

LA BAHIA PROJECT

Labor groups fight proposed hotel



Shmuel Thaler/Sentinel

La Bahia's stairways and corridors are 80 years old. A plan to rebuild the historic hotel is facing opposition from labor groups. Projects in the area have been known to sink before in the face of community opposition.



'We feel there are a lot of good jobs at stake and the unions should support the project. If we don't build the hotel, there won't be gigs for anyone.'

JESSE NICKELL, BARRY SWENSON BUILDER

Local unions stand against La Bahia

By SHANNA MCCORD
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SANTA CRUZ — Mounting opposition from labor groups is threatening a \$30 million hotel development that is the latest attempt to revitalize the beach area and bring jobs to the city.

Labor leaders are digging in to fight the La Bahia project unless developer Barry Swenson Builder agrees to build and operate the hotel with union workers.

"This is about rebuilding the middle class in Santa Cruz," Mark Weller of Unite Here Local 483 said. "Given the huge number of middle-class manufacturing jobs Santa Cruz lost 10 years ago, it's time to make once low-income hospitality jobs middle-class jobs."

'We want to create jobs that pay decent wages and benefits so people can afford to buy and rent in the community they work.'

PAUL COHEN, CARPENTERS UNION

Jesse Nickell of Barry Swenson Builder, however, said the company wants "freedom of choice" over who builds and operates the hotel, which he emphasizes is being paid for with private money, not public subsidies.

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He said the 100 new jobs expected at the hotel would pay the going rate for the area, which is about \$11-\$13 an hour for housekeepers and front desk clerks. Construction workers would earn around \$30 an hour, Nickell said, which is similar to union rates. The union argues that benefits are where the biggest differences are found with non-union employers.

Nickell said he's tried and failed to find a middle ground with representatives from Carpenters Union Local 505 and Unite Here Local 483 during various meetings held in the past couple of years. The unions represent more than 100 local hospitality workers and carpenters.

"We feel there are a lot of good jobs at stake and the unions should support the project," he said. "If we don't build the hotel, there won't be gigs for anyone."

The project, still in the planning stages, requires approval from the City Council and state Coastal Commission before getting off the ground, each of which will consider comments from the public.

Barry Swenson Builder plans to tear down the 80-year-old Beach Street landmark and replace it with a seven-story, 125-room hotel that includes 5,300 square feet of meeting space, a 3,000-square-foot wine bar and restaurant, swimming pool and underground parking garage with 200 spaces.

The developer has estimated the project could generate \$600,000 in new annual tax revenue for the city and add 100 jobs to Santa Cruz, as well as give the beach area a more polished look with a nicer hotel.

Community opposition has sank a number of developments in the past, including the rebuilding of the Coast Santa Cruz Hotel in 2005 and the Beach Area Plan in the 1990s.

Also standing in Barry Swenson's way is its desire to put up a hotel 30 feet above what's allowed in the beach area's zoning code. The additional height



Shmuel Thaler/Sentinel ps

The proposed development would transform the La Bahia property from apartments to a new hotel and condos.

requires approval by the council, which Nickell said could be easier won if unions support the project.

In exchange for support, Nickell has guaranteed up to 70 percent of the construction would be done with union workers, which wasn't acceptable to the Carpenters Union.

"The community has the right to benefit from a project this size beyond the payment of hotel taxes," said Paul Cohen, spokesman for the Carpenters Union. "We want to create jobs that pay decent wages and benefits so people can afford to buy and rent in the community they work."

Nickell also said the hotel could be run by union workers depending on which company operates the hotel. A national chain, such as Marriott or Hyatt, is more apt to allow unions than an indepen-

dent owner, he said.

Among the few union-operated hotels in Santa Cruz are the Coast Santa Cruz Hotel on West Cliff Drive near La Bahia and the University Inn on Ocean Street.

In the end, if the hotel doesn't get approved, there won't be anything to fight about, the developer said.

"They're thinking we're going to bend in the end, and we're not," Nickell said. "We feel we're being fair and they don't."

Currently, the La Bahia redevelopment is undergoing an environmental review to determine impacts of the additional height and destruction of a historic building. The draft environmental report is expected for public review in January.

The unions plan to stage a protest rally at Tuesday's City Council meeting, though an official



Developer Jesse Nickell hopes to replace La Bahia with a hotel many believe will be an asset to the beach area.

decision on the project won't be made until next summer.

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