

battle lines drawn

Fate of store to be decided by City Council

By MARTHA MENDOZA
Sentinel staff writer

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SANTA CRUZ — The Costco wars are on.

"No more aftershocks!" is the battle cry of Costco opponents at the Save Downtown Santa Cruz Committee.

"We want Costco here," counters Friends of Costco, led by former mayors Don Lane and John Mahaney.

Each side plans to present its case Tuesday when the City Council considers the fate of the proposed warehouse store.

"I plan on getting a good night's sleep before this one," said Councilman Louis Rittenhouse.

Almost one year ago, Costco Wholesale Corp. bought a 10.6-acre site at Sylvania Avenue and Harvey West Boulevard, across the street from Harvey West Park. The purchase was contingent on building permits being approved.

A study done in the summer concluded that the development would attract a significant amount of traffic that would be unavoidable. Last month, the city Planning Commission went against the recommendation of the planning staff and denied the application, citing concerns about competition from Costco putting downtown merchants out of business.

Santa Cruz's debate has been played out in recent months in communities throughout the country.

"After years of passively accepting — and sometimes even welcoming — the likes of Wal-Mart, Home Depot, Payless drug stores, Kmart and Price Club, residents are now protesting in the streets and hectoring at town planning meetings. They feel they are now wise to the disadvantages such stores bring: increased traffic, air pollution and cannibalization of their hometown retailers ... The protests have grown in proportion to the relentless, expansionary march of behemoth retailers," reported Time magazine this month.

A study of Iowa towns with Wal-Marts found that while the number of small retailers did decline when the large discount store moved in, other businesses were attracted to the area.

George Protsman, owner of Poor Richards Almanac, and co-chairman of the Committee to Save Downtown Santa Cruz, is particularly concerned about what will happen to Pacific Avenue's mer-

Costco

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chants.

"All the tie-dyes and beads downtown are not enough to support an economic base," he said.

Mayor Coonerty, who owns Bookshop Santa Cruz in the St. George Hotel, argues that competition is part of doing business.

"That's the way retailing is done in this country," he said. "You can't put your finger into the dike and hope to hold it all back."

In a brief appeal, Costco's director of development Jack Frank asked the City Council to reconsider the Planning Commission's recommendation.

"Clearly the Planning Commission failed to consider the competency of the Santa Cruz staff in their recommendation for approval, and the adequacy of the final environmental impact report prepared for the project, which identifies impacts and proposed appropriate mitigation measures," he wrote.

Costco, based in Kirkland, Wash., has more than 110 stores that sell a wide variety of food and other retail items in bulk packaging at wholesale prices. The company recently took on another 100 stores when it merged with the Price Co., operator of Price Club stores.

Costco officials did not return telephone calls Thursday, but are expected to attend Tuesday's hearing.

Former Santa Cruz Mayor Don Lane said he called potential supporters of the development this week asking them to attend the council hearing. About 30 people showed up at the first Friends of Costco meeting.

On the pro side of the proposal are Costco's promises to hire about 150 local people and generate about \$500,000 in tax revenues. If they aren't allowed to build in Santa Cruz, they have said they may go elsewhere in the county.



A Costco employee moves merchandise last week on a forklift at a Miami store.

The Associated Press

The Committee to Save Downtown Santa Cruz, which has about 30 members, counters these claims. Last week, committee members mailed out 2,000 flyers to local business owners and managers declaring: "The next few days may be the most important time and effort you will invest in the success of your business."

They say Costco's tax revenue projections are raising false hopes, because sales tax revenues from other businesses will decrease at the same time.

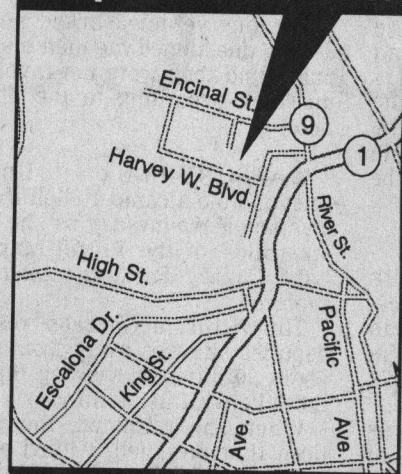
In addition, they say downtown is still suffering from the 1989 earthquake, and may never recover fully if major competition moves in.

Finally, they say the more than

2,250 carloads of customers Costco predicts will visit the warehouse daily are going to snarl traffic at Harvey West Park. Traffic studies show Highway 1-Highway 9 is one of the city's busiest intersections, with about 56,000 cars traveling through it on weekdays, and 48,000 on weekends. Most of the city's industrial employees work in the Harvey West Park area, and city engineers say traffic in the area exceeds reasonable levels.

Santa Clara traffic engineer Chris Fernandez says he had anticipated similar traffic impacts when Costco was built in an industrial area of his city several years ago, but so far there haven't been any major backups because customers apparently travel at different hours from employees.

Proposed Costco site



Sentinel map