

Hotel spurs battle for Santa Cruz's soul

Hotels & Boarding Houses

55mn. 2-3-05

BEACHFRONT PROPOSAL AGITATES THE ENVIRO-ARTIST-SURFER-RED-GREEN-PROGRESSIVE COMMUNITY

By Chris Krohn

The political surf continues to pound after the narrow Santa Cruz City Council decision, 4-3, on Jan. 25 to go forward with a 260-room, six-level garage and convention-hotel project along West Cliff Drive at Bay Street overlooking Cowell's Beach. Earlier this month, the developer-friendly project appeared to be as sure as the February return of the monarch butterflies, but given this community's history of political participation, the supposed land-use slam dunk was partially blocked.

Two days of community meetings and hundreds of speakers, phone calls and e-mails against the gargantuan project are pitting some 1989 post-earthquake, so-called pragmatic progressives, against other enviro-neighborhood integrity-prostudent ones. The biggest difference in the current struggle seems to be the role of organized labor. Some unions have backed the project because of developer promises to build

using union workers and to create 30 to 40 more union hotel housekeeping jobs. But a larger issue for Santa Cruz is the rending of this town's progressive-red-green, student, neighborhood, labor-coalition that has dominated Surf City politics for almost 25 years.

Politics and coffee

To the outside world it may appear that Santa Cruz takes its politics like its coffee, overly serious and in double-espresso shots. The town routinely garners national attention, some by this newspaper, if not for its wackiness, then at least for being a bit odd.

Yes, there have been council deliberations dealing with a "looks ordinance," where exactly homeless panhandlers can sit and what they can say, and also whether people should be allowed to walk around topless. But what many outsiders may fail to grasp is the vibrant and healthy democracy being practiced in a town that some believe never got beyond the Summer of Love.

Santa Cruz for a long time has been a destination for political outcasts and rabble rousers from across America. (There are a few homegrown ones as well.) Imagine, if you will, a community that registers and votes in numbers larger than the statewide average; a town in which developers are not coddled or generally well-received; a municipality in which students can, and of

What many outsiders may fail to grasp is the vibrant democracy in a town that some believe never got beyond the Summer of Love.

ten do, decide elections; and a town in which the community's progressive politics can actually shape the progressive national agenda: medicinal marijuana, the Patriot Act, the war in Iraq and homelessness. Santa Cruz, if nothing else, is maverick and generally proud it.

Inhabitants here are tolerant of new ideas and recycled ones as well. The progressives believe Santa

Cruz is unique not because we can attract sweetheart developer schemes, but because neighborhood activists have been able to fend off so many of them.

Perhaps the fact that the council voted in favor of this hotel-convention center — slated for the foot of Santa Cruz's living room — represents a foreboding of something deeper in this environmentalist paradise.

The city is set to finance a six-level parking garage to the tune of \$10 million. It will be attached to the hotel by an overhead skyway, and five new traffic signals will be scattered around the beach area. Yes, economics figures deeply in the city's number crunchers' view of this proposal. With a median home price of well over \$600,000, it's not clear if the Santa Cruz electorate is changing from enviro-artist-surfer types to becoming a larger group of professional-class commuters who are more averse to paying taxes.

Some are now threatening to take the issue to the ballot, arguing that the project was rushed through, and as the more people know about it the less they like it. Others are proposing additional tax revenue ideas

to make up the shortfall: an immediate 2 percent rise in the hotel tax, from 10 percent to 12 percent, means \$600,000 for city coffers, or a modest rise in the real estate transfer tax. San Jose's rate is now three times larger than Santa Cruz's rate.

Revenue projection

The hotel project actually produces nothing for three years, loses about \$2 million during construction and then only produces around \$500,000 for the city general fund thereafter. Still others are gearing up for a battle royal at the next California Coastal Commission meeting in Monterey. This project must obtain the commission's stamp of approval before going forward.

As for the future of Santa Cruz politics? What's not clear is how large a political rift exists within the progressive community and what the best alternatives are for stemming the flow of red ink at City Hall. But this is clear: What started as an ingenious project to enhance city revenues has turned into a heated, protracted battle for the heart and soul of Santa Cruz progressives.

CHRIS KROHN is a political consultant and a former mayor of Santa Cruz. He wrote this article for the Mercury News.



An artist's rendering of the proposed \$100 million hotel and conference center.

SPECIAL TO THE MERCURY NEWS