

Living wage

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Disneyland is."

Darling, a supporter of the living-wage ordinance, said he might support an incremental increase in the tax, but not all the way to 15 percent unless the city starts the kind of marketing effort that puts Santa Cruz even more firmly on the tourist map.

"If it were to be bumped from 10 percent to 15 percent in one fell swoop, it would kill the industry," Darling said. "I would virtually put money on the fact that some accommodations, some businesses, just on the basis of raising it from 10 to 15 percent, would go out of business."

Bob Fitch, co-chair of the Santa Cruz County Living Wage Coalition, said financing for an ordinance is attainable.

"The sense we've got is there are numerous options," Fitch said. "We're not talking about \$5 million or \$10 million or \$20 million. It's do-able fiscally, and it's do-able within the budget, and it's reasonable."

Fitch said an increased tax would indirectly help mer-

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— *Darrell Darling, bed-and-breakfast owner*

chants because recipients of the living wage would have more money to spend.

But Michael Schmidt, chief executive officer of the San-

ta Cruz Area Chamber of Commerce, disagreed.

"We're already a high-priced market, and anything you add to that price is probably going to freeze out the lower-income visitors," Schmidt said. "I don't think that's what this community wants to do."

The council, he said, needs to set priorities and a clear strategy to fund them.

"If we continue to incrementally ratchet up the taxes, we're obviously freezing somebody out of enjoying the area," Schmidt said. "I'm afraid it has a rippling affect."

Sugar said he wanted to hear more from the community and wouldn't vote for any tax increase without a clear idea of how it would be used.

The council is in the midst of annual budget hearings and, by Wednesday, had increased its proposed budget for next year by \$643,000, Hernandez said.

"And we have not even dealt with the homeless issue, or the living-wage issue or any other catastrophic issue we may look at," Hernandez said.

But, he noted, "The (hotel tax) is not a tax on our citizens, but it's a tax on the tourists."