

Council OKs plastic bag ban

Environment

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City mulls plan for smaller increase in lodging tax

By J.M. BROWN

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SANTA CRUZ—Hoteliers have urged the city to pursue a smaller increase in the local lodging tax in exchange for dropping public funds sent to the county's tourism bureau.

The City Council on Tuesday punt-

sient Occupancy Tax to July 24, the last scheduled meeting before a deadline to submit ballot measures for the Nov. 6 election.

City staff will return with separate drafts—one that would increase the tax from 10 percent to 12 percent of the daily room rate, and one that would raise

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Most foam products also outlawed; rules take effect in nine months

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SANTA CRUZ—The City Council approved sweeping new environmental regulations Tuesday, unanimously passing bans on single-use plastic bags and foam products.

In nine months, grocery stores and other retailers will be outlawed from selling or providing plastic bags, with some exceptions for wet food or covering produce. Restaurants are exempt from the ban, a compromise that has helped

cleared the way for similar bans in the county and other communities.

"We have the opportunity to demonstrate for our own family and children ... that we must get away from single-use mentality," Chris Reeves, an educator at Long Marine Lab, said in support of the ban.

The new rule, designed to reduce the amount of plastic bags found on beaches, streets and waterways, encourages retailers to sell or provide reusable bags. It requires retailers to charge customers 10 cents for

each paper bag given away, and the city will review the effectiveness of the fee after a year.

Vice Mayor Hilary Bryant said, "We as a community need to be appreciative of businesses" having to implement the ban, which she acknowledged may be unpopular with some.

The city has a recycling rate of about 5 percent for plastic bags and 65 percent for paper bags.

The San Francisco-based Save the Bag Coalition has

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threatened to sue the city to raise the paper bag fee to 25 cents, as the county did amid litigation from the group. The coalition also wants a full environmental analysis of the ban, arguing that paper production is more energy intensive than plastic bags.

Richard Wieckowicz, a retired physicist living in Aptos, repeated that claim Tuesday, saying paper mills are among the most prolific polluters.

"If ever there were an EIR needed," it is needed for plastic bag bans, he said, referring to an environmental impact report that is more thorough than the negative declaration conducted by the city.

The ban on foam and polystyrene products covers shipping materials, coolers, egg cartons, plates, cups and toys. The city already bans foam packaging for takeout foods from restaurants.

"I can't tell you how much frustration I have walking into supermarkets and seeing stacks of Styrofoam," said Dustin Macdonald, chair of the Santa Cruz chapter of the Surfrider Foundation.

The council also passed a rule that recycling of electronic materials, such as laptops and DVD players, be conducted by a certified provider.

A routine, final vote on the rules is likely July 24. The foam ban and recycling rule would go into effect within 30 days, but the council has OK'd a nine-month phase-in period for the bag ban.

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FOAM BAN

The city of Santa Cruz has proposed a ban on selling or distributing products made of foam or polystyrene. Here are the details:

- Bans products such as foam coolers, toys, shipping containers and packing peanuts.
- Surfboards, life preservers and other items made of foam but encased in more durable materials would be exempt.
- Some construction materials would be exempt.
- Vendors who can demonstrate medical or public safety need to use foam would be exempt.
- Use of foam by city-contracted vendors would be acceptable during a declared emergency.

SOURCE: City of Santa Cruz

SINGLE-USE BAG BAN

The city of Santa Cruz has proposed banning single-use plastic bag ban. Here are the main points:

- Affects all businesses, except restaurants, that give customers carry-out bags.
- Bans the distribution of plastic carry-out bags.
- Charges a 10-cent fee, collected and kept by the retailer, to customers on all paper carry-out bags.
- Requires paper bags to contain 40 percent post-consumer recycled content.
- Ban would go into effect in April 2013 if passed in July.
- Exemptions for plastic or paper bags that protect produce or meat, plastic bags covering wet items or paper bags separating bottles, covering greeting cards or pharmacy items.

SOURCE: City of Santa Cruz

LODGING

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it to 11 percent with the understanding Santa Cruz would stop funding the Conference and Visitors Council.

The increase from 10 percent to 12 percent is estimated to raise \$800,000 to \$900,000 for the general fund, half of which the council may set aside for tourism.

Because hotels and rental homeowners charge the tax to customers, members of the lodging industry are seeking the smaller increase, saying they want to stay competitive with Monterey, where the tax is 10 percent.

To make up for the loss of \$400,000 in new funding by keeping the hike at 1 percent, hoteliers and the Conference and Visitors Council agreed the tourism agency would not seek \$330,000 in annual city funding starting July 2013.

The Santa Cruz County Hospitality and Lodging Association intends instead to seek an increase in the separate Tourism Marketing District fee—a \$1 to \$1.50 charge placed on each overnight stay and controlled by tourism officials—to offset funding for the Conference and Visitors Council. The council receives a total of \$550,000 from county and four local cities.

Dilip Patel, owner of the Knights Inn and president of the association, said hoteliers would rather charge roughly 50 cents more per night through the marketing district than an increase of 1 percent on the occupancy tax, which for a \$100 room would equal \$1.

"It makes a difference with guests," Patel said.

Several members of the Conference and Visitors Council board said the agency supports the plan.

Councilman Ryan Coonerty said, "There is a way to do this that has a positive impact for us and a positive

impact for them."

But the tight timeline poses a gamble for the tourism industry. The city faces an Aug. 10 deadline to place the measure on the ballot.

Before supporting a lower increase, city officials want assurances by July 24 that the county, which is also mulling a November increase in its lodging tax from 9.5 percent to 12 percent, will agree to 11 percent.

Supervisor Mark Stone said Tuesday was the first he heard of the proposal and he has concerns about the loss in general fund money. He has questions about hiking the Tourism Marketing District fee because that funding may encourage the Conference and Visitors Council to use the funds only for promoting hotels rather than the broader tourism efforts.

"I would need to understand the bigger picture of what's changing," he said.

The county and four local cities have to grant permission for the district to increase its fee. The lodging tax, on the other hand, must be approved by a simple majority of voters.

In other action, the council:

- Approved the city's \$70 million general fund budget for the fiscal year that began July 1.

Santa Cruz faces a \$3.7 million deficit, but the city expects to tap its \$15 million reserves—equal to about a fifth of general fund revenues—to eliminate the gap. But the city also faces budget impacts from negotiations with bargaining groups, who made salary and benefits concessions in 2010 and 2011 but whose contracts expire in 2013.

■ Appointed former Councilman Mark Primack, a local architect, to the city's Planning Commission and honored City Attorney John Barisone for 25 years of service.

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