

# Conference Center Cost Study Urged

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Sentinel Staff Writer

A city-county committee was told Thursday to "get to the nitty-gritty on costs" of a proposed conference and performing arts center.

Samuel Leask III, member of the committee which has been formed to consider the feasibility of such a center, told the group during a study session at the Civic Auditorium:

"It is generally agreed the conference center should be from 50,000 to 60,000 square feet and that it should have a 500 to 750 seat theater.

"The costs should be dug out. The big thing is the land cost. When we talk of 6.3 acres it scares the dickens out of me. I don't think there's that much land. We should research the site costs and the construction costs for both facilities."

Leask indicated he has serious questions on the feasibility of the financing.

The committee earlier had arrived at a consensus on the sizes of the conference center and the theater. This came through acceptance of a report recommendation by Ken Ferguson of the needs-usage subcommittee, which had been assigned to explore these matters.

The recommended facilities would

give the city and county a good crack at about 80 percent of conventions held in California, Ferguson said, in that 80 percent of the conventions have 1,000 delegates or less.

Ferguson's report recommends also that the center be located where a hotel of 400-500 rooms could be built and that ample hotel and motel rooms should be provided in addition to the headquarters hotel — all this by private investors.

The committee is less sure where the center complex should be sited. Charlotte Melville, who represents the Santa Cruz City Council on the committee, reported the 16-acre site owned by Southern Pacific Railroad near Neary's Lagoon seemed to her and her subcommittee to be the best of four final sites considered.

But she reported there is also strong feeling that the property that includes the former Sisters' Hospital on West Cliff Drive, across from Dream Inn, would be a fine site, as well.

Santa Cruz City Manager David Koester reported that in the 1960s this site had been considered for a convention center being proposed at that time and that it seemed to him to be an excellent site and ought not to be dismissed.

Dr. Richard Ratcliff, another committee member who serves on the city Redevelopment Commission, questioned the Neary's Lagoon site, saying in part: "If you intend to have a hotel with the development what would the attitude of hotel developers be to Neary's Lagoon and the sewer treatment plant? The hotel can't depend upon conventions alone. I have doubt that investors in hotel property would come into the Neary's Lagoon area."

Bud Prindle, another committee member, agreed with Melville that steps could be taken to mitigate the sewer treatment plant on the Neary's Lagoon site, and he added that this site would have the advantages of being not far from the beach and the downtown area.

At the same time it was noted by Joe Hall, Santa Cruz associate planner, that the city Housing Advisory Committee has thought of the Neary's Lagoon site as a possible site for a housing project.

Melville several times pointed out the city is now negotiating with the Southern Pacific Railroad Corp. to purchase some 16 acres in the old depot area and that this would be a big help in land acquisition for the center.

Although other sites were dis-

cussed, including the present auto area between the downtown and the beach, the committee finally agreed that the Neary's Lagoon and the former Sisters' Hospital sites be studied in depth, including land costs.

Leask said the time had come "to add up the numbers," and that the thought of the real costs makes him "shudder." He said that not until the costs are known can the committee proceed realistically with either part or all of the project.

Costs could well be prohibitive, a report from E. Reese Davis, another committee member, indicates.

Davis reported through a memo that federal funds of \$1.6 million are available to pay 50 percent of the costs of constructing a convention center (not a performing arts center) up to \$3.2 million.

If the center costs more than \$3.2 million, the federal agency would still put in only \$1.6 million maximum.

Costs of building a convention center have gone up substantially in the years since the original \$3.2 million center was planned. Since 1975 they have been rising by an estimated 12 percent a year.

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ingated here is perhaps more disastrous than any other genre, it is nevertheless often true that one man's vulgarity is another's lyric," the court said.

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Should the proposed conference-performing arts center cost more than \$3.2 million, revenue bonds might be arranged should the city and county be willing to singly or jointly issue a series of Conference Center Authority (Revenue) Bonds.

"Based on recent comparables," Davis writes, "issued for periods of 20 to 25 years, interest rates have ranged from 5.5 to 6 percent per annum.

"However, finding buyers or investors for this type of local issue is many times not easy."

Leask said that 10 years ago the \$3.2 million was available for the conven-

tion center then proposed (with the \$1.6 million from the federal government) and that the project also had free land to build on.

"But even then it was really marginal," Leask said. "I don't see how the facilities can be done with revenue bonds. These are losing facilities. They are not going to make money. It would have to come out of the taxpayers and I can see a lot of resistance."

Tom Karwin of the performing arts subcommittee said that his group has considered four different types of facilities, a very small or intimate theater, a medium sized one, a large one seating some 2,000 persons, and an art

museum.

Karwin said it appears that only a 500 to 750 seat theater has relevance to the conference center. But Tim Welch, another committee member, expressed dismay over this because "we would be reproducing only what we already have at Cabrillo and UCSC and the size of the theater would put a limitation on music groups."

Karwin and Neil Sandow, another committee member, agreed there is need for a much larger facility.

Sandow said that thousands of area residents go to Ashland, Ore., for Shakespeare presentations annually and that thousands go out of the county for other entertainment.

The concept of a facility that could be expanded to 1,500 seats should be held to, this group urged.

Now financing and costs will be investigated on the basis of a complex for 1,000 delegates and a 500 to 750 seat theater to be placed either at Neary's Lagoon or at the former hospital site on West Cliff Drive, Committee Chairman Barbara Klein stated. When these costs are available, the committee will be called to another session.

Additionally, Klein said, she will approach both the county Board Of Supervisors and the City Council to "legalize" the committee by according it official status.