.

The Spanish Colonial Revival hotel to be built on a slope rising from Beach Street to First

Street is proposed at 5½ stories, extending 61 feet high at the back of the property with an additional 10 feet allowed for architectural elements. Construction would be limited to three stories in the front.

Gaining a clear understanding of the 41-page report's findings and recommended modifications was difficult Friday.

Several officials with the city's planning department were on vacation or otherwise





DAN COYRO/SENTINEL FILE

Coastal Commission staff has recommended approval of a 125-room high-end hotel at the site of the historic La Bahia apartments with some modifications.

## LA BAHIA

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unavailable. Several members of the agency's staff in Santa Cruz, San Francisco and Sacramento did not respond to requests for clarification.

After a quick briefing from his office while out of town on vacation, Jesse Nickell, vice president of construction and development for the hotel's developer, Barry Swenson Builder, said, "It's good that the [commission's] staff supports the project, but we just have to look at the list of modifications."

The Santa Cruz City Council, which approved the project in April 2009, would have to OK all modifications by February. Most of them deal with financial matters around providing low-cost rooms.

Nickell said the developer has already been in contact with State Parks to support \$200,000 in improvements for sites within Santa Cruz County as a substitution for the Coastal Commission's requirement for low-cost rooms. However, he said he would analyze whether the hotel could offer some units at 25 percent below the average peak room rate, in keeping with the agency's charge to ensure lower-cost options for tourism.

"I'm not going to say 'no' to anything right now," he said.

The project would include a mix of hotel and condo units, the latter of which would have to be available for public rent-

### IF YOU GO

COASTAL  
COMMISSION  
MEETING

**WHAT:** Consideration of the proposed 125-room La Bahia hotel

**WHEN:** 9 a.m. Aug. 11

**WHERE:** Watsonville City Council Chamber, 275 Main St.

**DETAILS:** [www.coastal.ca.gov/mtgcurr.html](http://www.coastal.ca.gov/mtgcurr.html)

al most of the year. Owners could only occupy their units 45 days a year, with no more than 30 of those days during the tourist season between Memorial Day and Labor Day.

The plan, which requires an amendment to the city's coastal plan because of the building's height, was slated to go before the commission in March. However, the city pulled the application and was awarded a one-year extension amid concerns from the agency's staff about height and how to handle the site's historic value.

In the report released Friday, commission planners agreed with the city's that partially renovating the existing 43-unit apartment building, with its historically significant courtyards and bell tower, would be difficult financially, though the planners referred to the city's decision as "a judgment call." The staff also noted the decision by

the city not to pursue a lower-scale project that the developer determined would not be profitable as "also clearly a judgment call." However, the report calls the hotel "in large measure approvable."

The question of whether the city explored enough alternatives to the project was the basis of a lawsuit filed by historic preservationists and Beach Hill residents whose views of the sparkling Monterey Bay would be blocked by the hotel they've dubbed "La Behemoth." The Build a Better La Bahia Coalition lost its suit challenging the city's environmental analysis of the project in Superior Court, but the case is being appealed.

The project has also come under fire from local trade groups upset over the developer's unwillingness to hire all union labor. Barry Swenson Builder has agreed to hire 40 percent local and 40 percent union, but said the company would count workers who fall into both categories into those percentages.

City leaders are counting on the hotel to be a major economic boost, with more than \$700,000 in annual hotel and sales tax revenue, as well as a cornerstone piece for plans to revamp the beach area.

"This is something that can make the shift in terms of year-round visitor accommodations," Vice Mayor Don Lane said. "If we have this top-quality hotel and conference facilities, we can start getting people to come here in February at a time when we are not

seeing a lot of visitor business. This is a goal that's been articulated by city council after city council. We need to get away from being dependent on the summer surge during the tourist economy."

On Friday, Lane and two city staff members met with Coastal Commissioner Steve Blank near Half Moon Bay, who could not be reached Friday. Officials have also been trying to find out where county Supervisor Mark Stone, the vice chair of the commission, stands on the project because they consider his advocacy key.

But Stone has repeatedly resisted discussing his views before the commission staff made its recommendations. Stone did not respond to a call Friday.

La Bahia is a city-designated historic landmark owned by the Santa Cruz Seaside Co., owners of the Santa Cruz Beach Boardwalk and partners in the new hotel venture. Once used for long-term guests, the company rents the apartments now to UC Santa Cruz students during the school year and puts up temporary Boardwalk workers in the summer.

The 1.4-acre property encompassing six buildings over one city block has fallen into some disrepair in recent years as debate over the development continued. Barry Swenson Builder, who has been working nearly 10 years to redevelop the site, has agreed to save and reuse the bell tower, while mimicking other elements of the original design.