

Convention center plan still far off

But task force named to initiate planning

By Paul Rogers

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Santa Cruz politicians are expressing new interest in building a conference center near the city's waterfront. But unpleasant economic reality means that even if the plan eventually is approved, there is little chance of starting construction until the year 2000, according to local experts.

Santa Cruz Mayor Don Lane has made a conference center a top priority since taking office two months ago. He has said a center could boost tourism and the beachfront economy.

On Tuesday, Lane and the city council approved the formation of a task force of business and community leaders to study economic details.

But what the group will encounter is not encouraging.

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A memo to council members last week from Santa Cruz Redevelopment Director Ceil Cirillo couched it in polite language.

"This lull in the economy allows the city the opportunity to plan for the 21st century and not necessarily the early 1990s," Cirillo wrote.

Local supporters agree.

"The hotel industry is flat," said real estate consultant Nancy Hendee. "No one will finance a hotel today."

Hendee has been hired by an informal group of about 30 Santa Cruz residents who own property near the beach boardwalk and south of Laurel Street. The group, which includes business leaders such as Seaside Co. President Charles Canfield, has been putting together center options.

Trouble is, hotel overbuilding during the 1980s has resulted in one of the worst room gluts in history.

Worse, the city treasury has no money to help with costs.

A year ago, Santa Cruz formed a redevelopment agency to coordinate the \$100 million job of earthquake rebuilding along the Pacific Garden Mall. The agency's efforts and money will be focused on that at least through the middle of the decade.

Santa Cruz now has several midlevel conference facilities.

The Holiday Inn has 170 rooms, the Dream Inn has 164 and the Chaminade has 152. But none are within walking distance of each other, the spacious Coconut Grove ballroom or the Civic Auditorium.

Hendee's group is studying a center that would have 600 rooms near the beach, aimed at conventioners with families. The 20,000-square-foot project could come in one huge development or in addition to existing hotels, such as the Dream Inn, she said.

Either way, the cost of building hotel rooms runs between \$50,000 and \$200,000 a room, putting the total price tag at between \$30 million and \$120 million.

San Jose has helped finance several major hotels in recent years. It put up \$33 million of the \$110 million Fairmont Hotel, for example. The city also has footed the entire bill for San Jose's \$150 million convention center.

But San Jose has less earthquake damage and deeper pockets. Its redevelopment agency boasts an annual budget of \$252 million. Santa Cruz's redevelopment agency has a budget of \$2 million.