

# Business avoiding Santa Cruz

As it is, 'we are not being sought after' by businesses.

— *Lionel Stoloff, chamber director, speaking to panel on General Plan*

By DONALD MILLER  
Sentinel staff writer

7-8-88

SANTA CRUZ — Businesses are no longer interested in coming to Santa Cruz, the head of the Chamber of Commerce told a joint meeting of the City Council and Planning Commission Thursday.

In addition, the city may find itself financially strapped and increasingly crowded as it tries to maintain a growth-limiting greenbelt around it, some council members said at the meeting at Civic Auditorium.

The meeting was set up as a study session of eight "key initial assumptions" about how the city will be planned and develop in the 1990s. The assumptions — a series of broadly sketched statements that for the most part further growth-control policies in the city — were adopted by the Planning Commission and sent on to the City Council last month for endorsement.

The council then set a study session to consider the controversial assumptions. They next will be taken up at the City Council meeting Tuesday, at the 4 p.m. session. If endorsed, they will be used as

a framework for the city's General Plan for the next decade.

But Chamber of Commerce Executive Director Lionel Stoloff told the council and commission the assumptions do not address economic development in the city, which, he said, is sorely needed.

As it is, "we are not being sought after" by businesses, said Stoloff, noting that the city's sales-tax revenues are declining and that retail businesses are moving to 41st Avenue in Capitola. The city also faces a \$1.2-million budget deficit for 1988-89.

Stoloff said the chamber has not had a "real good request" in months from a business wishing to locate in the city, but that such requests used to come "all the time." The most recent business prospect for the city ended up in Monterey instead, he said.

The chamber official also said that no hotel chains "are knocking on our door." Santa Cruz has only two major hotels, but Scotts Valley will come up with at least one new hotel "before we do. I just know they will," predicted Stoloff.

*Please see PLAN — A16*

# Plan/ Joint workshop offered a gloomy picture

*Continued from Page A1*

"One can't help but wonder what will happen to Leask's," said Stoloff, referring to the Pacific Avenue department store that is opening a new store in the refurbished Capitola Mall next spring. Some business leaders have openly wondered whether Leask's will remain in Santa Cruz after the new store opens.

The most controversial assumptions at Thursday's study session concerned the city's greenbelt, and maintaining a balance between jobs and housing in the city.

The latter initially called for maintaining a balance of one housing unit for each job created.

The Planning Commission agreed at the outset of the session to reconsider this ratio.

But, said Councilman Mike Rotkin, the General Plan still has to have some way to address the issue of jobs being created that draw additional people to Santa Cruz.

Councilwoman Mardi Wormhoudt said that the city faces an "incredible problem" because Santa Clara County projects that more than 100,000 additional jobs than housing units will be created there by 1995. If tying housing to the number of jobs available is not considered, Wormhoudt warned, the city would become a bedroom community for Santa Clara County.

But Councilman Joe Ghio disagreed. Santa Clara County jobs pay a lot more than the kind of tourism-related jobs some growth-control advocates see for Santa Cruz's future, he said, which means that Santa Clara County workers conceivably could buy up local housing created by a jobs-housing ratio whose aim was to provide shelter for local people.

Stoloff also questioned whether the city will be able to keep pace with growth under the growth-control assumptions. The most recent population forecasts from the Association of Monterey Bay Area Governments project Santa Cruz's population will jump from its present 49,000 to nearly 62,000 people in 2005.

"Where will they live?" asked Stoloff.

The other assumption that garnered a lot of heat concerns the city's greenbelt, which was approved by city voters in the 1979 election. This assumption would be placed before the others in the version approved by the Planning Commission.

Commissioner Andy Schiffrin

said that the community has directed the city to preserve the greenbelt. In turn, said Schiffrin, if the city is surrounded by a greenbelt, then limits would have to be placed on jobs and housing, while at the same time the city would "work with UC Santa Cruz" to persuade it to grow more slowly. The City Council has already indicated it will approve a November ballot measure that urges the university to do just that.

"I don't see that we're in a position to be a doormat ... (that) when growth occurs, we're going to get stepped on," said Schiffrin. But, he acknowledged, if the greenbelt is to be the limiting influence on the city, then "hard decisions" will have to be made by residents about issues such as affordable housing and neighborhood densities.

Planning Commission Chairman Mo Reich said it is not a "valid assumption" to infer that a greenbelt precludes economic viability. "It is possible to have both," said Reich. He predicted that residents will continue to support the greenbelt, but that "the question will be, are neighborhoods willing to make trade-offs?"

Councilman Arnie Levine said that the greenbelt assumption calls for putting "a wall around Santa Cruz" requiring that any growth take place in present city limits and buildable areas. Such a wall, he said, guarantees that neighborhoods will become more crowded.

"Is it a wall or a beautiful green space around the city?" asked Councilman Mike Rotkin, who said he does not want to see the city "sprawl" up the north coast or toward Bonny Doon. The greenbelt, said Rotkin, is the "key assumption."

But Ghio again disagreed. He recalled that 20 years ago Santa Cruz was the population center of the county, but that the population has now moved toward midcounty. With the people have gone the businesses, said Ghio, predicting that if the greenbelt indeed defines Santa Cruz's future, "you won't have the economic base" to support it.

The council and commission also heard from City Schools Assistant Superintendent of Business Tom Walters, who delivered a "plea" that schools be included in the next General Plan. Walters said the district desperately needs new school sites to serve a rapidly growing student population.