

# Hotel plan dropped after survey

By David L. Beck  
Mercury News

Plans for a beachside hotel and conference center in Santa Cruz were abruptly shelved Friday after a survey showed strong opposition to the project, which would have gone to a referendum later this year.

Jeff Eberle, president of Western Hotel Properties, sent an e-mail to city officials Friday saying the group had "decided to withdraw from the proposed project to construct a new hotel, conference center and parking structure at the site of the Coast Santa Cruz Hotel."

The news was greeted with satisfaction by opponents.

"The project is dead," said Bill Malone, spokesman for Santa Cruzans for Responsible Planning. "They should've done this survey six months or a year ago, and then we wouldn't have to go through all this baloney."

The new hotel would have replaced the aging complex often called by its original 1960s name, the Dream Inn, with a larger one, and added a conference center and parking garage. The city council in January committed to building the garage and conference center — a \$30 million bond issue — and

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ing it to the hotel operators.

But the council vote was only 4-3 in favor of the project, which still faced the hurdle of California Coastal Commission approval. When opponents quickly gathered more than 8,000 signatures to put it to a popular vote, the hotel owners, Western Hotel Properties, apparently began to have second thoughts.

A poll commissioned in early March "indicated that fully 71 percent of the community favors the development of a 'hotel and conference center in Santa Cruz,'" noted the news release.

But according to one source familiar with the poll data, that number fell to 45 percent when people were queried about this particular project, with 41 percent against. The poll predicted a narrow victory in a referendum, according to the news release, which added, "Our intention is to find common ground. We do not seek conflict or confrontation."

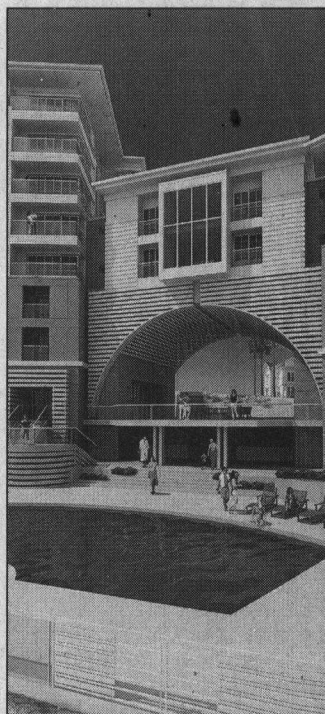
Councilman Ryan Coonerty, who favored the project, said, "I think it's an election we could have won. It just would have been a very close election," leading to "a difficult time in the Coastal Commission."

The death of the project is a blow to those, including city officials and union leaders, who saw it as a way to generate revenue and create jobs.

"I think the long-term economic health of the city requires that we keep looking at a conference and hotel facility in the beach area," said Coonerty.

Opponents had called the proposal "massive." At about 260 rooms, it would have been about 90 rooms larger than the current hotel, while the four-story garage and conference center would have filled what is now a surface parking lot.

Opponents also criticized its design and influence on traffic in both the beach area and on the West Side. And as they did in the 1970s, when the city's progressives banded together to block a similar project on Light-



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Artist's rendering of the plan for a new hotel on the site of the old Dream Inn, dropped after a survey indicating substantial opposition.

house Field, they succeeded.

"That level of controversy is troubling to anyone who's putting a lot of resources into a project," said Councilwoman Cynthia Mathews. The hotel owners' share would have been nearly \$70 million.

Malone said he was not surprised at the owners' decision.

"I thought when they realized that there was some opposition to it, the hotel owners would throw in the towel, and that would be an easy way out for the city council four," Malone said. "Now, we can start to figure out what's a good way to meet some of the goals they had hoped to obtain with this project" — revenue, jobs and business.

Would his group support any such project near the beach?

"We haven't discussed what to do next," said Malone. But this one was "too big a hotel and in the wrong place."

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