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Cliff Warren, 911 Third Street, Santa Cruz, CA 95060

August 8, 2011

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AUG 09 2011

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Chair Mary K. Shallenberger and Commissioners,
California Coastal Commission,
c/o Central Coast District Office,
725 Front Street, Suite 300,
Santa Cruz, CA 95060

Dear Ms Shallenberger

I am an enthusiastic supporter of the La Bahia project as currently proposed.

As a 27 year resident of the Beach Hill community (911 Third St), I have for a long time hoped for a better use of what must be one of the most visible and valuable properties in Santa Cruz. We walk our dogs past the old and decaying La Bahia and hope that no one knows we live only two blocks away. Definitely not helping to attract tourism to our city, it is clearly a blight on the beach front area—our most valuable asset.

Some of my neighbors feel that the size and scope of the proposed structure is too big and not consistent with the neighborhood. But, I do not agree. Everyone who lives on Beach Hill knows that we live in a mixed use area that has historically attracted tourists to Santa Cruz. Tourists help pay for many of our civic social programs, employ large numbers of people and add to our cultural life. I think the developers have done a reasonable job of scaling the project to compromise the resident's interest with the realities of business.

We have waited a long time for this project to move forward. Please do you best to bring it to fruition. Thanks for considering our community and supporting this project,



Cliff Warren

HA

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County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
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ELLEN PIRIE
SECOND DISTRICT

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THIRD DISTRICT

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FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

August 9, 2011

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Mary K. Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

RE: CITY OF SANTA CRUZ LCP AMENDMENT NUMBER 1-11
(LA BAHIA HOTEL)

Dear Chair Shallenberger and Commissioners:

I am writing in support of the proposed La Bahia Hotel, which will provide visitor serving uses and will be a model of environmental and community sustainability on the Central Coast.

Our community has needed a quality beach front location hotel for many years. The proposed La Bahia will provide economic and social benefits for the community, while promoting environmental principles of green building. The design is pedestrian friendly and will enhance the visitor experiences. The emphasis on alternative transportation, reduced car dependency, and underground on-site parking also add to the environmental benefits. The proposed Spanish Revival style will preserve the historic features of the La Bahia, such as the bell tower and courtyards.

I believe that a high quality hotel at this key location will be a cornerstone to encourage other visitor serving uses and reinvestment in the beach area, consistent with Santa Cruz City's goals and Local Coastal Plan.

This hotel is important to the community and to coastal visitors. Thank you for your consideration.

Very truly yours,

ELLEN PIRIE, Supervisor
Second District

EP:pmp

2428K2

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AUG 08 2011

Edward J. Davidson

e-davidson@sbcglobal.net

California Coastal Commission
Central Coast Area

200 Button Street #15

Santa Cruz, CA 95060

Tel/Fax 831 423-9294

Aug. 8, 2011

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Subject: La Bahia Condo-Motel

Dear Commissioner Stone
And Coastal Commissioners,

This letter will act as a supplement to my previously submitted material, which explained my opposition to the La Bahia Condo-Hotel. (See Exhibit J, pp.1-16). I believe the policy analysis to "protect special communities and neighborhoods" required by *Sec. 30253 (5)* is incomplete. When fully analyzed it will reveal a conflict with the Chapter 3 policy thus the LCP Amendment cannot be approved.

The Staff Report goes into considerable analysis of the demolition of the historic landmark but fails to note the demolition of 44 low- and moderate-income rental units. The identification of "Special Communities and Neighborhoods" recognizes "(5) areas that provide a diversity of coastal housing opportunities, particularly for low- and moderate-income persons and the elderly." The Coastal Plan policies to protect Equality of Access include #125 regarding lower-cost visitor accommodations, whose *Sec. 30213* requirements are fully discussed in the Staff Report, and policy #126 to increase coastal access for low- and moderate-income persons. It specifies, **do not decrease low- and moderate-income housing opportunities.**"

The demolition of the La Bahia apartments removes not only a historic landmark, but 44-units of low- and moderate-cost rentals. The Coastal act required 100% replacement of demolished units that are now enforced under the Mello Act of 1982. For Santa Cruz, which has the nation's second least affordable rental housing market, the mandated replacement is particularly important. The off-campus demand from UCSC students is a major contributor to renter affordability and the loss of student rentals, if not replaced, will be significant. The Staff, in consultation with the Attorney General, should include as a condition of approval, the assured compliance with the Mello Act.

The design guidelines for special communities and neighborhoods specify that development shall, "enhance and restore visual qualities by being of a bulk, height, and color that is compatible with the existing character." While the Staff may find compatibility with the Scenic and Visual Qualities policy of *Sec.30251*, that is not the standard of review for design in special neighborhoods. It doesn't matter if the structure is comparable to the Casino/Coconut Grove or the Dream Inn or that the view from a third of a mile away doesn't block the ridgeline fifteen miles distant. The design issues of height, bulk and character must relate to its Beach Hill setting. The height and bulk of the added two stories overwhelm the flanking 2-story motels and small-scale residences on First Street and beyond. The existing La Bahia is the only building in the area that has a "Spanish colonial revival" style and it is to be demolished. With the Casino and Dream Inn on the beach side of the first public road, the proposed project must be considered from the

perspective of the Beach Street Promenade or the beach itself near the volleyball courts. The view of the six and seven story structure would block Mt. Everest if it were fifteen miles away.

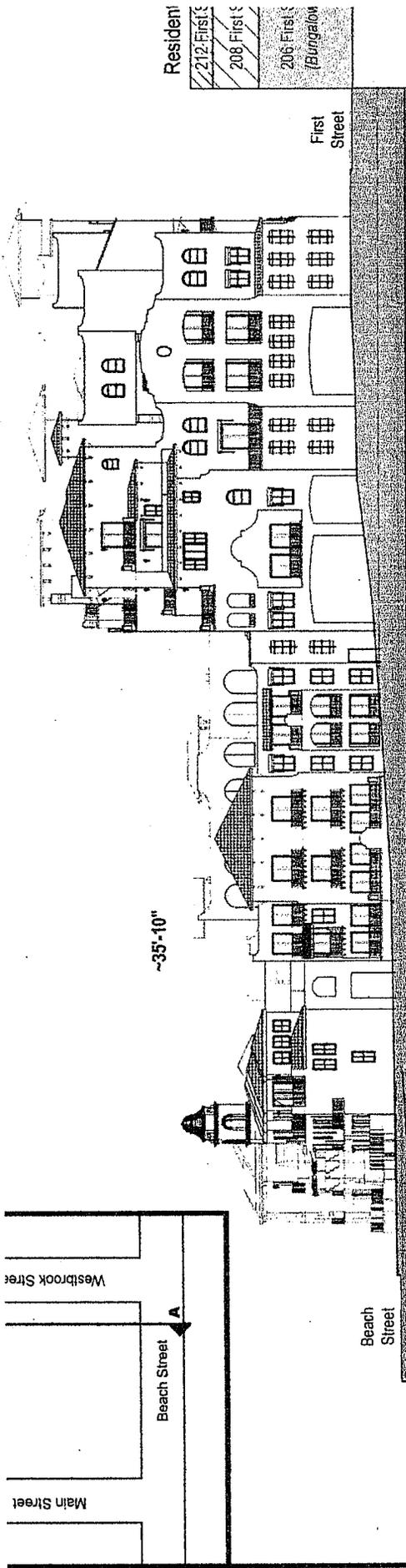
A project so incompatible with the character of its setting and one which fails to replace the affordable rental housing should not be found conforming to the protection of special communities and neighborhood of Chapter 3. For that reason alone, the LCP Amendment for the two additional stories should be denied.

I have not discussed the inadequacy of the parking arrangements for the project since that is a CDP not LCP issue. However, I note a significant deficiency in public parking spaces in the Beach Area, possibly as much as 2000-spaces. This has an inhibiting effect on public access to the coast. On summer weekends as arriving cars encounter filled parking lots and metered spaces and exit the Beach Area to search for parking in adjacent neighborhoods. These coastal neighborhoods, including West Cliff, Lower Ocean, and Seabright Beach, are already impacted by parking and traffic congestion problems of their own and should not endure the results of parking deficiencies in the Beach Area.

I am attaching a copy of the north and east elevations which give the most accurate relationship between the scale of the structure and its neighbors. In the absence of height poles the applicant's renderings and photo angles do not reflect the true size and scale of the project.

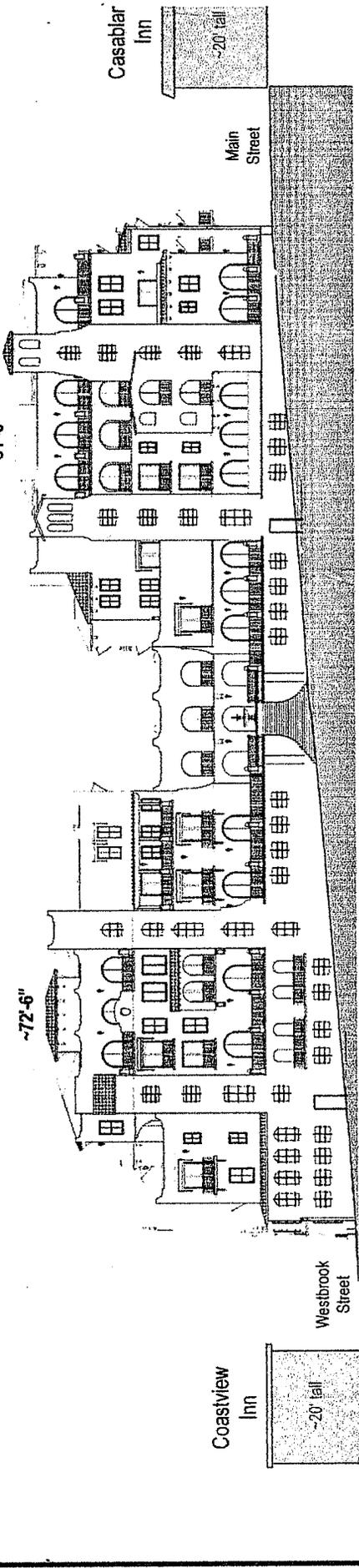
Respectfully submitted,

Ed Davidson
Edward J. Davidson



Westbrook Street Elevation

A - A' Note: Project building heights as measured from average grade to the average mid-point of the building's roof.



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AUG 08 2011

August 6, 2011

California Coastal Commission,
Central Coast Area

Mary K. Shallenberger & Commissioners

Central Coast District Office

Front Street, Santa Cruz, CA 95060

refer: City of Santa Cruz, LCP
Amendment #1-11 La Bahia

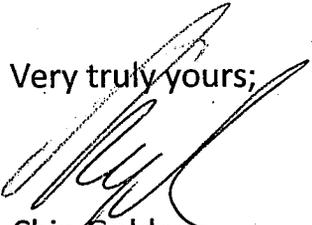
Dear Chair Woman & Commissioners;

We urge you to approve the coastal commission permit for a new La Bahia Hotel on Beach Street in Santa Cruz. This area has been a slum for over two decades and is ill suited for continued rental. A new La Bahia Hotel would encourage beach tourism, provide greater public access and complement the new Monterey Bay Visitors Center.

- The new hotel plans are compatible with the Spanish Revival style in the area.
- The design is environmentally sustainable and L.E.E.D. certified.
- Alternate forms of transportation has been incorporated.
- Improved pedestrian right of ways have been included.

And last, many new jobs will be created, both in the short term three year construction and long term employment.

Very truly yours;



Chip Goldeen

200 West Cliff Drive#7
Santa Cruz, CA 95060

REPRESENTATIVE FORM
LETTER RECEIVED FROM
SEPARATE INDIVIDUALS

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AUG 08 2011

California Coastal Commission,
Central Coast Area



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August 8, 2011

City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Chair Mary Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front Street Suite 300
Santa Cruz CA 95060

Dear Ms. Shallenberger,

I am writing on behalf of Friends of Parks and Recreation (FOPAR) to express our support for the replacement of the La Bahia Apartments with a much-needed quality beach area hotel. As the non-profit support organization to the City of Santa Cruz Parks and Recreation Department, FOPAR recognizes the benefits this project will contribute to the City and the community. We encourage the Coastal Commission to approve this project when they meet in Watsonville on Thursday.

The proposed La Bahia Hotel project will create jobs during construction and after; increase the City's tax base; add to the number of hotel rooms for visitors; and improve the aesthetics of Beach Street and the surrounding area.

The City is committed to increasing revenues to help sustain essential, valuable programs and services including Parks and Recreation, Police and Fire. It is estimated that the La Bahia project will generate \$700,000 in tax revenue for the City of Santa Cruz. The City and the community need this project and FOPAR supports it!

The La Bahia project deserves the full support of the Commission. It is a well-thought out project that will benefit the community as well as visitors to our beach area.

Sincerely,

Charles Verutti, President
Friends of Parks and Recreation
Santa Cruz, CA

Th 8d

August 7, 2011

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AUG 08 2011

Mary K. Shallenberger, Chair, and Commissioners,
California Coastal Commission
Central Coast District Office
725 Front Street
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

RE: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Commissioners and Staff,

My partner and I have lived in downtown Santa Cruz near Beach Hill for 34 years. Several times a week, we walk to the main beach. Over the years, we have felt that the property at 215 Beach Street should be a beautiful hotel that would provide coastal accommodations to visitors and public spaces for locals, as well as benefit the City financially. We have long supported the community's efforts to construct the La Bahia Hotel as currently proposed.

I have read the Staff Report and agree 100 percent with your conclusions regarding visitor accommodations, coastal access, public views, replacement of the current under-utilized apartment building, and appropriateness of the new building's design and scale.

Given that the new Monterey Bay Marine Sanctuary Visitor Center is going up two blocks from the La Bahia site, this is a perfect time to complete the process and bring the new hotel to fruition. This L.E.E.D-certified building is a natural fit with the new ECO-TOURIST orientation of Beach Street.

This high-quality hotel is needed and is appropriate given that 80 percent of our existing hotels are low to moderate in price. As a middle-income person myself, I know that many people of moderate means will be attracted to this upscale hotel for their special events and occasions. With all due respect to Motel Six, 215 Beach Street cries out for a quality, locally owned hotel.

My grandfather was a union carpenter who taught me about the hard-won contributions of organized labor. During La Bahia's construction, both union and non-union laborers will be hired. A 100-percent union mandate would mean the hiring of fewer LOCAL workers and the importation of workers from outside Santa Cruz County. The hiring plan constitutes a good compromise. Future hotel workers will be able to organize. And, most significantly, the City's heavily unionized work force will benefit from the hotel-generated revenues for DECADES to come.

My partner and I strongly urge the Coastal Commission to approve the City's application with the Commission's "minor changes" (see page 2 of your summary). Out-of-town visitors and our community will truly benefit in many ways from this beautiful new hotel.

Sincerely,

Robert de Freitas

Robert deFreitas, 320 Elm Street, Santa Cruz, CA 95060

Th8d

CROWLEY & BRERETON
Attorneys At Law

JOHN KEVIN CROWLEY
jkclaw@pacbell.net

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A
PROFESSIONAL
ASSOCIATION

San Jose Office
(408) 286-1200

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August 8, 2011

AUG 08 2011

Chair Mary K. Shallenberger
and Commissioners,
California Coastal Commission
C/O Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

Re: Proposed La Bahia Hotel

I am writing in support of the proposed La Bahia Hotel.

The proposed La Bahia Hotel would be a great improvement over the status quo: It would provide a place for visitors to stay and enjoy the seaside, it would replace an existing wreck of a building that provides no public benefit whatsoever, it would vastly improve the beach front neighborhood, and it would bring tax revenues to the City and jobs to the community.

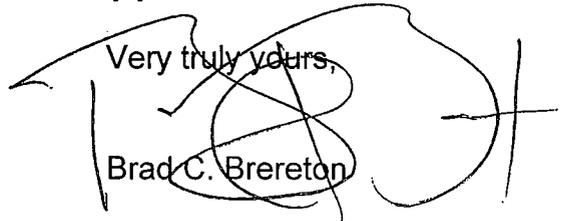
The long delay in rebuilding this hotel has been contrary to the public interest and contrary to the purpose of the Coastal Act in making this part of the a commercial beach front accessible and useful to the public. The old hotel has been nothing but private residential housing for years, and the building is dilapidated and not worth saving.

I generally oppose the proposed conditions that this hotel has to subsidize cheaper rooms. That makes on sense. It will not result in any benefit to low income tourists, and in fact, low income tourist are already well served by the area. The majority of persons using the beach boardwalk are clearly working class, there are lots of older hotels around, and lots of campgrounds. There is no good reason for the conditions regarding low income vacation housing.

I am a thirty year resident of Santa Cruz County and I have lived and worked within one-half mile of the La Bahia for well over twenty years.

Very truly yours,

Brad C. Brereton



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Susan Craig
California Coastal Commission
Central Coast District
725 Front St Ste 300
Santa Cruz CA 95060-4508

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California Coastal Commission,
Central Coast Area

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AUG 08 2011

CALIFORNIA
COASTAL COMMISSION

August 5, 2011

Dear Coastal Commissioners:

I have heard that you will consider changing the plans for the Beach area in Santa Cruz and allow for a giant hotel to replace La Bahia.

Please do not do this.

I have been working at a hotel nearby La Bahia for many years, and have enjoyed the view along Beach Street. I would be very disappointed to lose La Bahia—it looks and FEELS like Santa Cruz. If they put a big new hotel there, I'm afraid it won't look and feel like Santa Cruz anymore.

I think they could make a nice hotel out of La Bahia. They don't need to destroy it. Please don't let them do that.

Sincerely,

Javier Morales

Javier Morales

3715 Garden St #1

Santa Cruz, CA 95062

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AUG 08 2011

California Coastal Commission,
Central Coast Area

796 McKenzie Ave
Watsonville, CA 95076

August 5, 2011

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CALIFORNIA
COASTAL COMMISSION

California Coastal Commission
Central Coast District
725 Front St Ste 300
Santa Cruz CA 95060-4508

Dear Commissioners:

I have lived in the Santa Cruz-Watsonville area and worked in the hospitality industry for many years. I think a new hotel would be a good idea at La Bahia Apartments, but not the huge one that is planned right now.

La Bahia is a good size already, and it's a building that everybody thinks of when they think of the beach area. I don't think the developer should tear it down and build a giant structure in its place. The rules say the developer can't do that now, so please don't change the rules on us.

If the Coastal Commission allows La Behemoth, it would ruin the beach area for me.

Thank you,



Luis Calderon

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8/4/2011

AUG 08 2011

California Coastal Commission
45 Fremont St, Ste 2000
San Francisco, CA 94105

California Coastal Commission,
Central Coast Area

Re: City of Santa Cruz LCP Amendment No. STC-1-1--La Bahia Hotel

Dear Coastal Commission:

I object to the proposed amendments of Santa Cruz's Local Coastal Plan.

The size and scale of La Bahia Hotel project is so big that it blocks views along the ocean and scenic coast, and it disrupts the character of the surrounding neighborhood.

La Bahia site in its current form has given the beach area a unique presence and character for 85 years. I believe that consistency with the Coastal Act requires protection of La Bahia's unique characteristics, as they are an essential and central part of this special community.

No, to the LCP amendments. Yes, to preservation of our views, our neighborhoods, our historic buildings, and our special Santa Cruz character.

Thank you,

Tim Thomas
797 Casserly Rd.
Watsonville Ca 95076

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Th8d

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

AUG 08 2011

California Coastal Commission,
Central Coast Area

August 3, 2011

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners:

As a long-time Santa Cruz resident, it is my hope that you will protect our beach area from the destruction of its historic coastal centerpiece, La Bahia Apartments, and from putting in its place a monstrosity.

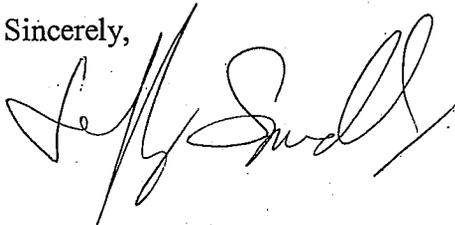
Santa Cruz is not Miami Beach—not even Pismo Beach—and I certainly don't want it to become just another beach community dwarfed by giant buildings. The 1989 Earthquake took away many of Santa Cruz's historic structures, making the current La Bahia site all the more precious. While we have some large buildings on the Boardwalk and at the Dream Inn, those are the kind of structures the Coastal Commission was designed to keep from dominating our coast.

I remember the long hours of public deliberations that went into our Local Coastal Plan (LCP). The citizens of Santa Cruz took pains to control the size and scope of future developments so as not to spoil the character and feel of the beach area.

I urge you not to toss aside our democratic planning—our sincere attempts to keep Santa Cruz a special place—by amending our LCP.

A hotel may very well be the best thing for La Bahia site. Our LCP even calls for that. But it does not call for a hotel that rises *far* above the height limit, overwhelms the surrounding neighborhood, and demolishes one of our last historic landmarks.

Sincerely,



Jeffrey Smedberg
170 Hagemann Ave
Santa Cruz, CA 95062

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AUG 08 2011

August 3, 2011

California Coastal Commission,
Central Coast Area

California Coastal Commission
45 Fremont Street, Ste 2000
San Francisco, CA 94105

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

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AUG 05 2011

Dear Coastal Commissioners:

CALIFORNIA
COASTAL COMMISSION

I object to the proposed amendments of the Local Coastal Plan, paving the way for the enormous La Bahia Hotel project.

The only reason I have ever heard for exceeding the current LCP with this project is that the developer says it can't make enough money without an amendment. I think that's ridiculous, but more importantly, it's irrelevant to coastal planning. The Coastal Act asks: Does the project protect views? No, it doesn't. The terraced effect on the hills behind La Bahia would be eliminated from the landscape. The Act asks: Is it visually compatible with the character of surrounding areas? No, it isn't. The surrounding area is composed of three-story residences, which the proposed hotel would absolutely dwarf.

Thus far, our City's experts on historic preservation, the Historic Preservation Commissioners, appear to have been ignored in this whole process. They called for a denial of the demolition permit. They refused to delist La Bahia Apartments as an historic landmark. I hope you will listen to them, because this city is losing its history.

Changing our LCP for La Bahia Hotel would not be progress. It would not be right. It would knock down a graceful connection to our past, erecting in its place a giant monument to greed ... and then the dominoes. Good-bye, Santa Cruz.

I urge you to leave Santa Cruz's LCP alone.

Sincerely,



Matthew Nathanson
818 Western Drive
Santa Cruz, CA 95060

Th8d

August 2, 2011

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

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AUG 08 2011

California Coastal Commission,
Central Coast Area

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear California Coastal Commissioners:

The proposed La Bahia Hotel is just way too big. It is La Behemoth.

Please do not allow such a thing on our coast by amending the Local Coastal Plan. We made our LCP to prevent massive projects like this, and, I believe, the Coastal Commission itself was made to prevent massive projects like this.

You may have heard the slogan, "Keep Santa Cruz Weird"? While I like that one, in this case I'm willing to settle for "Keep Santa Cruz ... *Santa Cruz*," because I just won't recognize it as Santa Cruz anymore without that old La Bahia.

Very sincerely,

Laura Grunfeldman
2470 Felt St.
Santa Cruz, Ca. 95062

TH8d

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August 5, 2011

AUG 08 2011

California Coastal Commission
45 Fremont St, Ste. 2000
San Francisco, CA 94105

California Coastal Commission,
Central Coast Area

RE: Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners,

I am writing to you because I am very concerned at the potential ramifications of the precedence that could be established by the matter before you on August 11th. There are many interests whose duty it is to ensure the profitability of a development. The California Coastal Commission was not conceived to be, nor should they ever be one of them. Preservation of natural and historical resources and local character is almost never a profitable venture. It is instead the duty of public servants charged with their stewardship.

I agree with the concept of a revitalized La Bahia, but not if it involves disregarding the Local Coastal Program's Community Design and Land Use Policies for purely economic considerations, ignoring potential violations of the Coastal Act itself and in doing so compromising the integrity of the entire process.

La Bahia has stood in it's current state for many years. A proposal that included preservation of the original La Bahia was "economically viable" just a few short years ago. In another few, such a project will most likely be so again. To sacrifice the long term health of our coastline and the character of the communities in which our coastal residents live and work because a developer "needs" to do so in order to turn enough profit due to a short term economic downturn is precisely the type of situation that the Coastal Act was enacted to prevent.

The exceptions being considered for this project, including the egregious waivers of height limits, would be tough to get through a local planning commission for an empty lot on the edge of town. I urge you not to let it happen at the expense of a piece of our local history in the heart of our central coast . The precedence that this action could set would be devastating not only to our community, but to coastal communities throughout our state, not to mention our dwindling sections of undeveloped coastline.

Sean Hebard
Aptos, CA

Th8d

August 8, 2011

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Ms. Shallenberger:

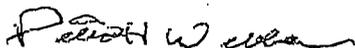
I would like to take this opportunity to state my support for the proposed La Bahia Hotel on Beach Street in Santa Cruz. I am a home owner and full-time resident on Beach Hill and have listened with great interest for the past five-plus years to both the positive and negative comments that have been made about the proposed structure. I believe that the hotel will be good for the year-round Santa Cruz tourist industry, good for the local economy, good for both immediate and long-term jobs, and a major aesthetic upgrade to the Main Beach area.

Those who object to the proposed hotel project obviously have their reasons, and they are well documented. None of them, in my opinion outweighs the positive benefits that the new La Bahia will bring. When I hear from my part-time resident neighbors that the proposed construction will block their expansive ocean view, I can be only partially sympathetic. Losing all or part of an existing ocean view is unfortunate. But what about the numerous benefits that the proposed new hotel would bring to Santa Cruz, the Main Beach neighborhood and our community in general?

I would hope, by now, that the seemingly endless appeals process has run its course. It appears that all the necessary concessions have been made, and all but one of the required approvals have been granted. Santa Cruz has been waiting far too many years for an upscale destination hotel in the Main Beach area. I respectfully ask the Coastal Commission to approve this project.

Thank you for your consideration.

Sincerely,



Peter Webber
265 Main Street
Santa Cruz, CA 95060

THPd 8-1



SANTA CRUZ COUNTY BUSINESS COUNCIL

Addressing Strategic Issues Through Private / Public Partnership

BUSINESS COUNCIL OFFICERS

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- Ted Buckle
Stubbins/Bruck/Crow's Nest Restaurants
- Chris Mann
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- Tom Hart
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- David Hestd
Santa Cruz County Bank
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Physicians Medical Group
- Dr. Brian Knecht, MD
Dominican Hospital
- Don Miller/Earl Roy
Santa Cruz Sentinel
- Franz Vianello
Chase Investment Services Corp.

SCOTTS VALLEY

Bob Murphy
Wells Fargo of California Insurance Services, Inc.

SOQUEL:

Kathy Harrison
Santa Cruz County Association of Realtors

WATSONVILLE:

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Register-Pajaronian
- Mickey Holzman
Pajaro Dunes Company
- Bob Kaswen
Fox Racing Shox, Inc.
- Brett Meyers
Ameri-Kleen
- Kathleen Oliver Schmitz
Oliver Property Management
- Bruce Woolbert
Granite Rock Company
- Dr. Zettie Page
Sahud Para La Gente

EX-OFFICIO

Harvey Nickelson
Dave Regan

August 5, 2011

Chair Mary K. Shallenberger
California Coastal Commission
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

RE: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Ms Shallenberger and Commissioners

By this letter the Santa Cruz County Business Council wishes to express its support for the proposed La Bahia Hotel project at 215 Beach Street, Santa Cruz, California.

The Santa Cruz County Business Council is a group of approximately 60 businesses that employ nearly 20,000 local residents. Its goal is to assemble, organize, and coordinate the talents and resources of the business and professional leadership for the purposes of creating a private/public collaboration in order to assist the public sector in the identification, examination, and successful resolution of countywide issues. We consider this project to be one that not only meets the social and economic needs of our community but is absolutely consistent with the mission of the Coastal Commission, namely: to protect, conserve, restore, and enhance environmental and human-based resources of the California coast and ocean for environmentally sustainable and prudent use by current and future generations.

The Coastal Commission is being asked to approve a variance to the Local Coastal Plan of Santa Cruz, which will allow the demolishing of an existing structure on the site and increasing the permitted height of the new building to 5.5 stories. If approved, the La Bahia project will provide more hotel accommodations and services to people visiting our coastal area, a priority of the Coastal Act and a goal of the Local Coastal Plan. Given that the City of Santa Cruz has considered the environmental, social and economic impacts of this project and has approved this variance, we strongly urge you to support our community by approving the project and that any contingencies or conditions attached be reasonable and consistent with the Santa Cruz LCP.

La Bahia will turn a dilapidated structure of 43 rental units into a high quality hotel of 125 rooms and suites serving an estimated 100,000 visitors each year for hotel accommodations, conferences and meetings. This project will attract individuals, families and groups to a year-round quality visitors and meeting destination. A hotel of this quality will additionally stimulate reinvestment and improvement in the beach area. This will increase coastal use by increasing the safety and attractiveness of the area to a broad range of visitors.

We urge you to support the approval of the La Bahia Project at the upcoming Coastal Commission meeting.

Sincerely,

Gary W. Merrill,
Executive Director on behalf of the Santa Cruz County Business Council

P.O. Box 21, Santa Cruz, California 95063
Mail: gary@sccbusinesscouncil.com

Telephone: 831-429-1129

Cell Telephone: 831-818-6366

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA



August 5, 2011

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Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
c/o Central District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

AUG 08 2011

California Coastal Commission,
Central Coast Area

SENT VIA MAIL AND EMAIL to friendsoflabaha@gmail.com

To Chair Mary K. Shallenberger and the California Coastal Commissioners,

As Chairman of the Board of Santa Cruz County Bank, I am writing to voice my utmost support of the La Bahia Hotel Project and to encourage the Commission to approve this project and act in such a manner that would remove any barriers that might inhibit the swift and successful completion of this valuable and much needed improvement to the Beach Flats area.

As a local bank that serves the financial needs of our area's visitor serving businesses, we see the La Bahia as a critical cornerstone to the economic future of our community. These visitor serving businesses have struggled to survive in the weakened economy along with rising costs of doing business. The proposed La Bahia Hotel would provide a quality hotel that would serve to draw overnight guests and provide well paying jobs and an increased tax base.

There has never seen such an opportune time as right now for us to unite behind this project in order to build a stronger future and create much needed jobs, tax revenues, and a welcoming destination hotel that would serve to contribute to repeat travel business to the area and the enhancement of beach area improvements. We must support such projects which sustain long term economic vitality and continue to build a positive image of Santa Cruz as a desirable tourist destination.

We simply cannot again delay this much needed project that is filled with enormous positive value at a time when we most need positive economic change. I strongly urge your approval of the proposed La Bahia Hotel and support the plan to preserve of the historic aspects of La Bahia while showing environmental stewardship in renovating it to meet the stringent environmental standards set forth by the U.S. Green Building Council for LEED certification.

Thank you for taking the time to listen to the community's input on this important project. Again, I strongly and emphatically support the La Bahia Project and look forward to the positive impacts it will have on our community for many years to come.

Sincerely,

George Gallucci
Chairman of the Board of Directors of Santa Cruz County Bank

Sincerely,

Gary Reece
Director
Santa Cruz County Bank

Put your money where your life is.



To: Calif. Coastal Commissioners
 Re: CITY of SANTA CRUZ LCP Amend. # 1-11 (La Bahia Hotel)
 Santa Cruz Sentinel

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OPINION

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AUG 08 2011

CALIFORNIA
 COASTAL COMMISSION
 CENTRAL COAST AREA

SUNDAY August 7, 2011

WWW.SANTACRUZSENTINEL.COM

La Bahia, city plan deserve Coastal Commission approval

MATT WATSON

This Thursday — after years of study, planning, public hearings, and revisions — the proposal to build a new La Bahia Hotel in Santa Cruz's main beach area will face a critical step: review and action by members of the California Coastal Commission, including local Santa Cruz County Supervisor Mark Stone.

Friends of La Bahia, an all-volunteer community coalition that supports the hotel, believes that now is the time for this long-awaited project to move forward. We urge the commission's approval.

The proposal has already received enthusiastic endorsement by the Santa Cruz City Council. In 2009, after lengthy public process, the council approved plans to replace the deteriorating apartment building at 215 Beach St. with a new 125-room hotel including high-quality rooms, meeting facilities, amenities and public spaces.

The new La Bahia Hotel will bring impressive, much-needed benefits to our community — major improvement of the entire beach area, new and higher-quality visitor accommodations, greater opportunity for off-season tourism through meeting and conference facilities, good year-round jobs, an estimated \$700,000 annually in new tax revenue to the city, advanced environmental standards for construction and

operation — and it will fulfill the Coastal Act's mandate to promote coastal access for a wide range of visitors.

The specific issue facing the Coastal Commission is an amendment to the city's existing Local Coastal Plan (LCP), allowing additional height for part of this project. This height (reduced from earlier versions) is necessary to meet contemporary standards for quality meeting space, hotel operations, rooms, and architectural distinction.

On July 29, the Coastal Commission staff released its report on the upcoming LCP/La Bahia item, and recommended approval. Among key points in their analysis:

- The new La Bahia Hotel will increase the number of visitor-serving rooms in the beach area — a Coastal Act priority. Notably, the new hotel will add higher quality rooms in an area historically dominated by budget and moderate quality rooms. It will fill a major gap in local visitor accommodations.

- The existing La Bahia buildings are not realistic candidates for renovation and redevelopment as a hotel; difficulty in obtaining financing for this purpose makes this option unreasonable.

- The new hotel will include many design features suggested by the city's Historic Preservation Commission, incorporating architectural elements of the existing La Bahia buildings. The iconic,

historic bell tower will be restored.

- The La Bahia design and scale are consistent with city land-use requirements protecting views and community character. The new La Bahia will be seen against the backdrop of existing development on and near Beach Street; it will not interfere with the mountain ridgeline view; it is appropriate for the beach area, and incorporates the Spanish Colonial Revival style of the existing buildings.

- The developer will pay \$200,000 for major public benefit improvements to low-cost visitor-serving facilities within the county, targeting highly impacted and under-funded state parks.

Over the years, the city has demonstrated an impressive commitment to make Santa Cruz an appealing visitor destination, in partnership with private and non-profit investments. Just a sampling: West Cliff Drive path, Municipal Wharf, Depot Park, National Marine Sanctuary Visitor Center, Surfing Museum, Youth Hostel, Beach Boardwalk, Seymour Center, special events, and many more.

The new La Bahia will support this vision of Santa Cruz, welcoming a wide variety of visitors to our beautiful coast. It deserves the full support of the Coastal Commission.

Matt Watson is a Beach Hill resident and member of Friends of La Bahia.

Please accept this Op.Ed as my personal comment in favor of La Bahia.

Matt Watson
 109 Trinity St.

Santa Cruz, CA 95060

8/6/11

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Th8d

8/8/2011

Dear Chair Mary K. Shallenberger and Commissioners,

This is not a form letter, this is not a cut and paste copy that someone asked me to send. This is a personal request from a 42 year resident of Santa Cruz County to please approve, accept and applaud the La Bahia Hotel proposal.

The reasons for my request are twofold: we need additional beautification to the Beach Flats to accommodate the new Marine Center and we need to restore a crumbling hotel and the tourism industry that we are ignoring.

My son is attending Jr. Guards at Cowell's Beach this summer, and it is with sorrow that I look over at that sad and disheveled façade known as La Bahia. What an embarrassment! Also, I have a group of friends from Berkeley, a soccer league, coming to town for an event in September, and as this is their second annual trip, they've already told me they'll have nothing to do with the Beach Flats, their first experience was not positive due largely to the dirtiness, open drug abuse and feeling of not being safe after dark. These are folks from Berkeley! They have their share of issues, but they say nothing compares to the Santa Cruz Beach Flats. La Bahia does nothing to alleviate their concerns, whereas a new hotel, a hotel with character and flair, would do a lot to make them feel more secure.

I live along the Ocean St corridor in Santa Cruz. We have our own issues. However, when the Holiday Inn Express was approved and built a couple of years ago, and remarkable thing happened – buildings near it started to clean up their store fronts to match the hotel's nice look. Old vending machines disappeared, and flowers and plants were added to dilapidated landscapes. Today, the area is much nicer, more people are out and about, and I feel safer in my own neighborhood. Sometimes it takes one example for others to lead. I think this will be the case for La Bahia, as well.

The developer appears to have met or exceeded many requirements. Hiring local workers along with union workers from afar seems to be a good attempt to get jobs into the hands of locals. I like the design, I will again recommend the Beach Flats to visitors, and will finally feel as a local citizen that the majority of us are being heard!

If this project fails, well, there's no excuse. The blight is frustrating. Santa Cruz is giving me fewer and fewer reasons to stay here and this project is something I have been watching closely.

Please consider that the majority of thinking, concerned Santa Cruz residents who don't happen to own a house directly behind the La Bahia approve this project.

Sincerely

Beth Moorehead
Plymouth St
Santa Cruz, CA

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

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21

Th8d

August 6, 2011

Mary K. Shallenberger & Commissioners
Central Coast District Office
Front Street, Santa Cruz, CA 95060

refer: City of Santa Cruz, LCP
Amendment #1-11 La Bahia

Dear Chair Woman & Commissioners;

We urge you to approve the coastal commission permit for a new La Bahia Hotel on Beach Street in Santa Cruz. This area has been a slum for over two decades and is ill suited for continued rental. A new La Bahia Hotel would encourage beach tourism, provide greater public access and complement the new Monterey Bay Visitors Center.

The new hotel plans are compatible with the Spanish Revival style in the area. The design is environmentally sustainable and L.E.E.D. certified. Alternate forms of transportation has been incorporated. Improved pedestrian right of ways have been included.

And last, many new jobs will be created both in the short term three year construction and long term employment.

Very truly yours;



Nels & Donna Pearson
200 West Cliff Drive#9
Santa Cruz, CA 95060

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CENTRAL COAST AREA

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AUG 05 2011

California Coastal Commission,
Central Coast Area

City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Chair Mary Shallenberger and Commissioners
California Coastal Commission
C/o Central Coast District Office
725 Front Street Suite 300
Santa Cruz CA 95060

Dear Ms Shallenberger,

We are writing to express our support for the replacement of the La Bahia Apartments with a much needed quality beach area hotel. We encourage the Coastal Commission to approve the amendment to the City of Santa Cruz's Local Coastal Plan to allow for the additional height this proposed hotel requires.

The proposed La Bahia Hotel will provide economic benefits to the City and community; creating jobs, increasing the City's tax base and provide a GREEN example for other beach area properties. It will provide much needed quality hotel rooms for visitors and improve the aesthetics of Beach Street.

Santa Cruz does not need residential apartments on Beach Street. We need a quality visitor serving hotel. We feel the proposed hotel reflects the Spanish style character of the existing property and incorporates some of the historic features that long time Santa Cruzans like us appreciate. We love our beach area and support all efforts to improve accommodations and increase visitor serving amenities. The City and the Community need this project.

Thank you for your thoughtful consideration and review of this project.

Sincerely

Bob and Dannettee Shoemaker
Santa Cruz City residents

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AUG 05 2011

August 4, 2011

California Coastal Commission,
Central Coast Area

Chair Mary K. Shallenberger and Commissioners
California coastal Commission
Central Coast District Office
725 Front Street Suite 300
Santa Cruz, CA 95060

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Coastal Commissioners,

Please approve the above plan. The city council and residents have worked hard on this project for years. I believe that we have created a terrific plan. I think it meets environmental concerns; it rehabilitates and preserves this historic building; it allows more tourists to stay in the beach area; it will greatly help our tourist industry and the economy of Santa Cruz.

I attended a Coastal Commission meeting in Santa Barbara about 10 years ago. I sat at the meeting for 8 hours while waiting for my agenda item to come up. I think I got a good understanding about the dual purpose of the Commission-- to protect the environment and to create access to the coast. I believe that this plan does both beautifully.

I am writing this letter because I am disabled and cannot attend the meeting in Watsonville on August 11. I won't be there in person but I will be there in spirit.

Thanks for your time,



Rachel Kliger

546 Arroyo Seco

Santa Cruz, CA 95060

831-426-7059

rkliger@cruzio.com

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Th8d

AUG 05 2011
John C. Aird
304 High Street
California Coastal Commission, Santa Cruz, Ca 95060
Central Coast Area

Re. City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Chair Mary K. Shallenberger and Commissioners:

I am a long time resident of Santa Cruz and an active and involved member of this community. I am writing to you concerning your August 11, 2011 Hearing on the above cited matter and the compelling case for its approval.

Last year, after almost a decade in development with multiple design modifications in response to height concerns and historical sensitivities among others, the Santa Cruz Council after a series of well-attended public meetings approved the proposed La Bahia project. Since then, there have been additional enhancements to the project furthering its value to the Santa Cruz visiting public and this community. You represent the final step in the required approval process and it now deserves your full approval as well.

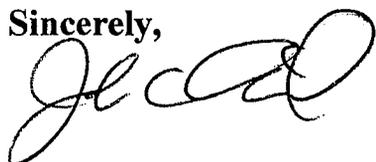
Consider how it meets these key criteria:

- Hotel use consistent with the General Plan and Local Coastal Plan? Yes**
- A needed visitor-serving "magnet destination" for tourists and locals alike? Yes**
- Greater beach access and use? Yes**
- A "landmark historically-sensitive design" for a "landmark setting"? Yes**
- An economic "multiplier" benefiting the entire Beach Area? Yes**
- An environmental project? Yes (LEEDS certified facility)**

Our coastal community needs a first-class beach-fronting hotel to better serve the visiting public; our local tourist industry needs a real boost; and Santa Cruz's Beach Area desperately needs a long-overdue upgrade.

This project is a 6-star "winner"! I strongly urge your approval of this Amendment.

Sincerely,



8-5-11

Th 8d

TO: Calif. Coastal Commissioners
Re: City of Santa Cruz LCP Amend #1-11 (La Bahia)

The attached letters to The editor capture the overwhelming sentiment of our local community. I join them in urging you to approve this LCP and La Bahia!

William Mathews
316 Walnut Ave
Santa Cruz, CA 95060

Santa Cruz Sentinel

OPINION

La Bahia plan badly needed 8-5-11

Please Coastal Commission, pass the La Bahia plan. We own a historic Victorian home up the street from the La Bahia and have anxiously watched this plan for years. It has been excruciatingly political and so far removed from focusing on how positive this is for our street, neighborhood, the waterfront and everyone in Santa Cruz. Simply look at Beach Hill and it's obvious that it had a grand past, which is fading away. This final decision is the 14-foot height variance. Please note the plan takes into account aesthetics from all sides of the building and incorporates Spanish Revival elements, interesting angles, depths, balconies, varied heights, etc. It's not a box slammed into the current restrictions that might be what we end up with if this is rejected.

STEVEN SANCHEZ, Santa Cruz

State staff correct on La Bahia plan

I was so excited to read about the Coastal Commission staff recommending approval of the La Bahia hotel project. I am very hopeful that on Aug. 11 our local commissioner, Mark Stone, will see the value that the La Bahia hotel will add, enabling more visitors to experience and enjoy our beaches, community and coastline. As a hotel owner in the coastal zone, on a daily basis I turn away families who would like to stay simply because we do not have a room. Adding more hotel rooms will do two things: allow the opportunity for more people to visit overnight, and place downward pressure on the price of our below-standard motel rooms, as the supply will better equal the demand.

CHRIS FERRANTE-PINHEIRO,
Santa Cruz

8-3-11

Approve La Bahia 8-5-11

I'm writing to ask that you support and approve the La Bahia Hotel project. As a 30-year resident of Santa Cruz, 15 of those years as a resident of Beach Hill, I have watched the area deteriorate. Drug use, unsavory characters in our neighborhood, break-ins and vandalism are plaguing us.

This is unacceptable, especially considering the cost of living in Santa Cruz and the taxes that working people pay.

I rent out my home as a vacation rental in the summer months. I have received more and more comments from out-of-town guests saying that there is a distasteful element to our city ... some saying they won't be back.

Losing these tourists won't help our local economy and our most precious source of income: tourist dollars.

Approving this project will help to improve the entire area ... and provide a more solid base on which to build upon. Developing the beach area with green-certified buildings, reflective of the Spanish-style that will preserve our history, can only be a positive change for our city.

Why go backward, or stay stuck with no improvement, for years on end? There is no good solid reason to deny this project. It can only improve, and possibly save, a rapidly deteriorating situation. We're losing our city to crime and budget woes.

Let's attract and cultivate a positive element for our city.

JOAN COLONNA, Santa Cruz

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California Coastal Commission,
Central Coast Area

26
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Th8d

Re: Th8d-8-2011 City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

August 5, 2001

From: Bill Malone

To: Coastal Commissioners

The requested LCP amendments are tailored for a specific project. The proposed La Bahia Hotel is a perfect example of the type of project the Coastal Act was meant to prevent.

I urge the Commission to deny these LCP amendments and tell the developer to redesign his project within the existing LCP and Coastal Act standards.

The proposed hotel is too tall, too massive, blocks views, overwhelms the neighborhood, is spot-zoning, doesn't help lower-cost visitor serving facilities, doesn't preserve but actually demolishes a historical structure, sets bad height and mass precedent, changes the character of the area, grossly alters natural land forms, is un-fair to neighbors that built to existing LCP zoning and in-lieu fees instead of on-site changes is a bad idea.

But on the positive side, it would remove what everyone agrees is the main deteriorated, run-down, poorly maintained eyesore that is dragging down the area.

Here are some very relevant comments the Coastal Commission Staff made on the La Bahia EIR in May 2008:

Coastal Act Section 30251 requires protection of the scenic and visual qualities of coastal areas. This Section also requires that development be sited and designed to protect views to and along the ocean and scenic coastal areas and that development be visually compatible with the character of the surrounding area. In addition, Coastal Act Section 30253 protects popular visitor destinations, such as the Beach Area, against inappropriate development. Coastal Act Section 30240(b) similarly protects adjacent recreational areas (such as Beach Street and the Main Beach).

In order for the LUP amendments necessary for the project to be approved, the Commission would need to find that the proposed LUP amendments are consistent with these Coastal Act policies. It is not clear that this would be possible, and we strongly encourage the City to limit the allowable development height on the La Bahia parcels to that which will not create a significant impact to the aesthetics of the surrounding Beach area. In particular, alternatives that limit development height to no more than that that allowed by the currently certified LCP should be pursued, as should design articulation that serves to limit perceived scale, e.g., stepping the design of the building up the hill, varied projections and offsets, etc.

Alternative #3 (Modified Design Alternative), which would remove one story from the proposed development, would appear to be insufficient in this regard. Appropriate starting points in this respect would appear to be Alternative #2 (118 Unit Hotel - Previous Project) and Alternative #4 (New Design within the Height Limit), both of which would greatly reduce impacts to the visual character of the surrounding area relative to the proposed project.

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California Coastal Commission,
Central Coast Area

1/4

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In May 2008 the Staff made this objective, unbiased analysis of the La Bahia project using the Coastal Act Standards. This was done before any lobbying effort to change their opinions. Their concerns were valid then and they are still valid today.

Interesting: Coastal Act Section 30251 (regarding scenic and visual qualities) was never referenced in the current Staff report!

RECOMENDATIONS

1) SIZE AND SCALE.

The height of the project should be limited to that allowed by the currently certified LCP. The adjacent Casablanca should be the neighborhood standard for height and scale. Certainly not the pre-Coastal Act Coconut Grove building and the Dream Inn. They are examples of what the Coastal was meant to prevent, not emulate. Alternative 4 from the project EIR is appropriate for the area.

On page 35 (in current Staff report): *The main impact of the proposed IP amendment would be on the allowable mass and scale on the site. ... the replacement development would yield a significantly larger structure than the existing La Bahia.*

On page 36 (in current Staff report): *The Casablanca in many ways provides an important scale parameter inasmuch as it too is sited in largely the same kind of location as La Bahia, it is prominent in all the same views, it is the largest structure immediately adjacent to La Bahia, and any development at La Bahia needs to also protect the character and integrity of this site too, including in terms of its own historic status.*

Page 36: *Both the Boardwalk Casino/Coconut Grove building and the Dream Inn also help to provide a relative scale, although slightly less directly relevant compared to the Casablanca due to distance from the site and intervening development.*

Page 36: *As indicated above, the proposed scale is quite a bit larger than the existing scale, and has raised significant concerns for many years. As a result, the City considered a number of alternatives to the version now proposed (and conceptually approved by the City). These included a less large version premised on some renovation and some redevelopment (Alternative 4 from the project EIR) that would explicitly be scaled similarly to the Casablanca. Even if re-conceptualized as new construction, this version scale-wise most fits with the character established by the Casablanca, and would likely best blend in with this historic structure; the City dismissed this alternative because it would not meet other objectives for providing a large conference hotel at the site.*

Page 37: *Yes, there are lesser scale alternatives that also appear feasible, including perhaps most compelling a less large version scaled similarly to the adjacent historic Casablanca Inn and Restaurant, but at the end of a long public process the City identified the scale proposed as appropriate for the beach area.*

2) SPOT ZONING

Spot Zoning sets an adverse precedent and should be denied. These LCP amendments "only applies to the La Bahia site" That's spot-zoning. We all know the next developers will want the same (or more). No spot-zoning! Stay with the current LCP.

2/4

Page 39 *An additional challenge presented by the proposed amendment is that it only applies to the La Bahia site. Concern has been raised, therefore, that the amendment constitutes spot-zoning that sets an adverse precedent for future potential changes in the Beach area. Although the Commission is supportive of LCP changes to facilitate redevelopment of the La Bahia site as currently envisioned, and believes that the amendment is not inconsistent with the LUP with respect to scale and size, the question of whether such a scale and intensity of development is appropriate elsewhere along Beach Street and in the beach area is an open one.*

Apparently, the Staff thinks spot-zoning is OK this time, but no more. Right! We've heard that before.

3) COMMUNITY CHARACTER

The proposed too-large project will change the community character. But maybe not for the better. The beach area is the "most popular visitor destination point, drawing millions of visitors each year." Seems like a lot of folks like it the way it is! The only deteriorated site is the run-down La Bahia. Building a nice hotel built to existing LCP standards will be a great improvement to the area.

Page 20: *Protection of community character, including historic resources, is an important part of the certified LCP. This is clear from the LCP's list of key visions for the coastal zone of "preserving the integrity of historic areas", and its definition of the community's form as due to many factors, including explicitly in terms of history, and is perhaps most aptly summed up by the LUP's cultural resources chapter, where it states:*

Much of Santa Cruz' character and appeal stems from its cultural milieu. This milieu is extremely varied, reflecting the variety of people and cultural resources that are a part of Santa Cruz life. Archaeologic and historic resources provide a cultural link to the past. They exist as reminders of the City's past and to educate the community about its history and, in the case of historic buildings and landmarks, are a major influence in how the City looks.

Page 20: *Coastal Act Section 30253(5) requires that new development protect special communities that are popular visitor destination points for recreational uses and states:*

30253: New development shall: (5) Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.

As discussed below, the proposed amendment of Policy 2.16 raises the question of whether demolition of the La Bahia apartments, as opposed to renovation, is inconsistent with Section 30253.

Page 21: *With respect to existing beach area community character, the La Bahia is located in the City's central beach area just inland of Santa Cruz Main Beach and adjacent to Cowell Beach, the Santa Cruz Municipal Wharf, and the Boardwalk. This area is the City's primary tourist draw and its most popular visitor destination point, drawing millions of visitors each year.*

3/4

Page 38: *Finally, it is important to observe that the proposed amendment will facilitate redevelopment of a rather deteriorated site located in the heart of the City's visitor-serving area.*

4) PRESERVATION OF HISTORICAL LANDMARK

The Staffs facilitating the demolition of a historical landmark is an alarming precedent. An effort could and should be made to save a significant portion of the structure. I hope this is NOT setting a new Coastal Commission policy.

Making a replica is not the same as restoring the original. Some Taco Bells may be built to look like California Missions – but we still want to visit the originals.

FYI: The City's Historical Preservation Committee unanimously rejected this project.

Page 20: Protection of community character, including historic resources, is an important part of the certified LCP.

Page 21: *While the La Bahia is an important part of the City's community character, including its historic resource value....*

Also, see item 3) above for more on the importance of historical preservation.

5) IN-LIEU FEES INSTEAD OF LOWER-COST VISITOR SERVING

Bad idea. Don't accept in-lieu fees. Especially only \$200,000. That's chump change. Require the developer to make appropriate changes on-site.

6) HOTEL FEASIBILITY

The developer has stated that a smaller hotel is not feasible, but...

Plans for a new Marriott Hotel nearby in the beach area were recently approved– it is bigger yet meets existing LCP zoning and requirements. The new Marriott Hotel:

- (1) has more units (150) than La Bahia (125)
- (2) has as many parking spaces
- (3) is on a smaller parcel
- (4) is designed without using the entire 43-foot height allowance
- (5) will have more generous setbacks.

All of which demonstrate what can be done within the currently approved LCP.

Designed to existing BSOL and LCP standards

Sailed through Planning Approval

Did NOT request any special exceptions

Did NOT request LCP changes.

I urge the Commission to deny these LCP amendments and tell the developer to redesign his project within the existing LCP and Coastal Act standards.

I urge the Coastal Commission to deny the LCP amendments for the La Bahia Hotel or approve it with the conditions that it is built within existing zoning limits and that it retains more of the existing historical landmark structure.

The developer has publically stated that if the Coastal Commission denies his proposed project, he will "probably redesign it". Encourage him to do that.

4/4

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AUG 05 2011

California Coastal Commission,
Central Coast Area

ALDO GIACCHINO
1005 Pelton Avenue, Santa Cruz, CA 95060

August 4, 2011

Th8d

Re: **IN OPPOSITION TO: Th 8-d**
City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel).

Dear Commissioners:

I urge you to deny the proposed LCP amendments and encourage the developer to redesign the project to conform to the standards and regulations of the current LCP.

Section 30253(5) of the Coastal Act requires that new development protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreation.

When the residents of Santa Cruz adopted the LCP for this part of town, they did not use the Coconut Grove and Dream Inn as the standards for the area. They voted to impose regulations based on the prevailing three-story character of the surrounding residences and hotels, including the Casablanca Inn which is adjacent to La Bahia. The Commission should keep this in mind and reject the proposed amendment (for a single block) because it is in sharp contrast with the current neighborhood plan that was developed with extensive community involvement and support.

Section 30251 of the Coastal Act provides that any coastal development be sited and designed: to protect views to and along the ocean and scenic coastal areas, to minimize alteration of natural land forms, and to be visually compatible with the character of surrounding areas.

The height of the project should be limited to that allowed by the currently certified LCP. The adjacent Casablanca Inn should be the neighborhood standard for height and scale; certainly not the pre-Coastal Act Coconut Grove and the Dream Inn. They are examples of what the Coastal Act was meant to prevent, not emulate. The smaller scale Alternative 4 from the project EIR is the environmental alternative that is least damaging to this community and to project site.

If Commissioners accept the rationale that allows a spot zoning of the La Bahia parcel, there will be no obstacle to anyone in the coastal zone getting the next spot zone to mimic the scale of the new La Bahia. A "domino effect" will set in and it will effectively dismantle our local coastal program one parcel at a time, each pointing to the previous one as the definition of "surrounding area." That can't be the meaning of Coastal Act Section 20351.

The staff's suggested findings repeat the developers' claim that the costs of rehabilitation are prohibitive, roughly an additional \$17 per sq.ft. compared to demolition. This is just a ruse. If rehabilitation costs had been the real driving factor for the developers in deciding not to rehabilitate, they could and should have sought financial assistance from the City's Redevelopment Agency to make the rehab project financially feasible. This project is in a designated redevelopment area. Public funding assistance could have been made available, but the developers shunned it because they are hell bent on demolition. They have opted for the crass exploitation of a prominent site instead of sensible restoration of a historic icon.

Thank you for your consideration of these comments.

Sincerely,

Aldo Giacchino

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Th8d

Re: Th8d-8-2011 City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

August 4, 2001

From: Santa Cruzans for Responsible Planning.

To: Coastal Commissioners

Santa Cruzans for Responsible Planning requests that you deny the proposed La Bahia Local Coastal Plan amendments and encourage the developer to redesign his project to conform to the current Local Coastal Plan.

SCRIP is a local group (including City Councilmembers and former Mayors) who are concerned with local planning and resulting development in Santa Cruz. As our name implies, we strive for Responsible Planning, which we hope will result in development that is appropriately scaled for Santa Cruz and that will enhance our City while retaining its character and desirability.

SCRIP had several meetings with the developer, Barry Swenson Builders, a few years ago when they were still designing their project. We were encouraged by their wanting to work with us because we agree that a nice hotel on that site would be good for Santa Cruz. Unfortunately, the meetings were broken off when it became apparent that their plans were exploitive and much more grandiose than what SCRIP felt was appropriate for the area.

The current LCP better conforms to the Coastal Act Standards and to the Beach Area South of Laurel plan created by a large Citizen committee. The BSOL laid out the size and scale the Citizen committee determined is appropriate for Santa Cruz— for now and future development.

As the Coastal Act states, the hotel on that site should blend into not dominate the surrounding neighborhood. The Casablanca Inn, across the street from the La Bahia, is a good example of appropriate size and scale for the area. FYI, even though the Casablanca is older than the La Bahia apartments, it is obviously well maintained and has not been neglected like the La Bahia.

The height and scale of the proposed La Bahia hotel have been compared to the nearby too-tall Dream Inn. The Dream Inn is a pre-Coastal Act building and is a classic example of what the Coastal Act was meant to prevent. Santa Cruz does not deserve another too-tall building.

An example of what SCRIP believes is appropriate scaled development is the recently approved new Marriott Hotel nearby in the beach area. It has more units (150) than proposed La Bahia (125), yet meets existing LCP zoning and requirements. Also, it is on a smaller parcel, will have more generous setbacks, has as many parking spaces and is designed without using the entire 43-foot height allowance. Obviously, a new hotel built to existing LCP standards is feasible.

It is important to not demolish the existing iconic, historic La Bahia structure but to rehabilitate the historic buildings as much as is possible. Ironically, in their early presentations to the community, the developer bragged about how good they are at restoration of old buildings and showed many examples of their work in Santa Cruz and San Jose. Apparently, they can do it.

The La Bahia Beach area is a very popular visitor destination. The existing LCP is better for protecting views to and along the ocean and scenic coastal areas and it allows development that is more visually compatible with the character of the surrounding area.

We ask the Commissioners to deny the proposed LCP amendments. They will result in inappropriate development in Santa Cruz that is contrary to the Citizens desires as outlined in the BSOL and is contrary to the Coastal Act Standards.

Bill Malone,
for Santa Cruzans for Responsible Planning

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AUG 04 2011

California Coastal Commission,
Central Coast Area

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Th 8d



**BEACH
STREET
INN and
SUITES**

just steps to the sand.

RECEIVED

AUG 05 2011

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

August 5, 2011

Dear Coastal Commissioners,

As the current manager of the Beach Street Inn and Suites and the former Office Manager of the Dream Inn (when it was still the Coast Santa Cruz Hotel) I have been working in the hotel industry in Santa Cruz for the majority of the last decade. My positions have put me directly in contact with hundreds of visitors to Santa Cruz on a daily basis and have given me first-hand knowledge of what visitors to this area expect and need. There has been a lack of quality hotel establishments in Santa Cruz for years. Visitors to the area expect to find comfortable and quality establishments where they can stay near the beach, but are often frustrated to find a lack of rooms during peak season, especially quality rooms.

Since undergoing the first stage of a major remodel at the Beach Street Inn this past winter, I can tell you that the demand over this peak season has been far greater for our remodeled and higher quality rooms than for our older, non-renovated rooms even though the price difference often exceeds \$100 per night for the higher quality rooms. Our non-renovated rooms are still clean and comfortable, but it has been my experience that there is a demand for high quality fixtures and amenities and there is a severe lack of hotels in Santa Cruz offering these. Flat screen TVs, iPod docking stations, in room refrigerators and microwaves are just a few examples of the types of amenities that guests have come to expect to find in hotel rooms.

As a supply and demand issue, it makes sense to charge more for more quality rooms and as a business it is important to recognize that there is a significant cost associated with creating quality accommodation and therefore necessary to charge more.

I understand the Commission's desire to create affordable accommodations in areas near the beach, but Santa Cruz has an abundance of lower cost hotels. Adding more low cost rooms is not going to help draw in conference guests and other off season visitors that Santa Cruz needs to help prolong the visitor

125 Beach Street
Santa Cruz, CA 95060
831.423.3031
fax: 831.423.2607
www.BeachStreetInn.com
info@BeachStreetInn.com

81
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Just steps to the sand.

season. As a community, we don't need more cheap rooms for people who just want a place to party and crash.

Adding more quality rooms will help drive down the cost of the other lower quality hotels in the area to a more reasonable price. One of the major reasons that it is difficult to find affordable accommodations in Santa Cruz during the summer months is that there is simply a lack of hotel rooms in Santa Cruz. Adding more quality rooms would help drive down the cost of lower quality accommodations.

My recommendation is simple: allow the La Bahia project to be completed as designed, without restrictions on the types of rates that the property could charge. An increase in the total number of rooms available in Santa Cruz will naturally drive down the rates of lower quality establishments in the city, thus creating an increase in affordable rooms without punishing establishments that are actually making an effort to create quality hotel rooms and bring in new business to Santa Cruz.

Sincerely,

Laura Waltz

Manager

Beach Street Inn and Suites

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AUG 04 2011

California Coastal Commission,
Central Coast Area

SANTA CRUZ
CHAMBER OF COMMERCE

Th8d

Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Chair Shallenberger and Commissioners:

The Santa Cruz Area Chamber of Commerce enthusiastically supports the La Bahia Hotel project and encourages you to approve the changes necessary to the Santa Cruz LCP to permit the hotel's development.

The Chamber has been involved in the evolution of this project from its conceptual development as part of the Beach Area/South of Laurel Plan (BSOL) in the mid-1990s to today's final entitlement stages. This project is the keystone of our community's efforts to revitalize the beach area.

We believe the Commission's local staff has accurately analyzed the changes in the LCP related to project height and demolition of the existing structure that are required for this project to proceed. This is the project that was contemplated when the local coastal plan was adopted by the City and approved by the Coastal Commission. That the height constraints and costs of rehabilitation of the existing structure proved uneconomic does not significantly affect either the opportunities or the positive impacts of the project. Nor do they significantly change the aesthetics of the project.

When the Hotel Casa Del Rey's several hundred rooms had to be demolished following the 1989 earthquake, the La Bahia Hotel became the last iconic hotel property in the Beach Area. This is an opportunity to reconstruct this treasured piece of Santa Cruz history, preserving its historic ambiance, in a way that is economically feasible.

The BSOL plan was predicated on reinvestment in this property. Defining a new aesthetic for the Beach Area, removing an economically unproductive eyesore from the heart of the beach-commercial zone, generating new traffic with its conference and meeting rooms and its full-service restaurant, and demonstrating confidence in the viability of new investment in the beach area are expected to be the catalysts that encourage the rehabilitation of many other out-of-date lodging properties and the construction of new accommodations in and around the beach area.

The Chamber is concerned about the proposal contained in the staff report to require either an assessment against new and rehabilitating properties or dedication of a percentage of rooms within each such project to "low-cost." We are not confident of the accuracy of the staff's analysis comparing average actual summer room revenues to the rates at individual Santa Cruz properties.

More importantly, the remedy proposed risks doing the exact opposite of its goal. Rather than increasing the number of AAA-approved-quality rooms, it seems more like to constrain the improvement of substandard properties and discourage property owners from developing properties as new lodging.

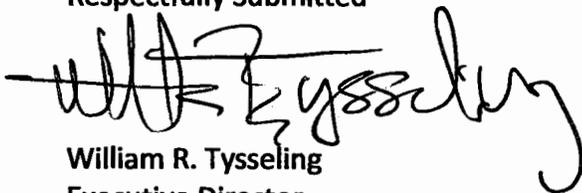
As is apparent from the City's Ocean Street planning effort there are significant market opportunities for expansion of the stock of lodging in Santa Cruz. In addition, the City's Redevelopment Agency is embarking on a project to encourage selected lodging property owners to rehabilitate their properties in the beach area – reducing the number of substandard rooms. Financing these projects is especially challenging – but not impossible – in the current financial environment and these financial conditions seem unlikely to significantly improve in the foreseeable future. Adding what appears to effectively be a 25% surcharge to each room makes development of these properties as other commercial or residential uses... or not developing them at all... a much better investment by their owners.

The staff proposal also suggests what appears to be a very expensive monitoring system without any meaningful enforcement mechanism.

The City of Santa Cruz does not have resort properties or elegant accommodations. Nor is the city striving to become a high-end destination. We recognize the importance of having a range of properties. We are confident that the best way to sustain and expand our supply of affordable rooms is through growth in the number of rooms. It is quite apparent from recent experience that consumer demand and room supply control the price of rooms. We encourage the Commission not to impose these changes on this long-delayed project and to direct staff to work with the city to develop meaningful strategies to accomplish these objectives.

Coupled with the new Monterey Bay Marine Sanctuary Exploration Center a few hundred yards away and public improvements in the city's visitor serving access and infrastructure the Chamber is confident that the La Bahia Hotel will very significant enhance the value Santa Cruz and its coastal resources offers to visitors and the State of California.

Respectfully Submitted



William R. Tysseling
Executive Director
Santa Cruz Area Chamber of Commerce
611 Ocean St., Suite1
Santa Cruz, CA 95060

Th8d

Marty Ackerman

112 Ocean View Way · Santa Cruz, CA 95062 · 831/426-8041

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July 31, 2011

AUG 04 2011

California Coastal Commission
Mary K. Shallenberger, Chair
c/o Central Coast District office
725 Front Street, Suite 300
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

Re: Support of the Proposed Local Coastal Plan Amendment for the City of Santa Cruz

Dear Chair Shallenberger and Coastal Commissioners,

I am an 18-year resident of Santa Cruz, a homeowner, and an active member of the community. I have long felt there is a need for a high quality hotel in the Santa Cruz City beach area. I strongly support the La Bahia Hotel project, and encourage you to enable it to move forward by approving the City of Santa Cruz Local Coastal Plan Amendment.

The City has long needed such a facility. In 2003-04, when a new hotel and conference center was proposed for the Coast Santa Cruz Hotel site (currently the Dream Inn), many of the opponents of that project argued that the Coast Hotel site was not suitable for such a facility. They suggested that the City instead work with a developer to put such a project at the La Bahia location, which they felt was more appropriate.

The project under consideration has been in the planning stages for several years, and the developers have modified their plans repeatedly in response to requests from the City of Santa Cruz, and as a result of community input. The benefits of the project are numerous: it is a visitor-serving facility providing public access to privately owned amenities; the design is aesthetically pleasing and in keeping with the character of the area; the building will be L.E.E.D certified; much needed jobs will be created, both during the construction, and more importantly, on a long term basis; and the City will receive revenue from the taxes generated by the project and from additional visitor spending.

I believe this project will significantly benefit the area, and I urge you to approve the proposed amendment. Thank you for your consideration.

Sincerely,



Marty Ackerman

Th8d

THE BASKINS
633 HIGHLAND AVE.
SANTA CRUZ, CALIFORNIA 95060-2035

August 3, 2011

RECEIVED

AUG 04 2011

California Coastal Commission,
Central Coast Area

Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Commissioners:

I have resided in Santa Cruz since 1974. My wife and I have raised two children here. I have owned and operated a local business since 1979. I write this letter in support of the La Bahia Hotel project as proposed and the related LCP Amendment.

The benefits of La Bahia Hotel to our community are numerous. While Santa Cruz has many motels, it lacks a nice beachfront hotel. The Dream Inn, while beachfront, is an architectural obscenity. The Spanish Revival style of the La Bahia will provide a much needed face lift to our central beach area. Swenson Builders has a great track record in the City of Santa Cruz and in the San Jose area. The project will bring much needed jobs to our local construction industry at a time when new construction is in a slump. Once built, the hotel will be an ongoing employer and will generate tax revenue for our city.

I am a long time Sierra Club member. I also recognize that not all development is bad; we must distinguish between development that will be an environmental blight and projects like this one, which will incorporate environmentally sustainable design and be L.E.E.D. (green building) certified. Once operating, the hotel will promote alternate transportation through bike facilities, beach shuttle support, employee bus passes, and electric car docking area.

I cannot emphasize strongly enough the importance of approving this project.

Very truly yours



DAVID GREEN BASKIN



Santa Cruz Firefighters • Local 1716

P.O. Box 1477 • Santa Cruz, California 95061

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August 1, 2011

AUG 04 2011

Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
C/O Central Coast District Office
725 Front St. Suite 300
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Chair Mary K. Shallenberger and Commissioners,

As you know, the La Bahia project is coming up for discussion and an eventual vote by the California Coastal Commission in August. I am writing this letter to inform you of the support that the Santa Cruz City Firefighters, L1716 has for this particular project. Aside from the obvious financial benefit for the city and the services we provide our citizens, our local is interested in the various other benefits that this project possesses.

As you know this particular building is quite dated and in need of numerous improvements to ensure safety for the public. Most importantly, a fully operational and updated fire protection system is necessary for the residents/tenants and the neighbors living in the immediate vicinity. A seismic upgrade is also necessary to prevent the catastrophic failure of such a large building in a densely populated area. In addition to these fire safety issues, we firmly believe that this project has the potential to improve the look and feel of the beach area in such a dramatic fashion, that the crime and other unsavory activities that are currently an issue will be significantly reduced if not eliminated. With the inclusion of underground parking and alternative transportation added to this project as well as the additional funds slated for traffic improvements, this project will undoubtedly improve and enhance the beach environment while fulfilling the vision of the Coastal Act.

The lack of a suitable replacement for the current structure could very well contribute to further deterioration and stagnation of an area which we as city workers and city residents rely on for financial strength and a uniquely strong sense of pride. The mere fact that this project itself can generate nearly \$600,000 in hotel taxes and an additional \$135,000 in sales tax will help Santa Cruz flourish as it maintains its identity and unique coastal community character. As a labor group, we also value the employment benefits that this project offers our local community. The presence of year round employment (72 full time/30 part time) along with competitive wages, benefits and continuing career training/education is what sets this project apart from others.

The Santa Cruz City Firefighters hope that you will seriously consider supporting and voting for this project. We feel that is the right time and the right project for the City of Santa Cruz to ensure that the citizens are provided with the utmost in both public safety and future financial security. If you have any questions or would like to discuss this issue or our reasons for endorsing the project, please feel free to contact me at any time. Thank you very much for your time, consideration, and service to our community.

Sincerely,

Rob Oatey, President
Santa Cruz City Firefighters, Local 1716
roatey@comcast.net

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Th8d

250 HARVEY WEST BLVD.
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AUG 04 2011

California Coastal Commission,
Central Coast Area

August 4, 2011

Chair Mary K. Shallenberger
And Commissioners
California Coastal Commission
C/O Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

**RE: City of Santa Cruz LCP Amendment Number 1-11
(La Bahia Hotel)**

Honorable Chair and Commissioners:

Our firm has been a fixture in Santa Cruz and the Monterey Bay Area for over 90 years, respecting history and the environment that we live in. The coastal region is a key part of what makes the entire area so desirable to live, work and visit.

For a number of years, La Bahia Hotel has been discussed, plans refined and approvals sought. We have consistently supported the proposed improvements and applaud the Santa Cruz City Council for thoroughly reviewing the plans and ultimately approving the project on the basis of substantial economic and social benefits.

We now sense that it is critical that your commission approve this project.

The current residential use is significantly past its useful life. Converting those residential apartments into a high priority, visitor serving, and quality hotel is an excellent choice for redeveloping the main beach area. For years Santa Cruz has needed to upgrade its stock of quality hotel rooms to match its potential as a visitor destination.

A key part of the proposed development would convert the current private use to public access to hotel amenities. In addition, the current design reflects a design compatible with the community character and recreates key historic features such as the Bell Tower and Courtyards. The developer, Barry Swenson Builder, has a successful tract record of converting historic buildings while maintaining historic motifs. The St. George Hotel and former County Bank Buildings in downtown Santa Cruz are great examples of their vision and execution.

Their commitment to green building is well documented. Our firm worked with their team to construct a local low income, 100% accessible project, Redwood Commons, that earned Green Building Award #13 issued by the City of Santa Cruz to improve, conserve and sustain resources within the city limits. It is our understanding that Barry Swenson Builder is committed to building La Bahia Hotel in an environmentally sustainable manner along LEED guidelines.

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**Chair Mary K. Shallenberger and Commissioners
California Coastal Commission
(City of Santa Cruz LCP Amendment Number 1-11
August 4, 2011
Page 2**

Such examples as alternate transportation through bike facilities, shuttle busses, electric car recharging and employee passes are consistent with United States Green Building Council. The design will also integrate a pedestrian friendly street frontage to further enhance the main beach neighborhood.

The City of Santa Cruz and overall community will benefit with construction jobs, well paying hotel jobs, increased tax base and the catalyst for future beach area improvements that would have far reaching positive impact.

We encourage the Commission to review the current presentation, reflect on the overall community support and impact and approve this project in its present form. We believe that the Design Team has created a concept that has evolved with community input that successfully meets goals and objectives of your Commission, the City of Santa Cruz, the residents and visitors alike.

We look forward to learning of your approval of the project and near term implementation of the plan with the start of construction activities.

Thank you for your consideration.

Sincerely



Thomas E. Wilson
Vice President
Geo. H. Wilson, Inc.

Enclosure: Good Times – Santa Cruz Article 03/03/11

TEW/bss

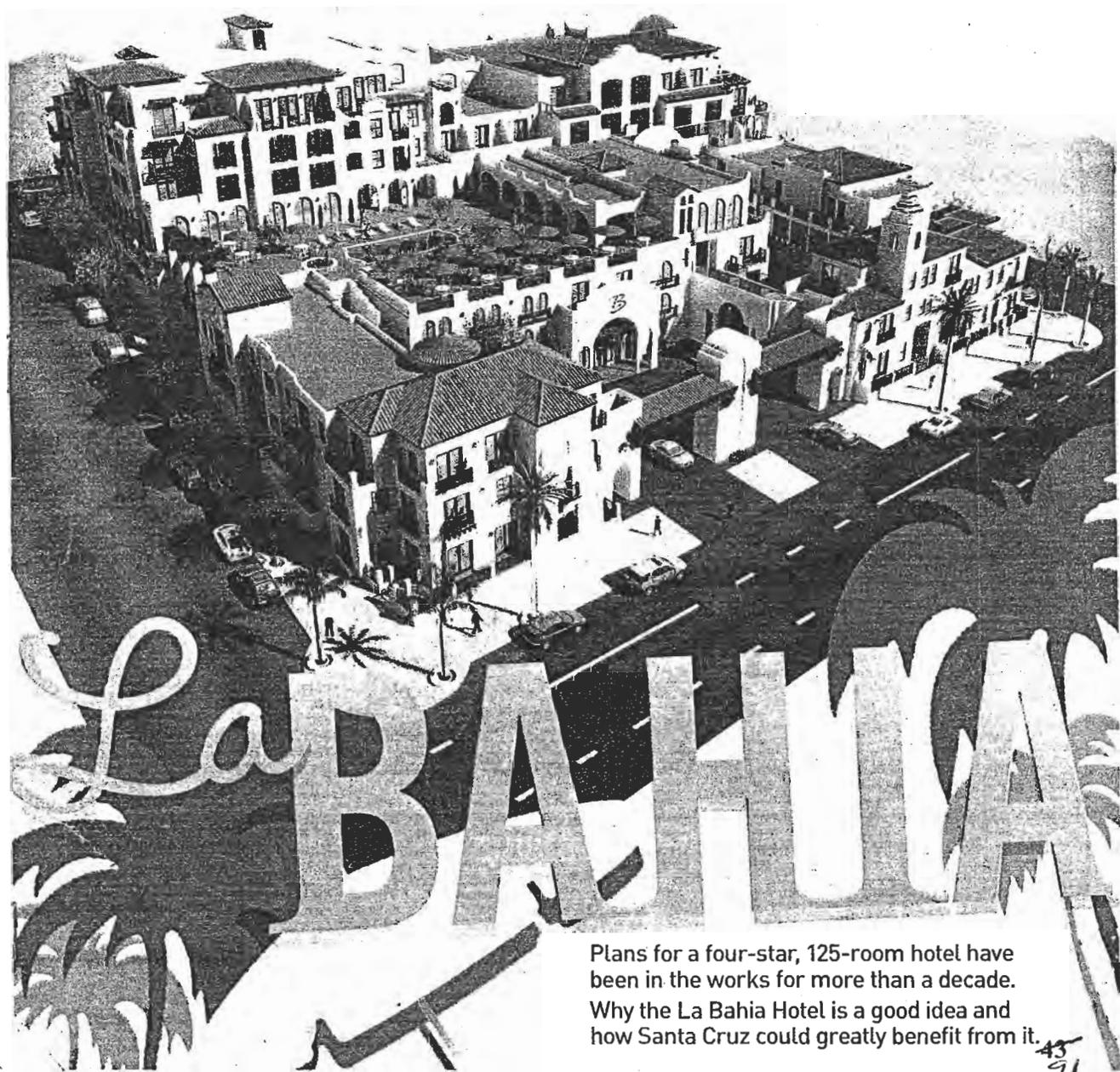
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GOOD TIMES

LOCAL / ORIGINAL / SANTA CRUZ / SINCE 1975

03.03.11



Plans for a four-star, 125-room hotel have been in the works for more than a decade. Why the La Bahia Hotel is a good idea and how Santa Cruz could greatly benefit from it.

43
91

Plans for a four-star, 125-room hotel have been in the works for more than a decade.

GREEN

There will be six docking stations for electric cars, making it an appealing destination for green travelers.

As a certified LEED Green Building project, everything from controlling soil erosion during construction to water and energy efficiency measures once it's up and running is eco-forward.

ECONOMICS

The La Bahia Hotel would generate an estimated \$725,000 in Transient Occupancy Taxes for the city and \$10 million in spending in the community each year.

WHY

La Bahia Hotel is a good idea and how Santa Cruz could greatly benefit from it.

► **Editor's Note:** Let's face it: sometimes change can be uncomfortable. (Although, it doesn't really have to be.) That said, the matters surrounding the proposed La Bahia Hotel in Santa Cruz's Beach Flats have become a unique opportunity for the entire community. The idea: to replace the La Bahia apartments, which have been somewhat the face of the iconic Santa Cruz beachfront for 85 years, with a four-star, 125-room La Bahia Hotel. Why? A number of reasons, but a few that certainly stand out revolve around boosting the local economy and brightening up the face of the neighborhood, which has been showing severe signs of aging for far too long. Take a look: in its current state, La Bahia is in serious need of existential CPR. Its broad, white stucco walls and red-tiled roof are severely worn down. The neighborhood surrounding it, once thriving, appears to have slipped into an abyss of disrepair.

Enter Barry Swenson Builder. More than a decade ago, the local contractor—the entity behind refurbishing the historic Del Mar Theatre, among others—unraveled La Bahia Hotel plans in an effort to breathe new life into 215 Beach Street. During that time, the project had been the subject of hearings, votes, even lawsuits, and the Santa Cruz City Council and Planning Commission approved the plans. Now the project's fate rests in the hands of the Coastal Commission, which must vote on whether to approve of the hotel's 14-foot surpassing of coastal height regulations. That vote was initially slated for the Coastal Commission's March 9-11 meeting, which will be held in Santa Cruz, but two weeks before the meeting, Gov. Jerry Brown dismissed two commissioners, bringing the number of commissioners from 12 to 10—making La Bahia Hotel's seven necessary votes more risky to obtain. The matter is now slated to come before the commission sometime this spring or summer, once the forces behind the proposal have had more time to talk the project over with Coastal Commission staff. Should the Coastal Commission shoot down the La Bahia Hotel proposal, it is likely that Barry Swenson Builder will pull out of the project.

Which is where *GT* comes in. There are rare moments in time when one's presence in a community could affect a positive change just by merely speaking up. We'd like to speak up. We believe in the La Bahia Hotel project and we want it to go through—for a number of reasons, which we outline on the following pages. But in studying the evolution of this curious endeavor over the last decade, *GT*, overall, views the project as a "plus."

I recall something Jesse Nickell, vice president of Barry Swenson Builder, recently said: "All neighborhoods go through life cycles, usually of about 75 years, like a human life cycle. The beach area has run through its cycle. It's on its downward turn. It needs to go back through its next cycle, and this is a key piece to doing that."

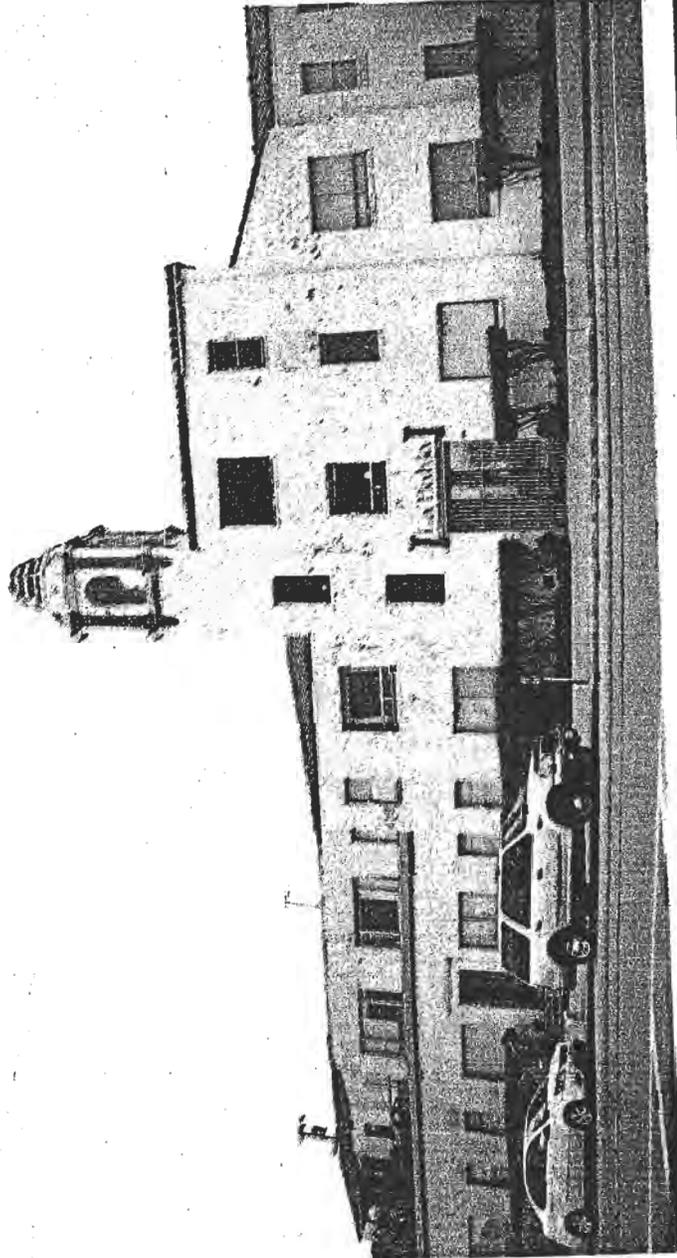
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goodtimesantacruz.com

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What was once the emblem of a booming mid-20th century beach scene is now a gravestone; a dilapidated reminder of better times. When does fighting against change become fighting against a future?



KEANA PARKER

← 15 (Let's get this out of the way: GT is not the official cheerleader for BSB, but we have seen fine ideas within this particular project and note that while La Bahia's fate was still being decided over the past decade, the builders constructed low-to-moderate-income housing at 401 Pacific Ave. to replace housing that would be lost at La Bahia as a result of the hotel's construction.)

There's more: Santa Cruz County Supervisor Mark Stone is the Central Coast representative to the Coastal Commission. Stone has shown uncertainty about the project in the past. It is expected that the rest of the commission, or at least some of it, will follow his lead (either way) on this decision.

As for the community itself, the hotel has received varied reactions. Some of the most common concerns have been that the builders are not using 100 percent union labor (read on), and that it would require demolishing the current La Bahia apartments, which have historical significance. But the big picture shows a project that is, on the whole, very promising for Santa Cruz. It could jumpstart the local economy, put thousands to work, boost the tourism industry, and bring new energy to the beach area.

So here we are. Change. It can be challenging. (But does it have to be?) What's even more frightening is the thought of never changing; never evolving to reach new heights—especially when there seems to be enough hands extended out to you. The proposed La Bahia Hotel is a good idea. Here are a few reasons why we think so.

—Greg Archer with Elizabeth Limbach

Palo Alto Medical Foundation Santa Cruz is now accepting new patients* in Pediatrics, Internal Medicine and Family Medicine.



ELEVEN REASONS WHY

1 THE ECONOMIC BENEFIT

Yes, times are tough, fiscally speaking—the city is \$6 million in the hole, facing a shrinking tax base and massive cuts to services, and local businesses continue to wade through the wreckage of the economic recession of the last few years. The La Bahia Hotel would generate an estimated \$725,000 in Transient Occupancy Taxes for the city each year, alleviating some of its budget woes (and protecting some services the public relies on). The prospect of this hotel injecting the coffers with much-needed tax revenues, creating jobs and boosting local businesses has the city banking on its approval. If it doesn't pass, "What it really means is that we'd cut more city services,

because we continue to have a small tax base, and it would cost jobs, on the construction and operations side," says Mayor Ryan Coonerty. "And I don't know how you do that in this economy." Local businesses would also see dollar signs because of La Bahia: the Conference and Visitors Center (CVC) estimates that for every dollar a tourist spends on lodging, they spend \$1.74 elsewhere in the community. From these figures, it's projected that the La Bahia Hotel would spawn \$10 million in spending in the community each year. For a privately funded project that uses no taxpayer dollars, that sounds like a pretty darn good deal.

2 JOBS

About those "tough times" ... they include a 13.8 percent unemployment rate in Santa Cruz County. The La Bahia Hotel would create thousands of short-term jobs during the construction process and 102 long-term hotel jobs. More than just jobs, the hotel will provide opportunities for its employees—offering to pay for continued education and career advancement classes for workers wishing to move up.

3 GREEN IS GOOD

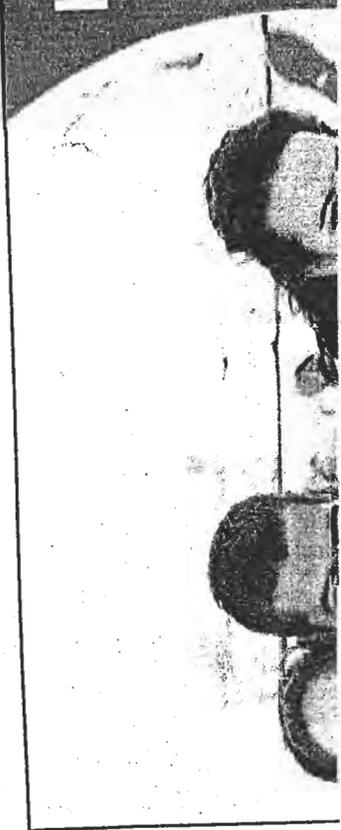
As a certified LEED Green Building project, many facets of the hotel, from controlling soil erosion during construction to water and energy efficiency measures once it's up and running, are eco-forward. Transportation is a major factor when talking about a 125-room hotel, as well as a major player in environmental issues, and great steps have been taken to "green" that area, too: employees will be encouraged to utilize alternative transportation by being given bus passes and being provided with secure bicycle parking, showers and lockers. By providing 50 bicycles and nine electric bikes (and some incentives for using them), Nickell says they hope that guests will opt to leave their cars in the parking garage in favor of biking or walking around town. With (most) everything in walking distance, why not help visitors keep their eco footprints low while they're here? There will also be six docking stations for electric cars, making it an appealing destination for green travelers.

4 A LANDMARK FOR THE FUTURE

Here's the thing about landmarks: some don't last forever. The La Bahia apartments were built by the Seaside Company—still the owners—in 1926, and the sprawling Spanish-style buildings have been a fixture of the Santa Cruz beachfront ever since. But while it may be historic, it's also decrepit. Cracked, discolored, structurally questionable—what was once the emblem of a booming mid-20th century beach scene is now a grave-stone; a dilapidated reminder of better times. When does fighting against change become fighting against a future? It takes vision to stop clinging to what we have and look ahead to what we could have, and that's what we believe this project does: imagine Santa Cruz in 30, 40 or 50 years with the "historic" La Bahia Hotel nestled into the coastal landscape, attracting visitors with its landmark mystique. While only some parts of the original building will be saved (the original building was too far gone to just refurbish, and was also not earthquake safe or wheelchair accessible),

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Bay Federal offers affordable mortgage options that meet your specific needs, whether you are refinancing your existing mortgage or buying a new home. Finance with us and keep your mortgage payments working in our local community!



LA BAHIA

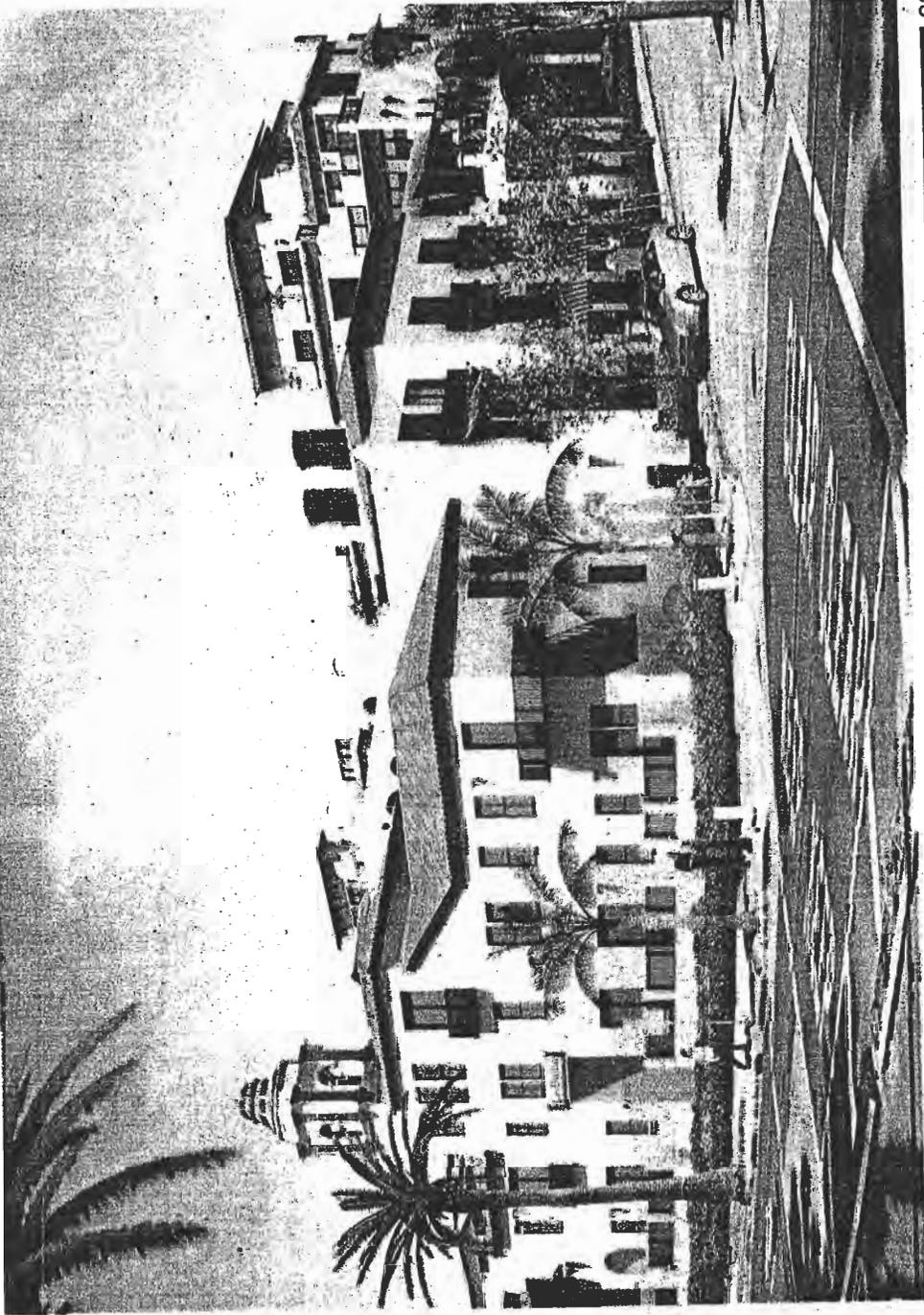
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the new hotel will be a replica of the historic La Bahia building, re-imagining and echoing its design and feel—bringing it new life, exposure and accessibility. Additionally, the original building will be remembered in a historical display in the lobby.

5

STATE PARKS GET A BOOST

As part of its development agreement, Barry Swenson Builder has allotted \$200,000 for designing, building and funding a to-be-determined state parks project, such as a new campground or campground improvements, in Santa Cruz County. The company is currently working with California Parks and Recreation on pinning down a plan. Santa Cruz County's 14 state parks are local treasures, and seeing as the 2011 state budget proposal includes \$11 million in cuts to state parks, this donation, although not huge, is a helpful gesture.



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←20

6 LOVE YOUR LOCAL TOURIST

While residents can often tire of the bargages of out-of-towners, tourism is the city's largest industry and the county's second largest and, as such, something worth embracing. And while we have some jewels, our overall inventory of hotels isn't that impressive (relax, we dig you, Dream Inn, Chaminade and Seascape)—and the Boardwalk area, where future tourists will inevitably spend some time, is often criticized for the lack of upscale accommodations. This four-star beachfront hotel would bolster the Santa Cruz image and make it a more desirable destination. The best way to improve the tourism industry, according to the CVC, is to enhance off-season tourism (as a beach town, most tourism business is done in the summer months). The La Bahia will feature a 5,000 square foot conference and event space and will collaborate with the Cocoonut Grove, which has 25,000 square feet of event space, to accommodate business conferences, parties, events, and other group needs. These "conference goers" tend to spend more while visiting and

come anytime of the year, not just in the summer. The Chamber of Commerce, CVC, and local officials have been advocating for more event space as an economic necessity for years; here is such an opportunity.

7

14 EXTRA FEET:

About 15 percent of the entire building—the very back portion—will exceed the Coastal Plan's height regulation by 14 feet. It's all about the ocean views, and the taller back area will house a penthouse and other top-rate suites, making them the most profitable rooms in the establishment. Considering the fact that the homes behind the hotel would have their views compromised with or without this extra amount, GT doesn't see this 14 feet as a win-or-lose situation. Or, should we say, it doesn't need to be. It requires an amendment to a plan written for the community many years ago, but that's not an unusual undertaking. The overall size and feel of the hotel doesn't, we believe, fly in the face of the community's style or needs. While it's unfortunate that some Beach Hill residents will have their ocean

views compromised, we're talking about the views from a few houses, which, FYI, aren't protected, versus a significant employment and economic boost for the whole neighborhood (and beyond).

8

UNIONS

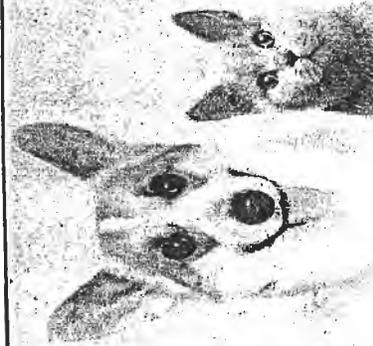
Much of the rhetoric about this project has been about its relationship to the local labor unions, and understandably so—unions are the bread and butter of the American workforce. And while the Coastal Commission will technically be voting on whether to approve the height exception, the politics relating to union support will be a big factor in its decision. But, while the La Bahia Hotel group could not form a contract agreement with the union, it's important to step back and realize that it's not a black-and-white union/non-union issue. The year-long negotiations reached a standstill, and so the project moved forward. The developers have guaranteed local and/or union workers at least 80 percent of the construction jobs—meaning at least 40 percent in the bag for union workers—and promised to match the Dream Inn's union wages and benefits for their operational staff. The police and firefighter unions have showed

support for the project, and, according to Nickell, the labor union's staunch opposition to the hotel is part of a long-running tiff between the two over Barry Swenson's failure to join the Carpenters' Union. Although they haven't joined themselves, Barry Swenson Builder often works with union subcontractors and has dealt with \$65 million in union contracts since 2006. It would've been preferable if the hotel had a union contract, but the project has too much potential for overall community benefits—jobs chief among them—to not pursue it as a result of a lack of one.

9

BARRY'S SANTA CRUZ TRACK RECORD

Barry Swenson Builder has played a part in countless Santa Cruz developments, many of which Cruzans consider local gems, like the Del Mar Theatre (which it helped save and convert into a movie theater before it almost became offices). After the 1989 Loma Prieta Earthquake devastated Downtown Santa Cruz, the company rebuilt or renovated 15 earthquake-torn Santa Cruz buildings, nine



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LA BAHIA

“All neighborhoods go through life cycles, usually of about 75 years, like a human life cycle. The beach area has run through its cycle. It’s on its downward turn, it needs to go back through its next cycle, and this is a key piece to doing that.”

—Jesse Nickell, Barry Swenson Builder



of which were on Pacific Avenue. Wherever possible, it saved original parts of the buildings or replicated the original design: It rebuilt the St. George (where Bookshop Santa Cruz currently resides) from the ground up, incorporated the two remaining walls of the Old County Bank into the current building (which houses Pacific Wave and NextSpace), and refurbished the former Bank of America building that is now New Leaf Community Market. The company’s headquarters are in San Jose, but Nickell runs his operation out of Santa Cruz. We believe its history of the development of local projects shows a good understanding of what Santa Cruz is all about.

beach improvements. Unparalleled views and location suit the site well for development of the premier conference hotel facility in the beach area.”

11 THINKING 'LOCAL FIRST'

There will be a first-hire policy for the Beach Flats, meaning that neighborhood residents will have first dibs on the construction and hotel jobs. This hyper-local employment effort will be a huge economic

opportunity for Beach Flats. The neighborhood will also benefit from the project’s one-time \$505,000 traffic improvement to the area around the hotel. The local art community will also get a boost, as the developers plan to use local art to decorate hotel hallways and rooms.

What Do You Think?

Share your thoughts with the Coastal Commission as it prepares to vote on this project later this year. Contact Santa Cruz County Supervisor Mark Stone, the Central Coast Representative, at mark.stone@co.santa-cruz.ca.us or 454-2200. View the complete list of contact information for the commissioners at coastal.ca.gov/roster.html.

10 BEAUTY NOT BLIGHT

Beach Street is a defining Santa Cruz location; dubbed a “signature street” in the city’s plans. It’s directly linked to the Boardwalk, Wharf, and only minutes from

Downtown; and behind it rests one of Santa Cruz’s most characteristic neighborhoods, the Beach Flats. Why let it wither away? Where a rundown eyesore now sits, a beautiful hotel could be erected, helping the whole area to be more vibrant and attractive. Once the hotel settles in, other much-needed improvement plans could start trickling in; this hope is spelled out in the city’s Beach and South of Laurel Area Plan from 1998, which identifies La Bahia as having the best potential to “serve as the main catalyst for future

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La Bahia Briefing Booklet
City of Santa Cruz LCPA
STC-1-11

Coastal Commission Hearing

Item Th9d

August 11, 2011

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AUG 04 2011

California Coastal Commission,
Central Coast Area

Th9d

A copy of this briefing booklet has been provided to Central Coast District Staff.

BARRY SWENSON BUILDER

CONTRACTORS LIC. 342751
2400 CHANTICLEER AVENUE, SUITE H, SANTA CRUZ, CA 95062

Location



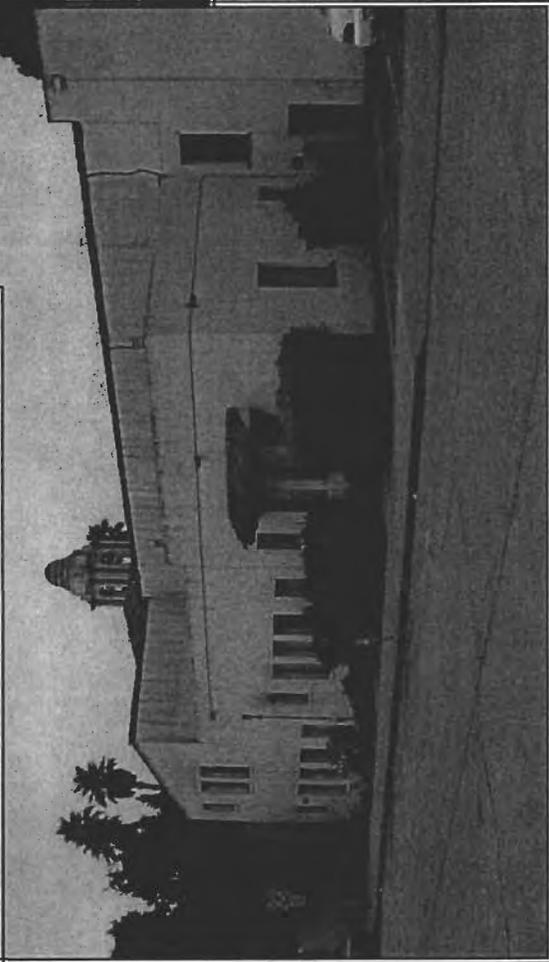
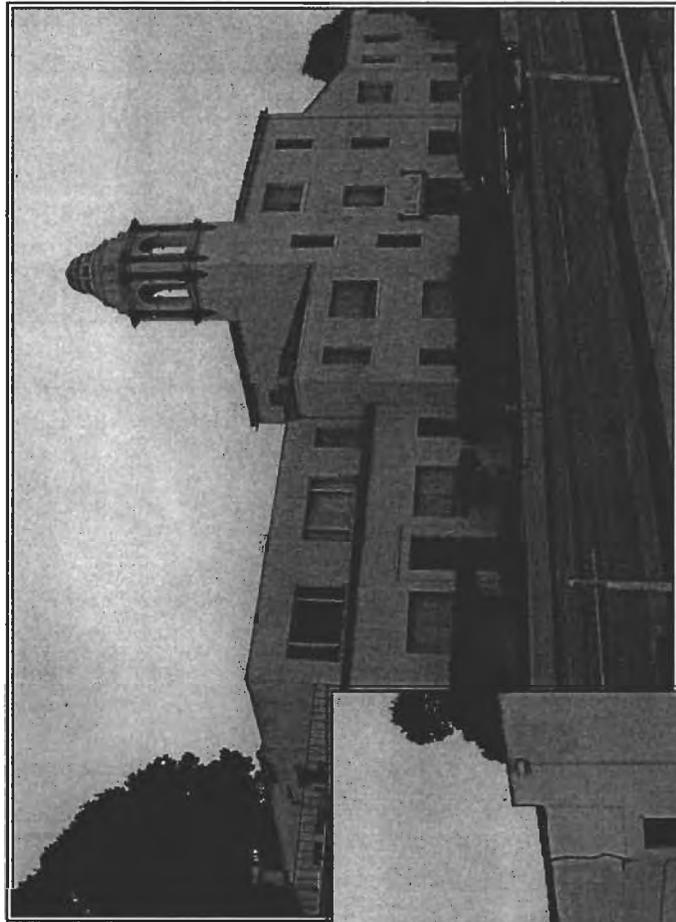
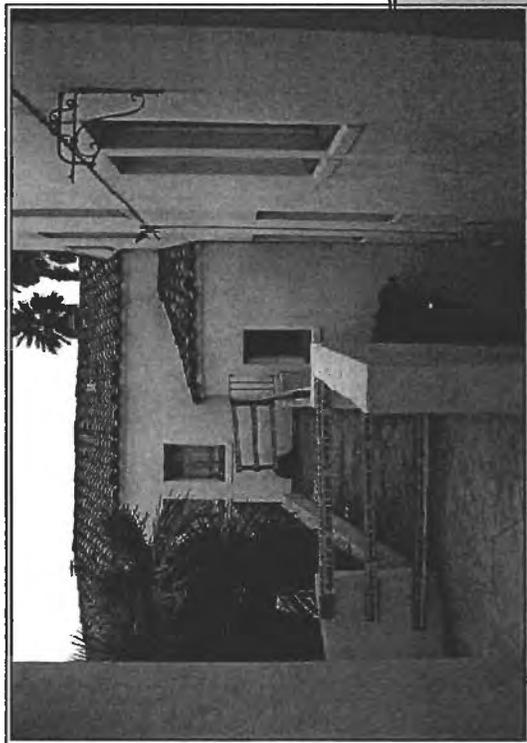
Existing Land Use and Zoning Designations



Regional Visitor
Commercial (RVC)
land use designation

Residential Tourist
Commercial (RTC)
zoning designation

Existing La Bahia Project Site Conditions



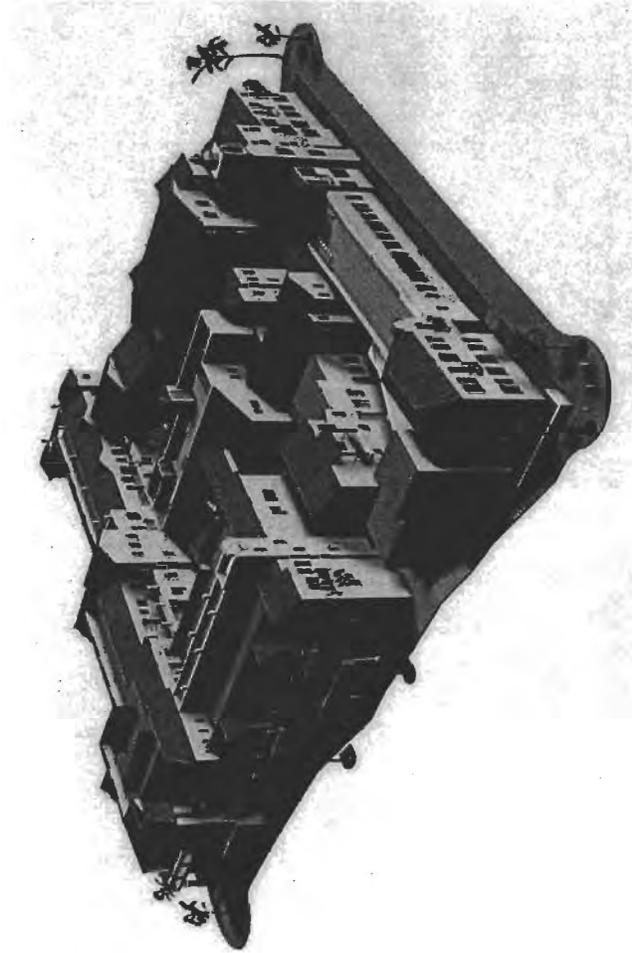
Planning Context: Beach Planning and Redevelopment

- Redevelopment of the La Bahia site is major element of 1998 Beach/South of Laurel Area Plan
- New quality full service hotel with meeting space will provide enhanced visitor-serving opportunities

Planning Context: Beach Planning and Redevelopment

- 2003 hotel project approved
 - 118-room hotel which renovated historic building and constructed new building a parking garage behind it
 - Project not pursued due to design, cost and functionality issues
-

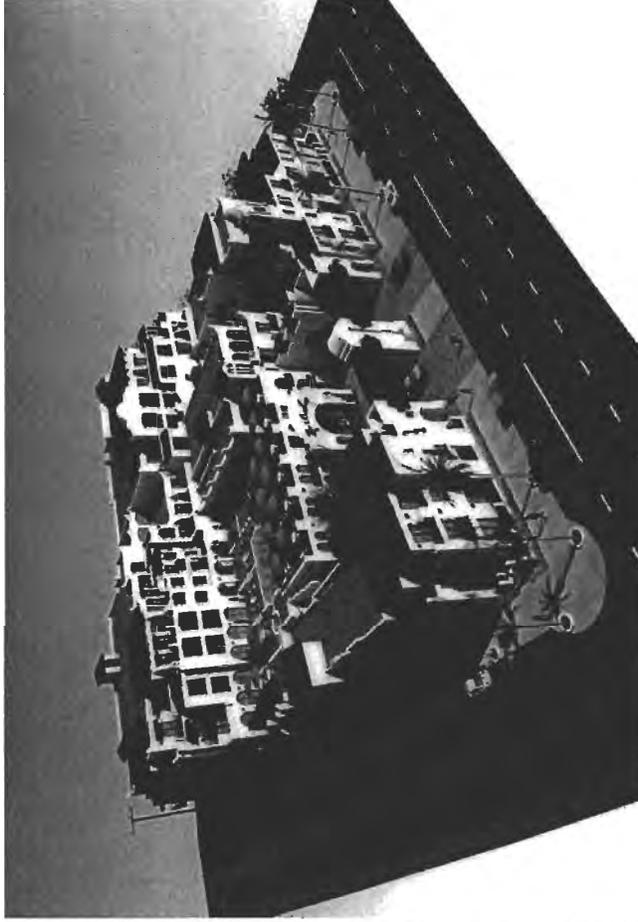
2003 vs. 2009 Hotel design issues



2003 Design – Does not work

PROBLEMS SOLVED:

- Entry on Beach Street
- Self-Parking Garage (2 levels)
- Pool & Sun Deck w/ Restaurant & Bar

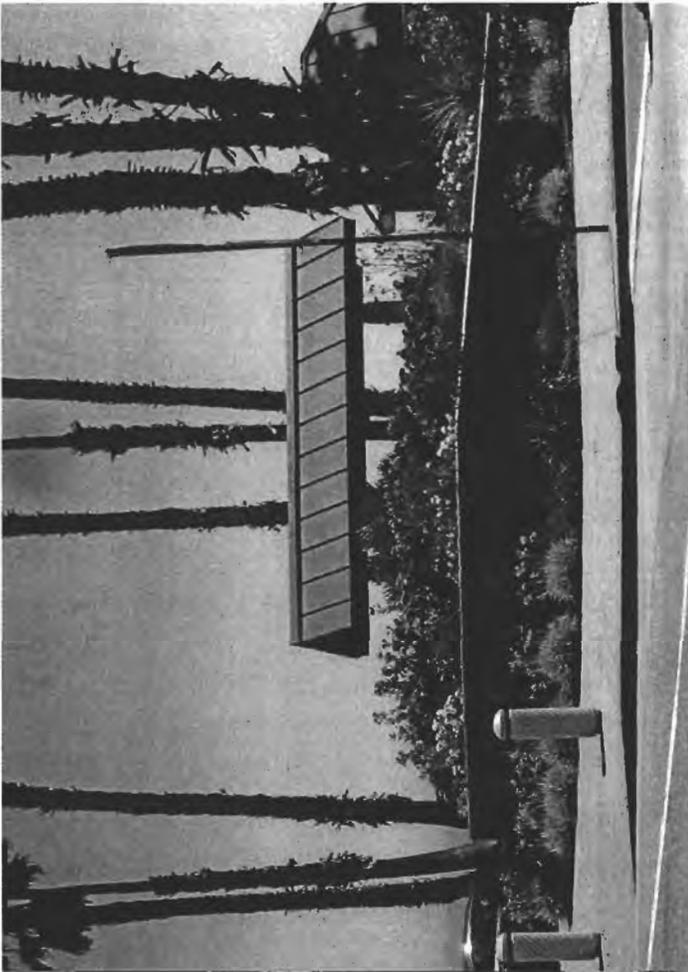


2009 Design – Does work

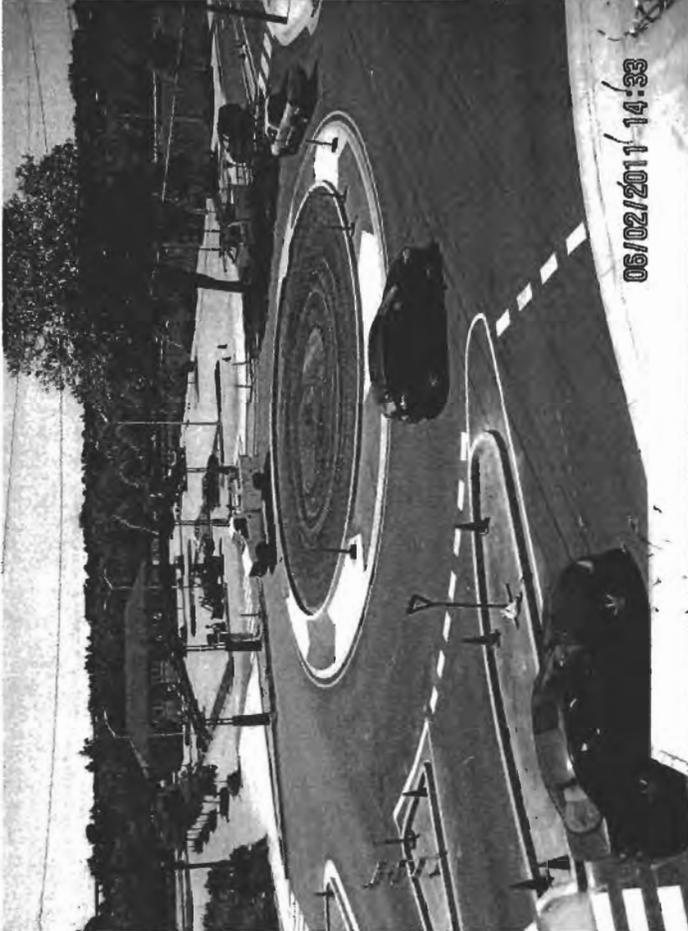
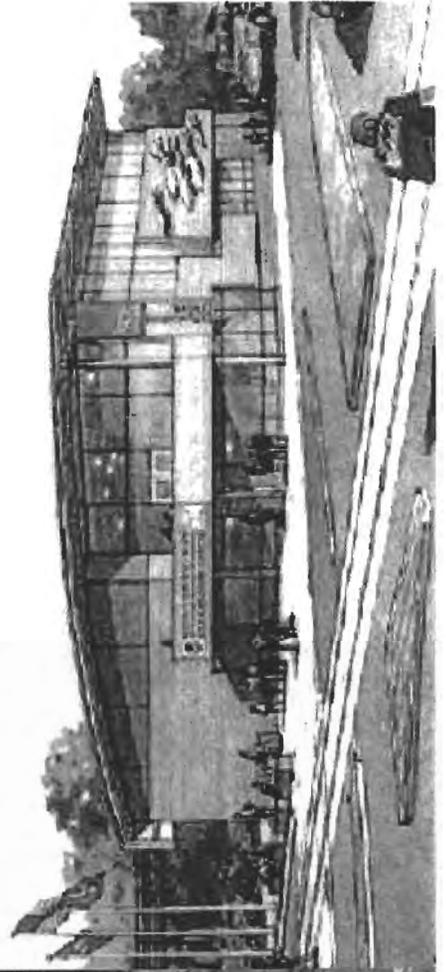
- ADA Access & Code Compliant
- Ocean View Room Increase

Planning Context: Recent improvements in the Beach Area

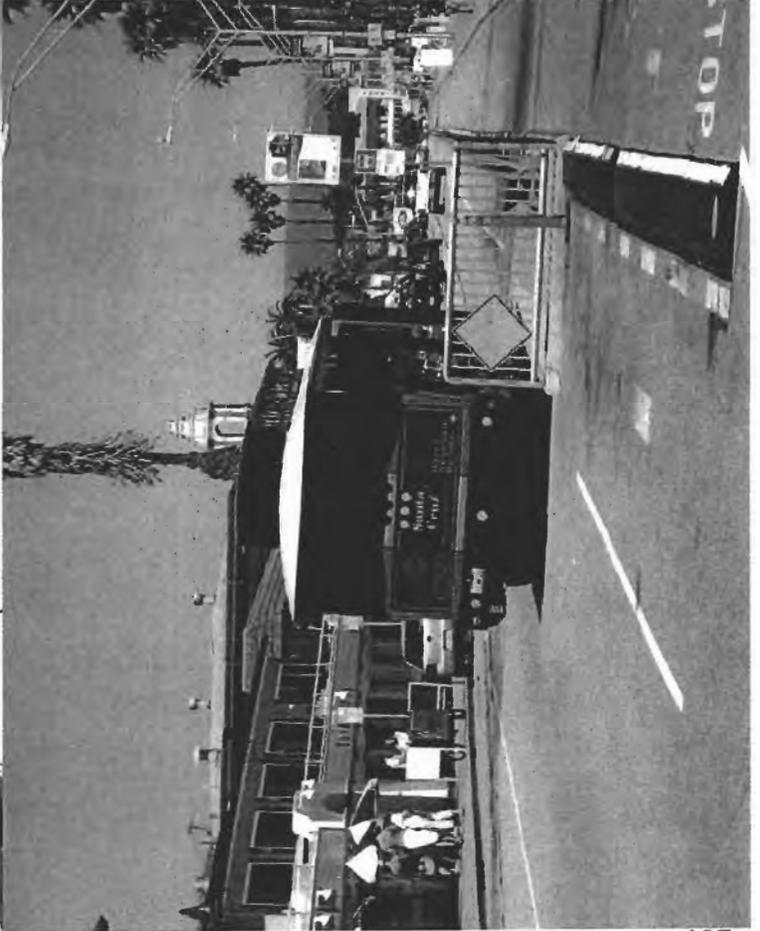
- Traffic round-about at nearby Depot Park intersection completed
 - Monterey Bay Marine Sanctuary Visitor Center under construction
 - Major renovation of Beach Street Inn
 - Hotel/motel improvement incentive program
 - Beach Shuttle
 - Wharf Plan underway
-



Sanctuary Exploration Center
for Monterey Bay National Marine Sanctuary
10:30 am - 12:30 pm, Santa Cruz, CA



06/02/2011 14:33



Proposed LCP Amendment

- Amend City of Santa Cruz LCP to apply a new zoning district and site standards to facilitate redevelopment of the La Bahia apartment property as a hotel with restaurant and conference facilities
 - La Bahia Hotel Project submitted concurrently with LCP amendment
-

LCP Amendment: New RTC-Performance Overlay2 Zoning District

- Creates new RTC-PER 2 zoning district for La Bahia site
 - Requires minimum one acre lot size for increased height to be considered
 - Allows 3-4.5 stories (36-50 feet) and one additional story (up to 11 additional feet) with Planned Development approval
-

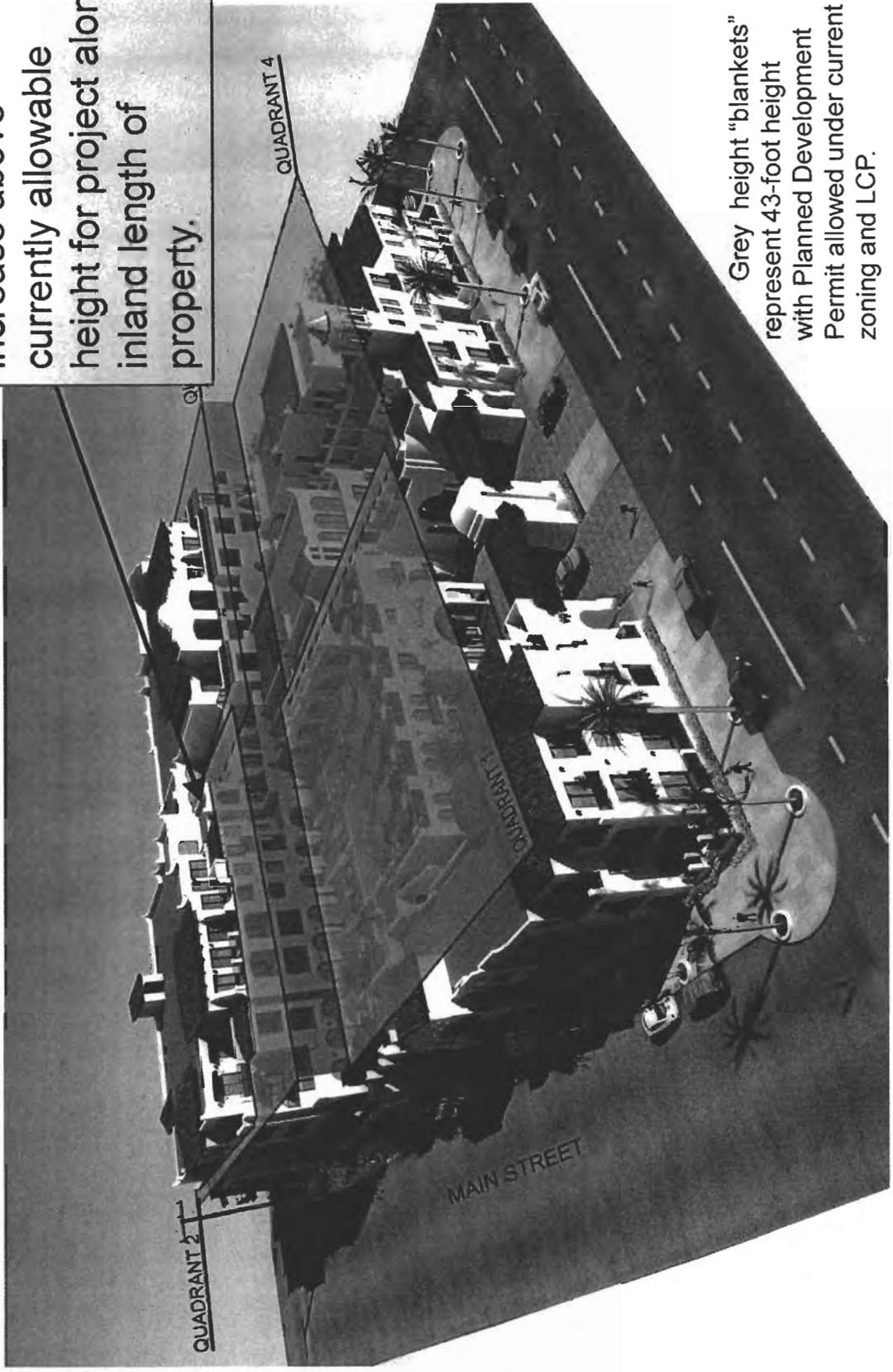
LCP Amendment: New RTC-Performance

Overlay2 Zoning District

- Only 60% of site may be developed with buildings above 36 ft., 40% must be at or below 36 ft. maximum
 - Requires detailed visual analysis from key locations and immediately adjacent streets
 - Requires finding be made that proposed building provides an “extraordinary contribution to the aesthetic goals of the Beach/South of Laurel Area Plan”
-

Proposed Height Increase

LCPA allows height increase above currently allowable height for project along inland length of property.



Grey height "blankets" represent 43-foot height with Planned Development Permit allowed under current zoning and LCP.

Reasons to Allow Height Increase

- Replication of historic features of existing building (e.g. courtyards and lower heights at front of building) decrease developable area
 - Architectural undulation and articulation of structure to follow site topography
 - Views from “key” City locations considered
 - Extensive alternatives analysis conducted
-

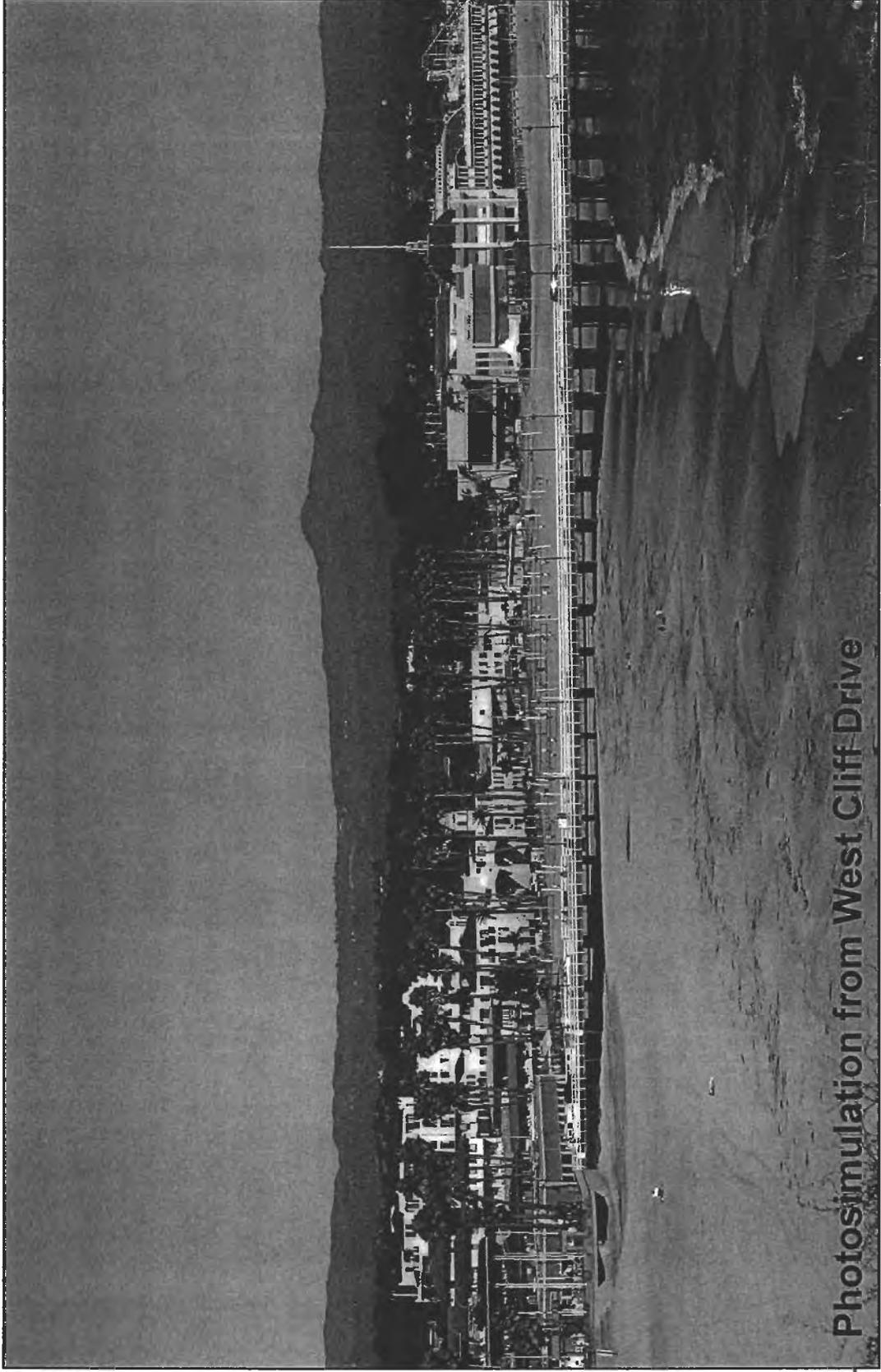
LCP Consistency

- Improvement of visitor-serving uses is a goal of the Santa Cruz LCP
 - Hotel, restaurant and conference facilities are consistent with land use designation and zoning and replace non-priority residential use in coastal zone
 - LCP currently allows 100% condo-hotel at this site, and restrict condo-owner use to 45 days/year maximum
 - LCP policies recognize abundance of low cost visitor-serving motels in the City and encourage improvement of hotel stock and development of a range of quality visitor-serving accommodations
-

Existing LCP Policies

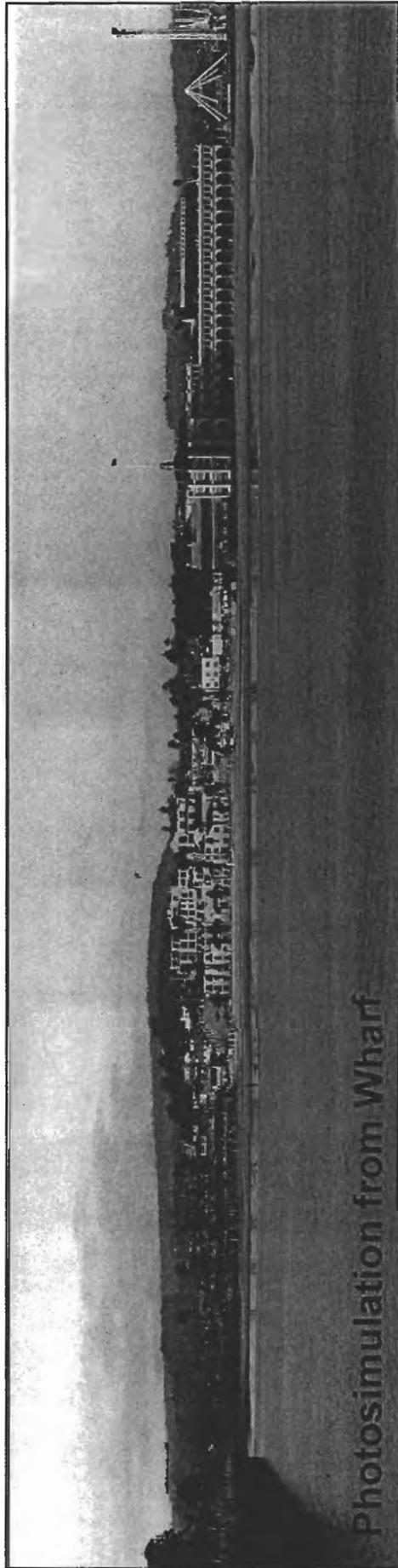
- *2.7.2 Improve the character and quality of visitor-serving commercial areas to encourage more off-season and overnight visits.*
 - *5.2 Encourage upgrades of existing hotel facilities and attract quality hotel and conference facilities in locations and scale appropriate to the City's character to enhance the quality of visitor-serving areas and promote development of the conference tourism market.*
 - *5.2.1 Encourage the development of facilities that would help accommodate conference users in conjunction with existing hotels or new hotel development.*
 - *5.2.2 Investigate the attraction of a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.*
-

Consistency with Community Character

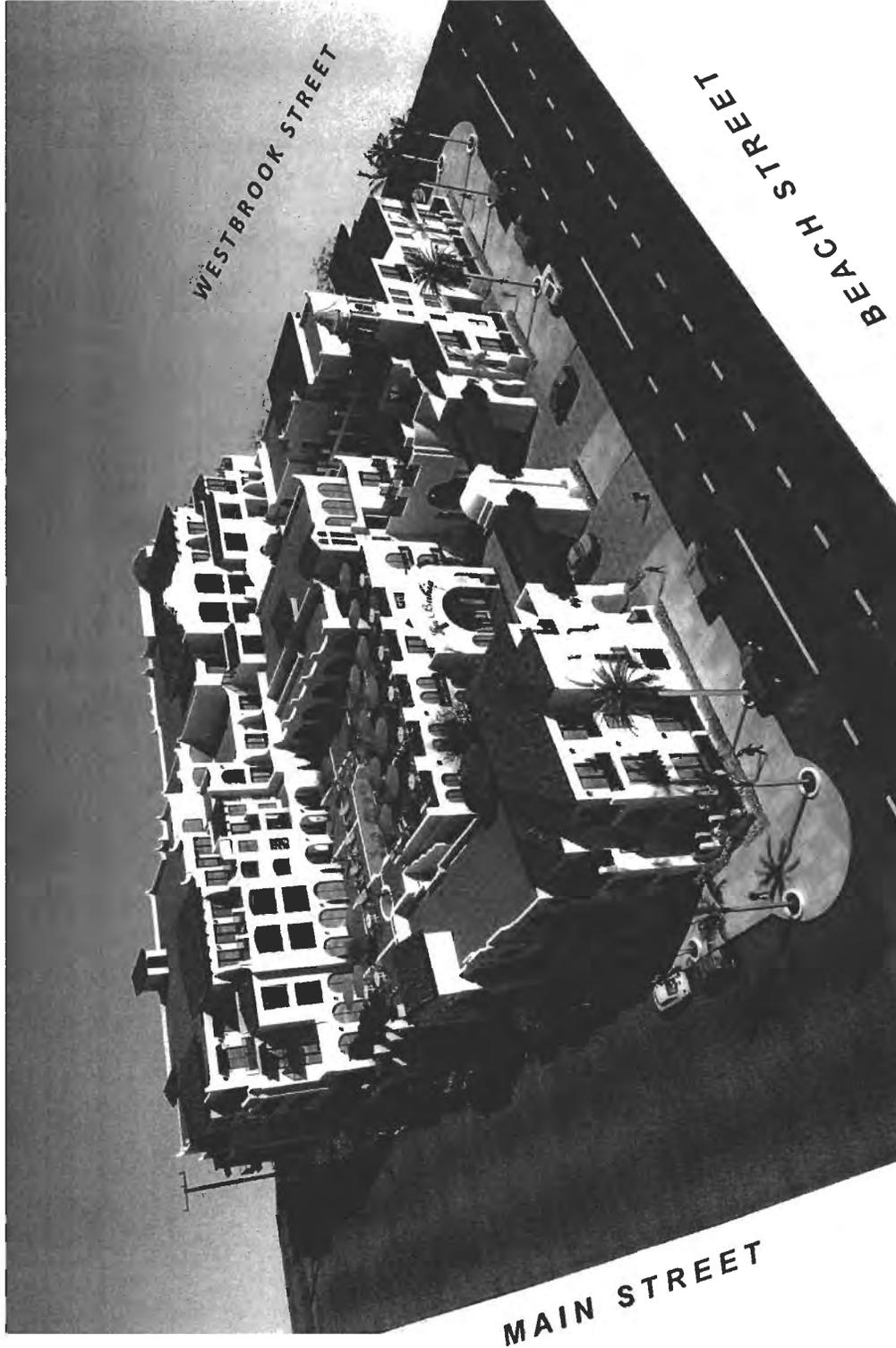


Photosimulation from West Cliff Drive

Consistency with Community Character



Photosimulation from Wharf



Proposed La Bahia Hotel

Project Benefits

- Creation of full-time jobs
 - Conversion of low-priority residential use to high-priority, visitor-serving hotel use
 - Creation of quality hotel and additional meeting space
 - Expansion of operational season of beach
 - Year-round support for existing beach businesses
 - Major catalyst for future beach improvements
 - Enhanced connection to Beach Street with open, pedestrian friendly street frontage
 - Visually compatible with community character
 - Environmentally sustainable design
-

LCP REPORT CARD

RECEIVED

AUG 03 2011

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

≈Four Papers≈

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PHOTO ESSEY

Th8d

To: California Coastal Commission

Please APPROVE the La Bahia Hotel in Santa Cruz



REPRESENTATIVE FORM
RECEIVED CONTAINING
351 NAMES & ADDRESSES

The new La Bahia Hotel will embody the Coastal Commission's objectives of public access and resource protection. It will improve coastal access by providing new visitor facilities while also incorporating high environmental standards, historic features, and support for low-cost accommodations. It will improve the entire beach area for all visitors. It's good for our community and good for California. Please SUPPORT the City's Local Coastal Plan amendment so this project can move forward.

NAME Ashley Elliott
ADDRESS 765 Crystal Lane
CITY/ZIP Santa Cruz, CA 95062

NAME Cara Pearson
ADDRESS 109 Cypress Ave
CITY/ZIP SC CA 95062

NAME Brenda Zucchetto
ADDRESS 395 Racquel Landing
CITY/ZIP Aptos CA 95003

NAME Sharon Mc Court
ADDRESS 409 Dufour St
CITY/ZIP Santa Cruz, CA 95060

NAME _____
ADDRESS _____
CITY/ZIP _____

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NAME _____
ADDRESS AUG 03 2011
CITY/ZIP California Coastal Commission,

Central Coast Area

NAME _____
ADDRESS _____
CITY/ZIP _____

Th8d

Print - Close Window**Subject: Yes - Support for La Bahia Hotel****From: Mark Musselman (markoceancalif@yahoo.com)****To: friendsoflabahia@gmail.com; rcoonerty@cityofsantacruz.com;****markoceancalif@yahoo.com;****submitletters@santacruzsentinel.com; letters@gtweekly.com;****Cc: pbeditor@pressbanner.com; opinion@tpgonlinedaily.com;****contact@metroactive.com; fulkins@cruzio.com;****Date: Tue, 02 Aug 2011 20:36:37****RECEIVED**

AUG 03 2011

**To: The Chairperson: Mary K. Shallenberger and Commissioners,
California Coastal Commission**CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA**Copies by email: all local newspapers, friends of La Bahia, Carol Fulkins, Ryan Coonerty****From: Mark Musselman,****Business manager, Westside homeowner and resident – for over 30 years.****828 Pelton Ave., Santa Cruz, CA****Subject: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)**

I am delighted to have this opportunity to write to you and particularly, to share my views on the La Bahia Hotel development. In the past, I have written to encourage the project developer, the city council members about my favorable view for this worthwhile business development and venture.

I have watched closely for years the dialogue and the specifics regarding the La Bahia Hotel. I definitely see this Hotel as has having many advantages for the Santa Cruz community. The current architectural conditions of the existing historical building, in my view are very well represent in the developer's Spanish revival design criteria and go well beyond simply enhancing the commercial site in its Main Beach location (I have personally, gone to developer's website to see architectural renderings). The bell tower, underground parking, business services and community access facilities, court yards, ... -- all seem to tastefully surpass what exists today.

I am a coastal residential and as such can understand neighborhood attitudes on height, scenic views and or compatible characteristics. I strongly feel this protectionism (not in my backyard) is not warranted. The existing structure is dilapidated, unsafe and has often been written up in the local press as marginal and unsuitable for tenants. First hand I have seen that though historical in nature – remodeling vs. providing from the ground up a first rate Hotel minimizes what the community deserves. In a city that is known for its beaches and amusement park the right approach is a new quality Hotel with a structure that brings safety and integral features to the site.

La Bahia will bring valuable, meaningful and long term employment to many residents. It provides private amenities to the public (in a community with few conference centers and many needs); focuses tourism at a prime tourist location, aids in reducing transportation congestion and adds additional small business services and opportunities.

Santa Cruz is a progressive town and the City Council over the years has finessed this agreement to satisfy in my view all previous objectionable concerns. I drive the area as apart of my regular traffic patterns and believe providing electric docks, employee bus passes, shuttle services, bicycles, and on foot accessible businesses with across the street entertainment – recreation; enhances not detracts from

at

<http://us.mg5.mail.yahoo.com/neo/launch?.rand=5au2...>

city street safety and flow.

Some issues in Santa Cruz just never seem to get resolved. I have been in support of this from the beginning and I can hear the Wharf seals bark and roller coaster tourist screams; I am a neighbor.

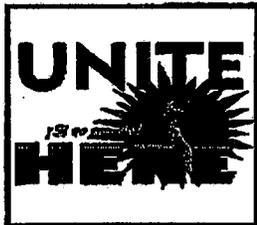
Holding back the community on this opportunity, for any historical concerns or rational just does seem correct. I can't attend - but wish I could share my support in person.

regards —

Mark Messinger

8/2/11

Th8d



UNITE HERE Local 483

702 Forest Avenue, Suite C
Pacific Grove, CA 93950

(831) 375-2246
Fax: (831) 375-0459
E Mail: Here483@aol.com

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AUG 02 2011

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

August 2, 2011

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Coastal Commissioners:

On behalf of the 1,300 Monterey Bay members of UNITE HERE Local 483, the hospitality workers union of Santa Cruz and Monterey counties, I write to object to the proposed amendments to the Santa Cruz Local Coastal Program (LCP). We are also members of the Build a Better La Bahia Coalition.

Local 483 members are concerned about sustainable land use and development throughout Monterey Bay. Like the public at large, Local 483 members and their families have a direct interest in assuring that new coastal development is designed, constructed and operated in a manner that will not result in adverse environmental and community impacts.

As a union of hotel and restaurant workers, we certainly want a strong tourist economy in Santa Cruz, and we do indeed want a hotel project at La Bahia site. We do not however believe that the short-term economic gain of the developer is enough to justify tearing down an historic landmark and destroying the community character of the beach area. That would not be in the interests of Santa Cruz, tourists, or workers.

The amendments to the LCP would allow for a hotel that is simply far too big in size and scale. Our members refer to the proposed hotel as "La Behemoth"! The massive structures would dominate, rather than blend with, the surrounding area. They would disrupt the public views to and along the ocean for residents and visitors alike. They would block out the beautiful tapered or tiered effect of the area behind the current La Bahia. The giant new buildings would transform the scale and the character of the beach area into a more generic any-beach-town-USA.

And with La Behemoth, we would lose entirely an historic structure, La Bahia (Apartments now, a former hotel), that has defined the beach area—the centerpiece of it—for 85 years. Destroying La Bahia structure would certainly destroy the community character that the LCP and Coastal Act seek to protect.

We believe there are many possibilities for a hotel at La Bahia site that do not demolish it nor dwarf the surrounding area beyond recognition. We urge you to keep the current LCP in place and give Santa Cruz a chance to preserve its coast, its history, and its character.

Sincerely,

Leonard O'Neill
Secretary-Treasurer

cc: Coastal Commission staff

Th8d

Susan Craig

RECEIVED

From: Drew Meyer [andrew_c_meyer@yahoo.com]
Sent: Saturday, July 30, 2011 11:46 PM
To: Susan Craig
Subject: La Bahia

AUG 02 2011

**California Coastal Commission,
 Central Coast Area**

Dear Ms. Susan Craig-

I'm the current Chairman of the Santa Cruz Historic Preservation Commission, writing to you about the La Bahia project on the next Coastal Commission agenda. This is a quick note to express my opinions.

Please reject the city application to amend the local coastal program.

The HPC did not (and does not) recommend approval of demolition of the La Bahia Apartments. This locally listed structure could qualify as a National Historic Landmark and could be rehabilitated in significant part.

The city analysis of rehabilitation alternatives has been found inadequate, and the City's decision remains the subject of a lawsuit. Before the city council granted special zoning, for the Beach South of Laurel (BSOL) area, the essential elements of the La Bahia Apartments were to be retained.

The city's land use policies are designed to protect historic and cultural assets like the La Bahia.

The La Bahia is unique nationally, as the last remaining example of a "hilltop village" in the country. It was designed by William C Hays, a contemporary of Frank Lloyd Wright and a founder of the Berkeley School of Architecture. It is certainly qualified as a unique characteristic of the Santa Cruz beach area, and therefore is protected under **Coastal Act Section 30253 Subsection (5)**, which reads:

Section 30253 Minimization of adverse impacts

New development shall:

(5) Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.

The Historic Preservation Commission has repeatedly recommended against demolishing this building. Demolition by neglect is shortsighted public policy, especially in a town with nothing to offer but cultural assets as an economic base. My company, a \$1B public tech firm, just held our annual 3-day Exec Retreat for 50 people at Seascape because of Santa Cruz's poor reputation. Destroying elegant and unique coastal resources chasing speculative tourism revenue without addressing the root causes of our town's reputation is shameful.

Drw Meyer, HPC
 Drew Meyer

8/2/2011

124



MONTEREY BAY CENTRAL LABOR COUNCIL, AFL-CIO

931 E. Market Street • Salinas, CA 93905 • Phone: (831) 222-4626 • Fax: (831) 222-3270

Thrd

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AUG 03 2011

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

California Coastal Commission,
Central Coast Area

8/3/ 2011

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners,

I urge you to reject the proposed amendment to the City of Santa Cruz Local Coastal Program.

The Monterey Bay Central Labor Council is the "Union on Unions" for Santa Cruz and Monterey Counties. Our labor council has 65 affiliated locals and represents over 35,000 working families.

The MBCLC has worked in coalition with concerned community members to advocate for a more appropriate-sized La Bahia Hotel that honors the historic importance of the existing structure and for a City of Santa Cruz planning process that respects our local LCP.

During the public process that lead to the adoption of the City of Santa Cruz Local Coastal Program, local union members spoke up for development in the Beach Area that would bring much-needed jobs in construction and hospitality. This proposal, though, is so large that it is out of character for the neighborhood, and fails to preserve historic features of the existing La Bahia.

The City of Santa Cruz Local Coastal Program was developed through a long public process that carefully weighed the impacts of new development versus the need for additional visitor-serving businesses and jobs. The MBCLC welcomed the balanced approach adopted by the City of Santa Cruz, and was glad when the Coastal Commission approved the LCP. With the current La Bahia project, however, we are concerned that the City of Santa is "spot zoning" in violation of the LCP, and that the Commission is being asked to approve this abrogation of the Coastal Act.

The MBCLC believes that demolition of the existing La Bahia is not required and that rehabilitation combined with new construction would result in a new hotel that would fit in with the existing visitor-serving business on Beach Street and the residential area of Beach Hill.

The Coastal Commission Staff Report compares the proposed La Bahia Hotel to the existing Dream Inn and Coconut Grove. Both of these structures were built pre-California Coastal Act, and should not be portrayed as setting a precedent for additional structures as tall as they are. If that was done, Beach Street could eventually be covered by massive structures all the way from the Dream Inn to the Coconut Grove.

The MBCLC stands ready to support and advocate for a La Bahia Hotel project that better fits the coastal visitor-serving area and the neighboring residential area.

Responsible development that honors our historic structures, does not overwhelm neighboring businesses and homes, and complies with the current LCP would be embraced by our labor council and the wider community.

New construction and the creation of new hospitality jobs is welcomed by the MBCLC and the union locals affiliated with our labor council. Nonetheless, we urge Coastal Commissioners to reject the City of Santa Cruz LCP Amendment as being inconsistent with the California Coastal Act.

Monterey Bay Central Labor Council

In Solidarity,

A handwritten signature in black ink, appearing to read 'Cesar Lara', with a long horizontal flourish extending to the right.

Cesar Lara
Executive Director

Th8d
RECEIVED

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

August 2, 2011

AUG 02 2011

California Coastal Commission,
Central Coast Area

Re: Staff Report for Th8d:
City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners;

Recently I wrote to the Commission regarding the proposed amendment to the City of Santa Cruz LCP. At that time the Coastal Commission Staff Report had not yet been issued. Now that the Report has been issued, reading the Report provides an opportunity for a more focused response to the issues the staff felt should be primary in the Commission's consideration.

According to the staff, "the crux of the primary issue ...is really two-fold: is demolition of the La Bahia appropriate and, if so, what would be the appropriate standards for redevelopment following such demolition." This contention is baffling. Granting that the proposed amendment is a project driven amendment, I assert that **the issue properly before the Commission is not the proposed project, itself, but rather the proposed amendments and their relation to the Coastal Act and the certified LCP LUP's.** It appears that the staff would like to blend that consideration with, and include prejudging, **issues that would be appropriate on appeal of a Coastal Development Permit for the actual project, a CDP that has not yet been issued.**

There is nothing in the proposed/modified LUP's that refers to demolition of the La Bahia nor does the modified IP require demolition as a part of the proposed new zoning. Both portions of the LCP could be amended, as modified, and result in a LCP-consistent project that does not include demolition. Therefore the Commission should consider the amendment without presuming demolition. **Further the Commission should delete all portions of the findings that address the consistency of the demolition of the La Bahia;** since failure to do so would result in prejudging issues not properly before the Commission at this time.

The critical issue in the IP consistency analysis is the evaluation of what properly constitutes the "character of the area" or "detracting from historic buildings", particularly as to the mass and heights of buildings. In this matter, the staff notes that the Dream Inn and the Coconut Grove/Casino/ Boardwalk provide "bookends" in the Beach Commercial area. The Report acknowledging that both of these "bookends" are pre-Coastal Act buildings. Yet, in the end, the report largely disregards the character of the majority of the built environment; the impact on the historic Casablanca, and relies on the pre-Coastal Act "bookends" to establish the heights. **Do not allow a new "Bookend" in the middle of the beach area.**

Using this logic, if the modified IP amendment were approved, a next proposal could rezone all of the remaining beach commercial area to similar heights. That proposal would be able to rely not only on the over-size, pre-Coastal-Act "bookends", but also on the "new" La Bahia as more clearly establishing the "height" element of the area. **This potential most alarmingly reveals the inconsistency with the LUP's and adverse precedent to Coastal Planning of the proposed amendment.** Thus the Commission should not accept over-size, pre-Coastal-Act buildings as establishing the character of the area as to height. Instead it should make its own independent decision relying upon the vast majority of the built environment including the Casablanca and the intervening development: the other visitor-serving, commercial, and residential developments.

The modified LUP amendment

The Staff Report recommends deleting the entire second sentence in the current LUP Land Use Policy 2.16 and adding four new LUP Economic Development Policies. **I prefer retaining the language of the Land Use Policy 2.16 as it exists**; believe that it is currently consistent with the Coastal Act; and support the extent that it encourages, but does not require, renovation of the La Bahia. However, I accept the inclination of the staff to find some aspect of the proposed amendment to support in part. **As to the balance of the proposed modifications, I recognize and support updating the current LCP to be consistent with current Commission positions** regarding the provision/protection of low-cost visitor serving facilities and conditioning “visiter-serving/residential overnight accommodations”.

As to the LUP Amendment Consistency Analysis: Community Character and Historic Resources (III.B.2.A.; Report at p. 20-22), much of this section seems more appropriately included in the analysis of the IP amendment and I urge that it be considered in that section. As to the LUP Consistency Analysis: Visitor Serving Uses (III.B.2.B.; Report at p. 22-31), recognizing that most of the recommended LUP amendments would be contained in the general portions of the LCP and not specifically in the BSOL element, I have no issue with that analysis except to note that the La Bahia site is virtually unmentioned in 9 pages of comment.

The modified IP Amendment

I believe that the Commission should have no difficulty in adopting the recommended IP modification #8 (Report at p. 9-14) in its entirety; given that this IP addition provides for the implementation of the policies of the Visitor Serving Uses LUP amendments mentioned above. Although I am confused as to the numbering of the Section, it appears to be referred to as both Section 24.10.195 and as Section 24.10.190.

It is in the IP Amendment Consistency Analysis: Community Character, Historic, and Visual Resources section (III.B.3.A.; Report at p. 31-39), that the staff report appears to wonder into deep weeds: first, implying that IP amendment necessitates the existing La Bahia apartments be demolished and, second, concluding that the new heights are compatible with the character of the area. Based upon the first contention, the report is then justified in analyzing whether demolition is appropriate. **However if demolition is not inherent in the IP amendment, then any analysis of the demolition is unwarranted and premature at this point.**

Demolition is not mandated

There are several reasons to contest the first contention. **First, the language describing the intent of the zone, as clarified in the recommended modification, specifically provides for the possible incorporation of the existing historical buildings:**

Modificaton 7.a. to 24.10.625.81(e):

“to ensure development of a quality, full-service hotel with conference facilities in a building facility which incorporates the existing historical landmark La Bahia buildings or which creates a new architectural landmark in the Spanish Colonial Revival style to replace the historical La Bahia Apartment buildings which will be if they are demolished consistent with all historic resource protection standards and requirements of the LCP.” (II.7.a.; Report at p. 7-8)

Further that section contains the only occurrence of the word “demolished” or any variant of it in the proposed or modified IP amendment.

Additionally, modification 7.d., to 24.10.625.85.1, provides in part, “...Building heights and numbers of stories at the Beach Street frontage shall be limited to no more than 36 feet (other than a primary focal architectural element, such as the historic bell tower, which may extend as high as an additional 15 feet) and shall range up to a maximum of two to three stories varied along the frontage...” (II.7.d.; Report at p. 8)

The existing La Bahia buildings match this description as confirmed by the report in the Findings and Declarations, (III.A.2.Report at p.16): “...The La Bahia has a rectangular plan that consists of six structures that are interconnected in places and create an L-shaped complex. The buildings are primarily two stories with the exception of the bell tower wing near Beach Street, which is three stories high...” Thus historic preservation would be consistent with the height limits along Beach Street as required by the modified IP amendment.

Finally, although not currently the subject of review, **if the proposed project can be considered as an example of a project in compliance with the proposed IP amendment, then consider the extent of “historic preservation” already required by the language of the development agreement:**

- “...• The Project will save, reconstruct and reuse the existing bell tower and incorporate a courtyard similar to the former Court of the Laurels;
- The project will produce and replicate, the southeast corner of the existing building for historical preservation efforts...”

(Revised Development Agreement, Santa Cruz City Council, 14 Apr. 2009);

and contained in the conditions of approval adopted by the City Council in April 2009. The Conditions of Approval included a review of the final design, prior to issuance of a building permit, with special attention to the extent the design was able to comply with the following recommendations of the Historic Preservation Commission:

- “ 1. Reconstruction in-kind of the tower wing on Beach Street;
- 2. Reconstruction in-kind of the Court of the Troubadours from Westbrook Avenue into the Court of the Laurels;
- 3. Reconstruction in-kind of the first floor of the Westbrook wing allowing for a two-story addition above;
- 4. Reconstruction of the character-defining features of the Court of the Laurels to include octagonal stairs, maintaining the immediate line of parapets, walls, and a significant portion of the natural daylighting;
- 5. Faithful reconstruction of as many components of the existing buildings as possible.
- 6. Preservation or reconstruction in-kind of the majority of the Beach Street Façade, excluding the flat roof section...”

(Conditions of Approval, Santa Cruz City Council, 14 Apr. 2009)

Further, the Secretary of the Interior’s standards for Historic Preservation are quite lenient and the final proposed project is not yet before the Commission. Since changes to the proposed project are still possible at this point it is speculation that the proposed project ultimately shall be considered a “demolition” and not a “preservation”.

If demolition is not a necessary element of a project under either the modified LUP or IP amendments, then demolition is only a possible element of a specific project not currently under review by the Commission. As such, the language, in the Findings and Declarations, regarding the Applicable Policies for weighing IP amendment consistency referencing the various IP Sections addressing historic demolition, seems inappropriate. (III.B.3.A.1. Report at p. 31 to 32) **Focusing the IP analysis on the consistency of potential demolition carries the Commission too deeply into the specific project, the details of which are speculative and subject to change. Consequently, I urge that the Commission delete the entire section that appears under the subtitle: "Is Demolition of the La Bahia Appropriate".** Whether or not the demolition of the La Bahia is consistent with the LCP, the Commission must evaluate whether the proposed redevelopment standards are consistent with and adequate to carry out the LUP.

If the Commission needs to consider "Is Demolition of the La Bahia Appropriate"

In spite of our belief that this consideration is not appropriate, it seems likely that the staff feels that the Commission should consider this in order to provide guidance for the City.

At the outset of this consideration, after citing **the IP elements related to demolition of historic buildings that require certain findings by the Historic Preservation Commission ("HPC")** (Report at p. 31-32), **the staff fails to provide any evidence of such findings.** (Attached is a copy of the draft Minutes of the March 4, 2009 Meeting of the HPC that indicates various actions including recommending against approval of the Historic Demolition Permit). Having disregarded this fundamental issue, the report goes on to consider whether any reasonable alternatives to demolition exist and relies upon the Developer's rational for demolition.

It is instructive to examine the bases of Developer's conclusion about financial viability which is provided in its "demolition rational". Over time the Developer has presented three versions of the "demolition rational" and these have been supported by reports from their structural engineer. **The basic rational is that restoration is too expensive and that complete demolition and new construction would be less expensive; would create a product that was easier to sell as a condominium and to operate as a hotel; and would kind of look like the old structure with larger rooms and better ocean views.** While this rational appears fairly straight forward and easy to accept, there are some subtle elements that should be considered.

One major element is the **extent that creating a condominium hotel dictates and drives the "demolition rational"**. A careful reading of these rationales provides the following key points. First, condominiums are **subject to major lawsuits for construction defects.** Restoration using historic building codes increases that liability thus making insurance protection against construction defect liability extremely expensive or unobtainable. Second, condominiums hotels **need units to be similar sizes and provide similar features** in order to be able to successfully sell the units and in order to be able to provide returns to the owners in an equitable manner. Third, condominium hotel units **need to be larger than regular hotel units in order to appeal** to buyers who must envision themselves as owners of these units.

Another major element in the demolition rational is only mentioned briefly in the seventh of eight points in the conclusion of the Briggs Cardosa Associates, Inc (structural engineers) report, from November 2007, in support of the demolition rational. Here the report notes that, due to the high costs of historic retrofit construction projects, **"...many of the historic projects we have been involved with were subsidized by government agencies."** Why is there nothing in the record of any offer of subsidy from the City that so wanted to preserve the historic building? There is no

record because, in spite of informal offers from three mayors over the history of the Developer's proposals, the Developer has consistently refused millions of dollars in public assistance for their project.

Regardless of the reason public assistance was declined; the conclusion that there is no reasonable alternative to demolition rests largely on the **cost difference between new construction and renovation**. It seems appropriate to consider what the total cost difference is and how much public assistance might have been available. With the cost difference represented as slightly less than \$17 per square foot and the total size of the proposed project at about 191,000 square feet, **the total difference is about \$3.25 million dollars**. In January 2005, the City of Santa Cruz had approved investing \$30 million dollars in the Coast Hotel Project before it was withdrawn including an initial investment of \$1.5 million for design drawings and to assist with bidding the project. Given the willingness to invest this much in a potential conference hotel in 2005, **it is difficult to believe that the City would not have been willing to invest far more than the \$3.25 million needed in the proposed project**.

In considering the IP consistency of the potential demolition, a distinction should be considered between "infeasible" and "unreasonable". The Developer's determination that preservation is financially infeasible is based in large part on the parameters asserted by the Developer as the goals of the project in the EIR evaluation. The evaluation of whether preservation is "reasonable" focuses on alternatives to demolition and should be evaluated independent of the Developer's "EIR project goals" or any other Developer's bias. **That preservation would be expensive is undeniable, but there should be serious doubt that the difference of cost could not have been met by public assistance or participation.**

As to the other major elements in the "demolition rationale", the issues attendant to the condominium ownership, were there truly no **reasonable alternatives? What about preservation of the historic portions of the buildings and any guest rooms in those areas remaining in the ownership of the Facility Owner?** In any case, as to the consistency with the IP requirement for the demolition of a building listed in the Historic Building Survey, according to the last record at hand, the required findings were not made and the HPC refused to recommend a demolition permit or the delisting of the buildings. **I urge the Commission to find the demolition of the existing buildings is not appropriate and is not consistent with the required LUP and IP sections.**

Are the new heights compatible with the Character of the Area & appropriate adjacent to a listed historic building?

The Staff Report recognizes that the main impact of the IP amendment is to allow much greater development on the site particularly in allowing the maximum height going from 53' to 71', when architectural adornments are included. **The analysis over-emphasizes the visual impacts, which the staff finds acceptable; fails to adequately consider the other elements of "character of the area" and largely ignores the impact of the adjacent historic building, the Casablanca.** The primary Land Use Policies that bear most directly on compatibility with the character of the area and impacts on existing historic buildings are **Community Design Element Policies 2.2.1; 3.5; Cultural Resources Element Policy 2.1; and Land Use Element Policy 1.6:**

2.2.1 (in relevant part); "Develop siting, scale, landscaping and other design guidelines to protect visually sensitive areas and ensure that development is compatible with the character of the area. Areas to be protected include...scenic coastal areas, Beach Hill..."

3.5 “New or renovated development shall add to, not detract from City-identified landmarks, historic areas and buildings, and established architectural character worthy of preservation.”

2.1 “Protect and encourage restoration and rehabilitation of historic and architecturally-significant buildings and landmarks.”

1.6 “Minimize, when practical, obstruction of important views and viewsheds by new development. In the Coastal Zone, development shall be sited and designed to and along the ocean and in scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and to restore visual quality in visually degraded areas.”

Taken together the Community Design and Land Use Policies require more than just visual compatibility, they require compatibility with the character of the area, including compatibility as to height, scale, mass, architectural style and more. **The Cultural Resource Policy adds the requirement to consider compatibility and effect on adjacent historic buildings.**

There are several excellent descriptions of the character of the area contained in the staff report. The entire section: Analysis of Proposed LUP Changes (III.B.2.A.2.) (Report at p. 20-22); as well as the first complete paragraph on page 36 (III.B.3.A.2.); provide an excellent description of the character of the area and make note of the adjacent historic buildings.

“With respect to existing beach area community character, the La Bahia is located in the City’s central beach area just inland of Santa Cruz Main Beach and adjacent to Cowell Beach, the Santa Cruz Municipal Wharf, and the Boardwalk. This area is characterized by visitor serving commercial uses lining Beach Street and extending inland from it, including a number of hotels, inns, and motels, as well as restaurants and shops. It is also connected to Beach Hill with its historic Victorian mansions and its mixed-use and residential neighborhoods. The City has designated the La Bahia as an historical landmark, the highest designation awarded by the City for historic structures... and the Beach Hill historic district (and its many designated sites) is just inland. Altogether, the character of this area is eclectic, dominated and anchored on each side by large shoreline-hugging structures (the downcoast Boardwalk and the upcoast Dream Inn), framed inland by the topography of Beach Hill rising up from the shoreline, and defined in large measure by the scale, type, and historic pedigree of the range of structures coexisting here. The area has an established beach town atmosphere and character that takes its cues from the differences as much as the similarities in the built environment, with the La Bahia a well-established element midpoint along the immediate shoreline.”

(III.B.2.A.2: Report at p. 21)

“The majority of the buildings in this area reflect the architectural character of the 1940’s and 1950’s (e.g., they have a low profile, are relatively small in scale, and tend to have long, flat roofs). Buildings that step up Beach Hill tend to have a cascading character with multi-level roofs...”

(III.B.3.A.2.: Report at p. 35) (emphasis added)

“Judging the appropriate scale for a replacement structure in any given community can be challenging and it is often a function of multiple and cross-cutting factors and judgments. In this case numerous factors are relevant for consideration. First, the La Bahia site fronts Beach Street and the beach, and this frontage is the most prominent in the public viewshed. Second, the site slopes up Beach Hill way from the beach, and elements further inland will appear larger, including in the

prominent ocean fronting viewshed. **Third, the site is located adjacent to the Casablanca Inn and Restaurant just across the street on the upcoast side, which is also a City-designated historic resource.** The La Bahia steps up the hillside, but the tallest portion of the site is the bell tower wing along Beach Street, which is three stories, with the bell tower extending about 14 feet above the third story (see Exhibit B). **The Casablanca in many ways provides an important scale parameter inasmuch as it too is sited in largely the same kind of location as La Bahia, it is prominent in all the same views, it is the largest structure immediately adjacent to La Bahia, and any development at La Bahia needs to also protect the character and integrity of this site too, including in terms of its own historic status.** Fourth, it should be recognized that the pre-Coastal Act and historic Boardwalk Casino/Coconut Grove building comprise a “bookend” on this section of Beach Street and constitute a fairly large and tall structure right on the edge of the beach. Likewise, the pre-Coastal Act Dream Inn, which is located about 0.2 miles from the La Bahia on the downcoast side of the wharf, is 10 stories tall as seen from the beach. **Both the Boardwalk Casino/Coconut Grove building and the Dream Inn also help to provide a relative scale, although slightly less directly relevant compared to the Casablanca due to distance from the site and intervening development.** Fifth, the La Bahia is prominent in wharf views, and the wharf is also a primary public attraction. Six, views from inland of the site toward the ocean, albeit lesser public views due to relatively lesser public use on these more inland roads, will be blocked by almost any redevelopment of the site beyond a re-creation (i.e., currently ground level parking is in the rear of La Bahia, and view blockage is minimal, but additional structures further up the hill will quickly block views). Seven, Beach Street and the La Bahia figure prominently in the view from West Cliff Drive, another primary visitor destination, as one moves toward the site. And finally, eight, development along Beach Hill and at La Bahia are framed in many of the seaward and West Cliff views against the backdrop of the Santa Cruz Mountains, which though distant are also an important component of these views.”

(III.B.3.A.2.: Report at p. 36) (emphasis added)

In this paragraph, the main analysis of the impact on community character and historic buildings, the staff report devotes only one (arguably two) of the eight points to the character of the area, other than view impacts. Whether or not the conclusions as to views for designated view points are correct, the consideration and weight given to other factors included in the character of the area are inadequate. The Report only mentions, without any elaboration, the need to consider the character and integrity of the Casablanca complex. It refers to the Casablanca as the tallest structure adjacent to the La Bahia. That height is only 40’, well below the current maximum for both sites, and it only reaches that height in the interior after stepping up from a streetside height of 20’. Like many of the surrounding buildings, the Casablanca steps up Beach Hill gradually. The area has an established beach town atmosphere, the majority of the surrounding buildings a low-profile and relatively small in scale. **A 60-70’ tall La Bahia will dominate and diminish the adjacent Casablanca complex, the surrounding neighborhood, and the majority of the built environment of the area.** When viewed from the Main Beach and other vantages closer than a half mile away from the end of the Wharf or West Cliff, the “new” La Bahia will be a new “bookend” in the middle of the book.

Conclusion

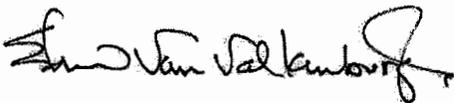
“Ultimately the City found the proposed standards (including as expressed in the conceptually approved CDP) consistent in terms of scale with the LUP requirements protecting views and community character at this location... Yes, there are lesser scale alternatives that also appear feasible, including perhaps most compelling a less large version scaled similarly to the adjacent historic Casablanca Inn and Restaurant, but at the end of a long public process the City identified the scale proposed as appropriate for the beach area...” (III.B.3.A.2.: Report at page 37)

Here and elsewhere, the Report frequently mentions the conclusions of the developer and/or the City as to the reasonableness of renovation, whether a particular alternative meets the project goals or objectives; whether an alternative was dismissed for economic reasons; and whether the proposed development is consistent with the LUP requirement of protecting views and community character. The findings frequently urge the Commission to concur with these conclusions. I urge the Commission to weigh carefully how the influence of financial and economic demands, both on the City in the form of budget deficits and the Developer in the form of profit appetite, may color their determinations. I urge the Commission to continue to honor its responsibilities to independently analyze the impacts and factors appropriate to the Coastal Act in making its determinations.

The critical issue in the IP consistency analysis is the evaluation of what properly constitutes the “character of the area” or “detracting from historic buildings”, particularly as to the mass and heights of buildings. In this matter, the Commission should reject the staff recommendation to rely on the pre-Coastal Act “bookends” to establish the height. Instead it should make its own independent decision relying upon the character of the vast majority of the built environment including the Casablanca and the intervening development: the other visitor-serving, commercial, and residential developments.

If the modified IP amendment were approved, a next proposal could rezone all of the remaining beach commercial area to similar heights. That proposal would be able to rely not only on the over-size, pre-Coastal-Act “bookends”, but also on the “new” La Bahia as more clearly establishing the “height” element of the area. **This potential most alarmingly reveals the inconsistency with the LUP’s and adverse precedent to Coastal Planning of the proposed amendment.** To recommend accepting the current amendment and postponing consideration of its wider impact is to sanction and encourage incremental dilution of LCP and Coastal Act goals. The Commission should reject the modified IP or reduce the maximum height to the match the existing zoning. **Do not allow a new “Bookend” in the middle of the beach area.**

Sincerely yours,



Edward Van Valkenburgh
217 Marnell Ave.
Santa Cruz, CA

Attachments:

- Outline of Critical Issues
- Draft Minutes: Historic Preservation Commission
- Cover page and page 5 of Revised Development Agreement
- “S.C. Council votes 4-3 to Approve Coast Hotel Project”: Santa Cruz Sentinel: 27 Jan 2005

Th8d: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

**Outline of Critical Issues Re: Findings & Declarations
Consistency Issues w/ IP: Mod. #7**

I. Demolition is not mandated

- A. modified IP clearly does not require demolition
- B. the issue before the CC is not the proposed project
- C. prejudices issues more appropriate on appeal of a CDP, but no CDP yet issued
- D. proposed project could be built using renovation w/o violating modified IP
- E. proposed project might end up judged a preservation project per Sec'y of Interior standards
 - i) requirements in development agreement include some reconstruction and replication
 - ii) adopted conditions of approval; review final plan for consistency w/
 - (1) numerous recommendations from HPC., reconstruct in-kind
 - (a) Court of the Troubadours; Westbrook wing; elements in Court of Laurels
- F. **Commission should delete all findings on consistency of demolition of La Bahia**

II. If the Commission needs to consider "Is Demolition of the La Bahia Appropriate"

- A. IP 24.08.1014 requires certain findings by the Historic Preservation Commission ("HPC")
- B. **HPC never made the required findings**
 - i). Refused to delist property
 - ii) Recommended against demolition permit
- C. **Developer "demolition rational"; no reasonable alternatives**
 - i) Preservation too expensive; rooms won't work for condos; lack of public assistance \$
 - ii) Much more Public assistance \$ offered to abandoned hotel project
 - iii) Developer turned down public assistance \$: **"unreasonable" by choice**
 - iv) Option of hist. portion remaining as owned by facility owner not considered
- D. **Commission should delete all findings on consistency of demolition of La Bahia**

III. What constitutes the "character of the area" or "detracting from historic buildings"?

- A. **Critical issue: the mass and heights of buildings**
- B. **Report over emphasizes views, under considers other factors & impact on historic Casablanca**
 - i) Pre-Coastal Act: Dream Inn and the Coconut Grove/Casino/ Boardwalk provide "bookends"
 - ii) uses pre-Coastal Act "bookends" to establish the heights
 - iii) disregards character of the majority of the built environment
 - iv) disregards impact on the historic Casablanca,
 - (1) dominate and diminish historic building
- C. CC should use character of the majority of built environment & impact on historic Casablanca in establishing appropriate heights; maintain beach town atmosphere
- D. **Reject or amend IP to limit heights to same as current zoning**
- E. **Do not allow a new "Bookend" in the middle of the beach area.**

IV. Adverse Precedent

- A. If IP approved, next proposal: rezone rest of commercial to new height
- B. Could Use Coconut Grove/Casino; Dream Inn and "new" La Bahia to establish heights
- C. **NO Spot Zone now, No incremental dilution of LCP & Coastal Act goals**
- D. CC needs to make independent decision on appropriate heights and impacts
 - i) Consider vast majority of the built environment including the Casablanca

Recommendation: That the Historic Preservation Commission make recommendations to the City Council regarding:

- **Certification of the project EIR;**
- **Approval of an Historic Demolition Permit;**
- **Approval of an Historic Survey Deletion.**

Senior Planner Don Lauritson presented the staff report.

Jessie Nickell and Jeff Current of Barry Swenson Builders presented the project.

The Public Hearing was opened.

SPEAKING FROM THE FLOOR:

Chris Fitz
Ed Silveira
Ned Van Valkenburgh
Mark Jaffee
Will Roblin
Mike Brazil
Michael Bethke

The Public Hearing was closed.

Commissioners voiced the following:

- Demolition permits are typically keyed to an approved replacement project and there is no detailed final design.
- Too much mass and too many flaws in the project design.
- Lack of legitimate historic preservation components.
- Auto court entry is contrary to the B/SOL Plan and will create traffic congestion on Beach St.
- Hill Village architectural approach is not followed.
- Demolition of the building should be last resort and reconstruction in kind should be considered.
- Current condition of the building has been neglected by the owners and continued to decline.
- Project needs to be cleaned up and simplified to be more pleasing.
- How could the Commission be assured that supporting the project would give them an opportunity for input?
- Lack of trust that the project's developer will listen to and respect the opinions of the HPC design sub-committee.
- The applicant has listened to the subcommittee and has responded in a positive manner.

Some of the Commissioners expressed interest in seeing the project move forward with more input from the HPC regarding the design.

For the record, Commissioner Shultes noted that if the project were being rebuilt in-kind he felt the voting would be different.

ACTION: Commissioner Carter moved and Commissioner Gibson seconded that the Historic Preservation Commission recommend that the City Council certify the project EIR with prejudice. The motion passed unanimously; Chair Subocz and Commissioners Eriksen, Carter, Gibson, Meyer, Shultes and Steen in favor.

ACTION: Commissioner Gibson moved and Commissioner Carter seconded that the Historic Preservation Commission recommend that the City Council deny the Historic Demolition Permit which is only issued when an appropriate replacement project is approved. The motion passed on a vote of 5/2 with Commissioners Carter, Eriksen, Gibson, Meyer and Steen in favor, Chair Subocz and Commissioner Shultes opposed.

ACTION: Commissioner Shultes moved and Commissioner Carter seconded that the Historic Preservation Commission APPROVE forwarding Historic Preservation Commission recommendations on the replacement project. The motion passed unanimously. Chair Subocz and Commissioners Eriksen, Carter, Gibson, Meyer, Shultes and Steen in favor.

Specific recommendations from the HPC to be included in the replacement project include:

1. RECONSTRUCTION IN-KIND OF THE BELL TOWER WING ON BEACH STREET;
2. RECONSTRUCTION IN-KIND OF THE COURT OF THE TROUBADOURS FROM WESTBROOK AVENUE INTO THE COURT OF THE LAURELS;
3. RECONSTRUCTION IN-KIND OF THE FIRST FLOOR OF THE WESTBROOK WING ALLOWING FOR A TWO-STORY ADDITION ABOVE;
4. RECONSTRUCTION OF THE CHARACTER-DEFINING FEATURES OF THE COURT OF THE LAURELS TO INCLUDE OCTAGONAL STAIRS, MAINTAINING THE IMMEDIATE LINE OF PARAPETS, WALLS, AND A SIGNIFICANT PORTION OF THE NATURAL DAYLIGHTING;
5. FAITHFUL RECONSTRUCTION OF AS MANY COMPONENTS OF THE EXISTING BUILDINGS AS POSSIBLE;

6. PRESERVATION OR RECONSTRUCTION-IN KIND OF THE MAJORITY OF THE BEACH STREET FAÇADE EXCLUDING THE FLAT ROOF SECTION;
7. SUGGEST THAT THE HPC LA BAHIA SUBCOMMITTEE AND MEMBERS OF THE PLANNING COMMISSION AND CITY COUNCIL WORK WITH THE DEVELOPERS THROUGH DESIGN DEVELOPMENT;
8. IF DELISTING IS TO OCCUR, IT SHOULD ONLY OCCUR AFTER A CERTIFICATE OF OCCUPANCY IS OBTAINED FOR THE REPLACEMENT STRUCTURE AFTER IT IS FINALED.

ACTION: Commissioner Gibson moved and Commissioner Carter seconded that the Historic Preservation Commission recommend that the City Council deny approval of the Historic Survey Deletion of this NR2 eligible landmark. The motion passed unanimously with Chair Subocz and Commissioners Eriksen, Carter, Gibson, Meyer, Shultes and Steen in favor.

ACTION: Commissioner Carter moved and Commissioner Gibson seconded that the La Bahia Subcommittee prepare a letter to the City Council expanding and clarifying the evening's deliberations. The motion passed unanimously with Chair Subocz and Commissioners Eriksen, Carter, Gibson, Meyer, Shultes and Steen in favor.

Adjournment –

At 11:40 p.m. The Historic Preservation Commission adjourned to the next regular meeting of March 18, 2009 in the Council Chambers.

APPROVED:

Dated

David Subocz, Chair

ATTEST:

Dated

Don Lauritson, Secretary

Development Agreement
By and between La Bahia LLC
(Green Valley Corporation, a California Corporation, dba Barry Swenson
Builder, Santa Cruz Seaside Company),
(“Developer”)
and
City of Santa Cruz, California, a municipal corporation (“City”),
for the Resort - Hotel Development known as
La Bahia

ORDINANCE NO. 2009-
EXHIBIT

- Attraction of additional quality investment to the area in both the commercial and residential;
- The project will act as a major catalyst for future beach improvements;
- Expand the operational season of the Beach;
- The Project will purchase local Art for both the guestrooms and the public areas of the hotel from local artists in cooperation with ~~through~~ the Cultural Council;
- The Project will save, reconstruct and reuse the existing bell tower and incorporate a courtyard similar to the former Court of the Laurels;
- The project will produce and replicate, the southeast corner of the existing building for historical preservation efforts;
- Year-round support for existing businesses along Beach Street and the Wharf;
- The provision of major quasi-public space inside the facility and public use of a currently private resource;
- ;The project will provide, in conjunction with, the Coconut Grove a conference facility in the beach area as recommended in the B/SOL plan;
- The project will result in the creation of significant Redevelopment Area Tax Increment;
- The project will make available up to 50 bicycles, three e-bikes and several electric car docking stations; therefore reducing guest traffic;
- The hotel operator will provide free bus passes to employees in order to reduce auto-oriented traffic to the hotel;
- The project will contribute its fair share of funds for the operation of a Beach Shuttle;
- The project will contribute approximately \$505,000 towards traffic improvements on a one time basis
- The project will agree to participate, on a fair share basis, in a Beach Area Business Improvement District, once implemented;
- Replacement housing for low-moderate income residents currently living at 215 Beach Street will be provided at 401 Pacific Ave.;
- The developer will provide a historic display (old photographs, historic background information) of the La Bahia/Casa Del Rey Apartment building in the lobby or other publicly accessible common area location;
- The provision of \$200,000 worth of construction labor and materials for a low-cost visitor accommodations project in the County;

S.C. Council votes 4-3 to approve Coast Hotel project

SHANNA McCORD - Sentinel staff writer

Article Launched: 01/27/2005 3:00:00 AM PST

SANTA CRUZ — After five hours of deliberation and a host of conditions, City Council in the wee hours Wednesday narrowly approved the \$100 million Coast Santa Cruz Hotel project.

Plans for the oceanfront hotel and conference center, approved 4-3, now must be reviewed and submitted to the state Coastal Commission for its approval.

Voting against the project were Emily Reilly, Ed Porter and Tim Fitzmaurice.

The drawn-out deliberations began Tuesday night and ended with the vote about 1:15 a.m. Wednesday.

"This is only the first step in a lot of steps that need to be taken to bring the project to realization," City Manager Dick Wilson said Wednesday. "The vote was to continue on with the next set of steps."

The City Council approved a joint effort by the city Redevelopment Agency and hotel owner Northwest Hospitality Group to demolish the existing hotel on West Cliff Drive and build a 270-room hotel, conference center for 1,200 people and a six-story parking garage.

The approval allows the agency to spend \$1.5 million immediately for design drawings and bids from contractors.

Conditions imposed on the project suggested by various council members include:

- Reducing the overall mass of the hotel by 7.5 percent, or 20 rooms

- Art displayed in the lobby and public spaces must be bought from local artists or relate to Santa Cruz memorabilia.

- Hotel garbage would be picked up after 8 a.m.

- Minimal street closures during hotel construction.

- Water conservation methods that exceed standard requirements, and consider using waterless urinals.

- Hotel brochures, marketing material and Internet map sites that direct traffic down Ocean Street and downtown, not Bay Street.

- An employee assistance program for hotel employees left out of work during construction.

- Affordable housing tax increment money from the project would go to "improving the quality of life" for nearby Clear View Court mobile-home park residents.

Supporters of the project, including Mayor Mike Rotkin, say it stands to generate millions in new tax revenue for the city and serve as a magnet for year-round tourism.

Opponents fear the size of the facilities would diminish the character of the prized beach area, and the city's financial investment of \$30 million isn't worth the risk.

Reilly, Porter and Fitzmaurice were united in opinion that not enough attention and time had been given to public comment and concerns.

A council majority shot down a proposal by Reilly to extend the council's decision by an additional six weeks to "have an open-ended discussion with the community."

"We're not done reaching out to people," Fitzmaurice said. "The project never gathered force with the public until the last month or so."

Fitzmaurice said his vote reflects his thoughts that the "site is already over-utilized," the financial risk to the city is too great and the impact on Westside neighbors would be a hassle.

"I'm going to continue to work aggressively to make this a better project. We have to — it's a really sensitive proposal for our area," he said.

Among Porter's concerns were the project's impact on the 150 residents of Clear View Court and traffic on Bay Street.

He said he also takes issue with "philosophical" changes to the city's general plan and the Beach South of Laurel plan.

"It was a no vote to the missing pieces of the process and the lack of process," Porter said. "If we're going to make changes to our general plan and zoning, we need to talk about them in advance."

"So far, it's not ready, and it wasn't ready for us last night."

Santa Cruz County Supervisor Mardi Wormhoudt, whose district includes the Westside, has publicly opposed the project and said city officials and the hotel owner are trying to "shoehorn it onto a given site."

"My own sense is that it's more than this site can handle," she said.

After Wednesday's decision, Wormhoudt said the narrow vote illustrates deep divisions and concerns by council members and local residents.

"There may be a real economic need, I don't debate that," she said. "But I don't think you can make decisions about land-use issues on the basis of needs for money."

Former Mayor Scott Kennedy, a strong advocate of the hotel and conference center redevelopment during his tenure, said the opposing council members had no excuse for not engaging the public more throughout the process.

"What have these council members been doing for the last year and a half, have they been asleep at the wheel?" Kennedy said. "Why didn't they work with people and why didn't they reach out?"

"To wait until the 11th hour is outrageous."

Hotel owner Bob Suits, who said he was pleased with the council's approval, said the opposing council members sent a strong message that the community needs to be included in the process.

"I didn't hear anybody say it was a horrible project," Suits said. "What I heard last night is that there is a definite desire to do something that's good for this community and that's the mission we'll deliver."

The council is scheduled to take a second vote on the project at its next meeting Feb. 8.

It could be several months before the proposal is presented to the Coastal Commission, which has final say on all coastal developments statewide.

Contact Shanna McCord at smccord@santacruzsentinel.com.

Th8d

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AUG 02 2011

California Coastal Commission,
Central Coast Area

La Bahia Redevelopment
LCP Amendment No STC-1-11
Item No Th8d
Tara and George Leonard
YES

August 2, 2011

California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

Dear Commissioners:

We strongly urge you to pass this amendment, allowing the La Bahia redevelopment to proceed. This project will spur a much-needed economic boost to the Santa Cruz beach boardwalk area, providing both jobs and an influx of tourist dollars. It will also go a long way to improving the appearance of this embarrassingly decrepit neighborhood.

Sincerely,



Tara and George Leonard
Santa Cruz, 95060

129 Leder. Dr

831-458-5275

Th8d

July 29, 2011

Andy Hartmann
508 Emeline Avenue
Santa Cruz, CA 95060

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: City of Santa Cruz Local Coastal Plan (LCP) Amendment STC-1-11 (La Bahia Hotel)

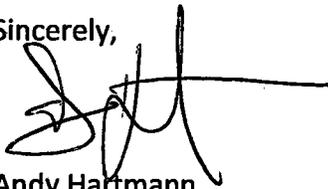
Dear Coastal Commissioners,

I urge the Commission to reject the proposed amendment to the City of Santa Cruz Local Coastal Program for the proposed La Bahia Hotel project.

This LCP amendment should not be approved because the size, density, and height of this project will significantly impact coastal views. The developer already has an approved project of reasonable scale for this location. If approved this project would be "spot zoning" which will dramatically alter the characteristic of the neighborhood and allow nearby parcels to then reference this project as a new normal. What is the point of a certified LCP if you allow for spot zoning? This project would substantially alter the neighborhood characteristics of Beach Hill. In addition, the alteration of a coastal bluff is also of concern for this project, as a proposed 8,000 cubic feet of hillside will be removed to accommodate underground parking.

Please uphold the Coastal Act and reject the proposed amendment to the City of Santa Cruz Local Coastal Program for the proposed La Bahia Hotel project.

Sincerely,



Andy Hartmann

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AUG 03 2011

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Th 8d

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

July 29, 2011

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners,

I am writing to urge you to reject the city of Santa Cruz's requested Zoning Amendment regarding La Bahia.

Some important considerations:

The coastal beauty of this area is a direct result of the "terraced" style development that presently characterizes Beach Hill and its immediate surrounds. By configuring past development to conform to the contours of the hills, Santa Cruz has achieved a beautiful view corridor for all to enjoy, from the municipal wharf, from the bay and from the land.

By law, the city's General Plan mandates that development in this area be "stepped back" or "terraced" to conform to the contours of the land. The proposed La Bahia development is in direct contradiction to this section of the General Plan. The proposed development at its lowest grade is on average, three (3) times higher than surrounding hotels. The "terraced" style will be lost and overwhelmed.

I attended the early public meetings with the builder's representatives. Despite my (and others) drawing attention to this requirement of the General Plan for a "terraced" style that was so important to this coastal zone, they didn't seem to understand the concept. They talked "terraces" as in "lanais" for the high priced units.

Like all communities, Santa Cruz has zoning laws regarding height limitations. If a proposed development cannot be scaled to fit within these legal requirements, then perhaps the developer should be sent back to the drawing board rather than wasting our time with controversial variances and amendments.

The condominium aspect is truly troubling. Even with the 45- day requirement for owners, that still allows for student housing for most of the year. In Santa Cruz, we have seen a number of developments which were initially described as being for working families (police; firefighters; teachers) become, after approval, predominantly student housing. (1010 Pacific Ave and Shaffer Rd. Apts. are two examples.)

Thank you for considering my comments.

Sincerely,



Gillian Greensite
130 Liberty St. Santa Cruz. CA. 95060

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Th8d

Comments to the California Coastal Commission on the Proposed Amendment to the Santa Cruz Local Coastal Plan: August 2011

La Bahia Designated a Significant Cultural Resource by the City of Santa Cruz

La Bahia was identified as cultural resource and an asset to our community when the City of Santa Cruz designated it an historic landmark. As one of only twenty-six sites in the city with historic landmark status, La Bahia joins a distinguished list of special sites, singled-out for their contribution to our community heritage. In recognition of its unique status, the Santa Cruz Local Coastal Program (LCP) specifically identified La Bahia as an architectural and cultural resource worthy of protection and retention.

Proven Economically Feasible Alternatives to Demolition Ignored

Now, with the proposed LCP amendments, the Coastal Commission is being asked to approve a spot zoning ordinance that would irrevocably alter the La Bahia site by allowing the demolition of a significant cultural resource and its replacement with a new structure without consideration of feasible restoration alternatives.

Economically feasible alternatives have not been explored that could preserve La Bahia and enhance its contributions to the community. Losing La Bahia would be a loss not only for the community, but a missed opportunity to develop a restored and expanded La Bahia as a centerpiece for a comprehensive program of "heritage tourism." Several California coastal cities actively promote historic hotel properties that have become destinations in an of themselves and contribute to the historic character of their communities.

The Upham Hotel in Santa Barbara, La Valencia Hotel and the Grand Colonial Hotel in La Jolla, and the Georgian Hotel in Santa Monica are a few examples of mid-nineteenth century and early twentieth century historic properties that have been successfully restored, continue to attract tourists, and are part of a broader cultural heritage tourism initiative.¹

Beach Hill, the adjacent West Cliff Drive neighborhood, and nearby downtown Santa Cruz, could become part of a major revitalization effort designed to attract a new tourist clientele. This area has a rich cultural and architectural history going back into the middle of the nineteenth century, and when combined with Santa Cruz's expansive artistic community, would be a stellar tourist destination, attracting the kind of historic/cultural traveler who, on average, spends 38% more per trip, than other travelers.²

Adaptive Reuse is Smarter Growth

Aside from the issues of protecting a significant cultural resource and permanently removing the south rise of Beach Hill, there are other important land-use planning considerations. Historic preservation is an important tool for smart growth initiatives—how can we continue to waste resources by demolishing existing structures which represent our historic fabric and

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community character. Historic buildings represent an important investment in materials and labor and to remove them to a landfill is a betrayal of “green” principles. **It is estimated that approximately 25% of landfill materials consist of construction debris—this is a real but often unseen adverse impact.**³

Adaptively reusing and restoring structures is the ultimate in smart growth principles and creates multiple economic and social benefits for local workers and businesses.

Conclusion: Request that the Coastal Commission Reject the Application to Amend the Santa Cruz LCP

Amending the certified LCP as proposed would irrevocably and unnecessarily destroy an important architectural landmark and replace it with a out-of-scale behemoth incompatible with the neighborhood character, significantly diminish the public viewshed, and set a poor precedent by encouraging spot zoning in defiance of the existing comprehensive coastal plan. In general, this amendment is bad planning policy for the City of Santa Cruz and the coast. It should be rejected.

Consulted sources:

1. Historic Hotels of America is a program of the National Trust for Historic Preservation and has identified more than 234 hotels that have faithfully maintained their historic architecture and ambience. To be selected for this program, a hotel must be at least 50 years old, listed in or eligible for the National Register of Historic Places or **recognized locally as having historic significance.**

<http://www.historichotels.org/>

2. State of California. Office of Historic Preservation. California State Parks. *California Statewide Historic Preservation Plan, 2006-2010*. Sacramento. pp. 33-36.

<http://www.ohp.parks.ca.gov/pages/1069/files/state%20plan-fd.pdf>

3. State of California. Office of Historic Preservation. California State Parks. *California Statewide Historic Preservation Plan, 2006-2010*. Sacramento. pp. 47-52.

<http://www.ohp.parks.ca.gov/pages/1069/files/state%20plan-fd.pdf>

Respectfully,

Joe Michalak
114 Escalona Dr.
Santa Cruz, Ca 95060
jmich43@pacbell.net

TH8d

California Coastal Commission Chair and Members: Please APPROVE the
La Bahia Hotel in Santa Cruz



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Coastal Commission,
Central Coast Area

The new La Bahia Hotel will improve coastal access for visitors by providing a greater range of facilities while also incorporating high environmental standards, historic features, and support for low-cost accommodations. It embodies the Commission's policies of coast access and resource protection. It's good for California and good for our community. Please SUPPORT THE City's Local Coastal Plan amendment so this project can move forward.

NAME David Horn & DVM
ADDRESS 2301 Mission St
CITY/STATE Santa Cruz CA 95060
COMMENT _____

REPRESENTATIVE POSTCARD
RECEIVED FROM **233** SEPARATE
INDIVIDUALS

CYNTHIA MATHEWS
316 Walnut Avenue, Santa Cruz, CA 95060
mathews@cruzio.com

Fax to:
427-4827 Th8d

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California Coastal Commission,
Central Coast Area

Chair Mary Shallenberger and Commissioners
California Coastal Commission
c/o Central Coast District Office
725 Front St., Suite 300
Santa Cruz, CA 95060

July 28, 2011

Re: SUPPORT City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Chair Shallenberger and Commissioners,

I am writing to urge in the strongest possible terms that you approve the LCP amendment referenced above in order to enable the long-awaited La Bahia project to move forward. This project, refined through a long process of community review, is entirely consistent with the Coastal Act's focus on public access and protection of coastal resources. It will:

- Allow the addition of new, much-needed quality accommodations in the Santa Cruz beach area – a coastal act priority – where none currently exist
- Extend the beach visitor season year-round by the inclusion of quality meeting and event space
- Support low-cost visitor accommodations nearby
- Preserve historic features of the current structure and reflect traditional beach area architecture
- Make a dramatic improvement in the visitor experience for millions of beach visitors annually
- Contribute to the long term, year-round vitality of the greater beach area
- Incorporate high level environmental features in both construction and operation
- Build on and complement the long list of past public and private investments in our beach area

The proposed LCP affects an already-developed site at the very heart of Santa Cruz's main beach area. The site is currently occupied by a decaying apartment building – far, far beyond feasible renovation for any economically viable use – that is at present a detriment and community embarrassment at our most visible beachfront location.

I would like to stress the long list of recent and past beach area investments that represent a partnership – a unity of vision – among public, non-profit and private entities in our community. We have worked for decades to upgrade obsolete or outdated sites and maintain historic features to make our beach area a safe, appealing, varied destination that responds to contemporary visitor interests and sensibilities. Specifically, some of these major investments include:

- Ongoing maintenance and improvements of the historic Santa Cruz Municipal Wharf (City)
- Creation of the multi-use Depot Park at the former train depot site (City)
- Restoration of historic Howe Truss bridge (City)
- Major renovation/upgrades of beachfront Dream Inn Hotel and Beach Street Inn and Suites (private)
- Creation of Monterey Bay National Marine Sanctuary Exploration Center (City, non-profit, and federal government/NOAA)
- Beach Street improvements: pedestrian, streetscape and bike lanes (City)
- Ongoing maintenance and improvements at award-winning, historic Beach Boardwalk (private)
- Creation of coastal bike/pedestrian trail along the entire coastal frontage within City limits (City)
- Creation of youth hostel at historic beach cottages (City and non-profit)

- Major investment in quality affordable housing, neighborhood services in nearby Beach Flats area (City, non-profits and private)
- Priority collaboration for public safety (City, private, non-profit and community)

The Santa Cruz beach area attracts visitors primarily from the greater northern California area including Silicon Valley, San Francisco Bay Area and Central Valley, but it also attracts significant international visitation as well. The unique combination of beautiful, accessible coastline, beach boardwalk, surfing and watersports culture, lively downtown and University, broad variety of nearby natural attractions and environmental awareness have given it a well-earned reputation as a desirable coastal destination.

The La Bahia site – a deteriorated structure occupying a full block right in the heart of the beach area – constitutes the missing link in long term improvement of this area.

Finally, I would like to reference elements of my own experience that lead me to support this project so passionately:

Public Policy: As a former Santa Cruz City council member for 16 years and three-time mayor, I am fully aware of the City's long commitment to investing in the beach area as a visitor destination and protecting the natural environment through countless policies and programs. Amending the City's LCP for the proposed La Bahia Hotel supports this commitment.

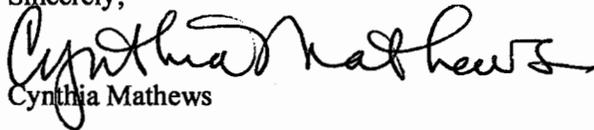
Visitor Services: As board member of the Santa Cruz County Conference and Visitors Council for 15 years, I understand that tourism is one of our top economic sectors, but it is also vulnerable to fluctuation, and competitive. Currently, Santa Cruz tourism is concentrated in the summer season, and is dominated by lower-to-moderate accommodations. Higher quality visitor facilities, and those that could accommodate modest-size meetings, would vastly improve our ability to serve visitors on a year round basis. The LCP amendment would allow us to fill a critical gap in visitor facilities.

Coastal and Marine protection: As an appointed member of the Monterey Bay National Marine Sanctuary Advisory Committee and member of MBNMS Exploration Center Leadership Committee, as well as contributing member of numerous environmental organizations, I work actively to protect our fragile natural resources and promote education/stewardship activities. The proposed La Bahia hotel would support coastal protection and awareness.

Historic Resources: As past board member and president of Santa Cruz County Historical Trust; past member of Santa Cruz County Historic Resources Commission; board member of the Museum of Art and History and member of its landmarks committee, I have worked for decades to protect and promote our local historic resources. I also understand real life constraints on historic preservation, the many forms that historic protection can take, the need to find economically feasible solutions, and the reality that historic preservation occurs in a larger community context. The new La Bahia Hotel would strengthen the greater historic beach area as an attractive, vital visitor destination.

For all these reasons, I urge you to approve the City's LCP amendment for La Bahia.

Sincerely,



Cynthia Mathews

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JUL 29 2011

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

CALIFORNIA July 29, 2011
COASTAL COMMISSION
CENTRAL COAST AREA

Re: City of Santa Cruz LCP Amendment No. STC-1-11 (La Bahia Hotel)

Dear Commissioners;

I am writing to urge the Commission to reject the proposed amendment to the City of Santa Cruz LCP. The Commission is often faced with a project that started as a proposal from a developer that overreaches what is appropriate under the Coastal Act, that was then amended with a reduction in height or mass or some other modification, and which is finally presented to the Commission as containing a significant concession and therefore now the project surely should be acceptable. But the story of the la Bahia proposal and these LCP amendments didn't start that way and is more subtle and, perhaps, more cunning.

It is vital to consider the history of this site to understand the motives and pressures that caused the City to agree to demolish an acknowledged cultural and architectural treasure and offer the proposed amendment. But it is also necessary to consider the Coastal Act and LCP consequences of this proposed amendment. The LUP portion of the amendment violates the Coastal Act Section 30251 and 30253, among others. It is offered to take a "condominium option" provided to assist with the financing of renovation of an architectural structure, use it to justify demolition of the structure, and then attempt to usurp the "condominium option" to help finance a new-construction, huge hotel. The IP portion of the amendment violates numerous policies of the certified LUP including the Community Design Policy 2.2.1 and Policy 3.5.4, as well as Land Use Policy 1.6 and Policy 2.6.5, and the Community Design Policy 1.1 of the BSOL Plan portion of the LUP. It would provide for a project with excessive height and mass, at times nearly three times as tall as commercial buildings directly across the street. A project completely out of character with the surrounding area, dominating the neighborhood and the adjacent public beach; and providing the first domino in a succession that will transform an historic and iconic beach front.

I. Motives:

It seems simple enough that the developer's motive is to make lots of money, as quickly as possible. This is not only trite and obvious, but it is, in a sense, the "job" of the developer; it's what the Commission sees all too often; but it is not a goal of the Coastal Act. Still to help accomplishing this Motive the developer enlists the City with the inducement of financial benefits to address the City's financial distress. Both the developer and the City each have their own motives that evolved over time and events. In the end, together they offer amendments to the LCP that seek to allow an excessively tall and massive hotel, driven by the profit demanded by the developer in order to build the project and financial benefits desired by the City. Along the path to this end there is damage and wreckage to both physical objects and LCP goals.

It is impossible to understand the evolution of the development proposals without understanding more about the City's motives. The dominant feature of the commercial area in the City's coastal zone is the Boardwalk amusement park. This is true in both a physical sense and also in a financial sense. But this major feature also has major drawbacks. The park operates for, at best, about half the year and amusement parks tend to draw day visitors and, as moderate priced entertainment, don't draw big spenders. For decades the City has longed to create a financial counterbalance. It has dreamed of a conference center that would draw wealthier visitors and function as an economic engine during the "off season". It has looked with envy at the hotel development in Monterey and elsewhere within Santa Cruz County. But, it has also struggled with the constraints of the beach area: the need to preserve existing neighborhoods both historic and low cost; the need to preserve the amusement park and allow for its needs for massive parking; and the fact that the largest remaining underdeveloped parcel also includes a major historic, architectural structure.

II. History: how timing and events provide Opportunity: **Delay, Compromise, and Desperation**

Background:

The history of development proposals for the Beach Area and the effects of the Local Coastal Program on those proposals chart an evolution of opportunity. What was once proposed as a historic renovation and reuse project has metastasized into the possible demolition of a historic asset and construction of an oversize, out-of-place La Behemoth. This was made possible due in no small part to the length of the process (contributed to by both other stakeholders' concerns and, possibly, by the developer's shrewd postponements), assisted by the compromises made for and the ultimate demise of the Coast Hotel project, and fueled by the ever growing desperation of the City faced with financial deficits.

The Beach and South of Laurel Comprehensive Area Plan (BSOL) was approved by the City in October 1998. Later, in 2002, portions of the plan and the accompanying Design Guidelines were approved by the Coastal Commission as part of the City's LCP.

In developing the BSOL plan the City identified the La Bahia site as the preferred site for a conference hotel but also recognized the existing building as an important architectural and cultural asset. The City hired Architectural Resource Group to identify La Bahia's important features to be preserved under the policies and design guidelines of the BSOL Plan.

In 1999, a San Luis Obispo firm proposed a high-density low-rise facility. Contrary to the BSOL design guidelines, it used Spanish modern design, with unattractive rows of identical repeated features and long flat horizon lines. It was not pursued and the City's appetite grew for the potential revenue and economic engine it expected from a large hotel.

The First “Swenson” Proposal:

Subsequent to the recommendations of the BSOL Area Plan, Barry Swenson Builder (“Swenson”) submitted a plan to the City to redevelop the La Bahia site into a 118-room hotel with day spa, but without a conference facility. This project would have resulted in renovation of most of the existing historic buildings. Since the proposed project was in conformance with the existing BSOL plan, zoning ordinances and LCP, the Initial Study was tiered to the BSOL Area Plan EIR and concluded that an EIR would not be required. A Mitigated Negative Declaration was adopted and the project was approved by the City Council in 2003.

But the approved 2003 La Bahia project was not a “conference hotel” and, while that project sat apparently dormant, the City grew anxious and a new conference hotel project was presented to the City. In 2004, a project was proposed for the Coast Hotel site, located west of the Municipal Wharf on Beach Street. The project consisted of the demolition of the existing Coast Hotel and surface parking lots. In its place, a new 270-room hotel and restaurant with a new multi-story 650-space parking structure and conference facility was proposed. The project required a new zoning designation allowing for more height, amendments to the LCP, changes to the BSOL plan, and the completion of an EIR. After all of these and the project were approved by the City Council, enough signatures were gathered to qualify a citizen-led ballot initiative to stop the project. Faced with a citizen’s referendum, the Coast Hotel developer withdrew its proposal.

The City’s hunger and disappointment were insatiable and its budget shortfalls were reaching a crisis. The City had shown a willingness to make major changes: abandon height limits, amend the BSOL, amend the LCP... who knew the limits of what the City might be willing to compromise.

Subsequent to withdraw of the Coast Hotel project, in November 2005, Swenson informed the City Council that it had determined that the 2003 approved project at the La Bahia site was not financially viable; and that the applicant had decided not to pursue this permitted project and would allow the permit to expire.

The “demolition rational”:

It is instructive to examine the basis of developer’s conclusion about financial viability which is provided in its “demolition rational”. Over time the developer has presented three versions of the “demolition rational” and these have been supported by reports from their structural engineer. The basic rational is that restoration is too expensive and that complete demolition and new construction would be less expensive; would create a product that was easier to sell as a condominium and to operate as a hotel; and would kind of look like the old structure with larger rooms and better ocean views. While this rational appears fairly straight forward and easy to accept, there are some subtle elements that should be considered.

One major element is the extent that creating a condominium hotel dictates and drives the “demolition rational”. A careful reading of these rationales provides the following key

points. First, condominiums are subject to major lawsuits for construction defects. Restoration using historic building codes increases that liability thus making insurance protection against construction defect liability extremely expensive or unobtainable. Second, condominiums hotels need units to be similar sizes and provide similar features in order to be able to successfully sell the units and in order to be able to provide returns to the owners in an equitable manner. Third, condominium hotel units need to be larger than regular hotel units in order to appeal to buyers who must envision themselves as owners of these units.

Another major element in the demolition rational is only mentioned briefly in the seventh of eight points in the conclusion of the Briggs Cardosa Associates, Inc (structural engineers) report, from November 2007, in support of the demolition rational. Here the report notes that, due to the high costs of historic retrofit construction projects, "...many of the historic projects we have been involved with were subsidized by government agencies." Why is there nothing in the record of any offer of subsidy from the City that so wanted to preserve the historic building? There is no record because, in spite of informal offers from three mayors over the history of the Swenson proposals, Swenson has consistently refused millions of dollars in public assistance for their project likely, in part, in order to minimize public conditions seen as supportive of the unionization of hotel workers and to avoid the payment of prevailing wages to construction workers.

The "New" Swenson Proposal:

The current project application was submitted to the City by Swenson in March 2006. This new La Bahia Hotel Project proposed new construction of a 68 to 70-foot tall, 125-room full-service condominium hotel with a restaurant and meeting facilities in an area where zoning provided for a maximum of 43 feet building heights. The proposed project consisted of demolition of the existing 44-unit La Bahia apartments and virtually all of the existing structures as well as the existing courtyards. As a result of the public process including responses to a draft EIR and a Recirculated draft EIR (REIR); and subsequent to the hearings before the Historic Preservation Commission and the Planning Commission and to the publication of the Final EIR (FEIR), the developer proposed its final changes to the project reducing the maximum height to 60 feet.

With the availability of hotel financing receding into the future due to the continuing financial meltdown, the prize for the developer has become gaining the entitlements. The City's continuing and growing financial crisis plus delays caused by citizen opposition and shrewd postponements by the developer (gambling on newly elected politicians or newly appointed commissioners, both local and state) have provided the developer with increasing leverage in extracting concessions from deliberative bodies.

III. Provide the Condominium Option to finance a Historic Renovation, declare Historic Renovations with condominiums not "financial viable", demolish the Historic Building but keep Condominium option to finance the New Construction.

It is a cruel and inappropriate outcome that a tool, the "condominium option", offered to help make historic restoration of the La Bahia financially viable, should be first used in an attempt to prove such restoration financially infeasible; then used to justify and finance the historic building's demolition; and, finally, to be usurped to help finance a huge, new hotel. Such would be the result if the current LUP is amended as the developer and City propose.

The current LUP section 2.16 of the BSOL provides:

"The La Bahia shall be redeveloped as a visitor accommodation use available to the general public. If the La Bahia is converted to visitor-serving condominiums in order to fund the renovation project, restrict use of the condominiums by individual owners to no more than 45 days per year." (emphasis added)

If amended the proposed LUP section would provide:

"The La Bahia shall be redeveloped as a visitor accommodation use available to the general public. If the La Bahia site is ~~converted~~ redeveloped to visitor-serving condominiums in order to fund the ~~renovation~~ project, restrict use of the condominiums by individual owners to no more than 45 days per year."
(~~strikethrough print~~ represents language deleted, **bold print** represents language added)

This amendment should be rejected by the Commission for several important reasons.

Firstly, this Commission created the current approved language in June of 2002 when the Commission was considering the STC-MAJ-1-01 amendment to the City of Santa Cruz LCP. This was new language recommended by the Commission as an addition to the Land Use section of the BSOL Plan and as necessary in order to make the requisite findings for certification of the amended LCP. We believe the Commission correctly found this language to be necessary based upon various sections of the California Coastal Act including Section 30251, which provides:

"The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, ..., to be visually compatible with the character of surrounding areas..."

and Section 30253, which provides:

"New development shall do all of the following: ...

(e) Where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses."

Secondly, this amendment is primarily offered based upon the claim that a historic renovation project is not financial feasible, but financial feasibility is an inherently subjective judgment. It is based on many factors that may vary from developer to developer and, over time, in the view of the same developer. Swenson's history at this site demonstrates this subjectivity. Certainly when the developer proposed the 2003 project, it was deemed financially feasible; yet a few years later it was deemed infeasible (perhaps only because Swenson thought it now had the option of a full demolition and a new building). One developer's judgment of feasibility turns on one rate of return on investment; another developer might find that rate of return unacceptable and thus a project financially infeasible.

Fortunately Commission action based upon financial viability or feasibility is neither supported by any Coastal Act Section nor should the Commission make decisions based upon either financial viability or how great an economic benefit might be provided by compromising Coastal Act goals. Further accepting this amendment comes close to encouraging or rewarding what could be seen as "demolition by neglect". An owner of a valuable cultural and architectural coastal resource could allow the resource to deteriorate to the point they deem it "infeasible" to repair and then seek permission to amend a policy requiring or encouraging renovation. Such poor stewardship should not be encouraged or allowed.

Thirdly, the Commission must take the long view and consider the consequence if this amendment is approved and this developer walks away from this project. The Commission should protect and retain the incentive for another developer to complete a renovation of the La Bahia, should it find the condominium option aided in financing a renovation project. This amendment would have the adverse consequence of not only removing an incentive to do a renovation project, but of creating an incentive for a new-construction, condominium project. This is a move two steps away from the current policy: from supporting restoration using condominiums, to a neutral position, to supporting new-construction condominiums.

Finally, this amendment is not needed to build the proposed project, if the zoning amendment is accepted. A project could be built, at the heights provided by the proposed zoning, without this amendment. It would seem that this amendment can only be justified by a claim that a large, new, expensive visitor-serving hotel is not financial feasible on this site without the aid of condominium ownership to assist with the financing. As dubious as this claim appears, there is also nothing in the record to support such a claim. There seems no reason to provide enhanced, high cost, exclusive enjoyment of the public resources (coastal views, etc) that condominium ownership would provide the owners even for as short a time period as suggested. Furthermore, before the Commission should consider approving this amendment it should consider whether a large, new, expensive visitor-serving hotel should be allowed to be created as a condominium. What Coastal Act mandate is being met by allowing this as a condominium hotel as opposed to simply as a hotel, in this instance?

IV. What of the IP amendment, the new zoning ordinance

Incompatible with the Neighborhood and Character of the Area:

We believe that the Commission must reject the zoning portion of this proposed amendment because it violates numerous policies of the certified LUP including the Community Design Policy 2.2.1, which requires new development to be compatible with the character of the area; and Policy 3.5.4, which requires that new development recognize and maintain the prominence of Beach Hill; Land Use Policy 1.6, which requires that new development to be sited and designed to be visually compatible with the character of surrounding areas; and Policy 2.6.5, which requires the protection of neighborhood quality through design guidelines, adequate buffers and other development techniques. The proposed IP amendment also violates the Community Design Policy 1.1 of the BSOL Plan portion of the LCP, which requires that development respect the physical and environmental characteristics of the community and the site.

The proposed amendment would create a new zone for this parcel alone. It would allow a maximum building height of 61' over as much as 60% of the site plus an additional 10' for uninhabitable mechanical penthouses and architectural elements covering a potential 25% of the roof area. It would require as little as no setback from the property line along each of the adjacent streets. Current zoning on this site and the adjacent neighborhood allows for a maximum building height of 43' using the Planned Development Permit. The proposed zoning amendment would allow an excessively tall development that would overpower and overwhelm the character of the area.

The parcel is bounded on the east side by Westbrook Street. Across Westbrook is the Coastview Inn which stretches for the entire block from Beach Street to 1st Street. This is a two story building with a flat roof (about 20' tall at Beach Street) on a lot that is level back from Beach Street and is cut into the gentle slope of the natural grade of Westbrook Street. Midway up Westbrook Street, across from the Coastview Inn (with a roof top at that point about 12' above the street grade), the new development could be 68' tall above existing grade. The elevation of the top of the roof of the Coastview Inn at 1st Street is about 9 feet above the elevation of the corner of 1st Street and Westbrook. Across the street, the new development could stand 62' above grade.

The parcel is bounded on the west side by Main Street. Across Main Street is the Casa Blanca Restaurant and Motel which are a series of two story buildings with flat roofs that step up Main Street from Beach Street nearly to 1st Street. According to the proposed new zoning, midway up Main Street, across from the 20' tall Casa Blanca motel unit, the new development could be 65' tall above existing grade, not counting any architectural elements.

Across 1st Street on the north side of the parcel are several residences, a bed and breakfast, and several small apartment complexes which step up the hill along 1st Street. The tallest roof peak among these is about 37' above grade. At the east end of 1st Street, across from the Nestle Inn Apartments (206 1st Street, roof top less than 25' above grade), the new development could stand 62' above existing grade. Half way up 1st

Street, across from the Robert's Home (214 1st Street, roof top about 30' above grade), the new development could be 60' above grade. At the corner of Main and First, the high point on the parcel, the new development would only be about 50' above grade, not counting any architectural elements, and would be only a little more twice as tall as the nearest Casa Blanca Motel unit and about 20' taller than the nearest apartment across 1st Street.

Viewed from the public beach across the street, the potential structure, allowed by the proposed zoning amendment, would appear to be an 82' tall building from the entrance on Beach to the tallest portion of the structure. Where the existing developments on all three sides of this site are of modest heights and step up the various slopes, this potential structure would dominate the skyline. The Santa Cruz commercial coastal area is already dominated visually by two pre-Coastal Act structures: the Beach Boardwalk and the Dream Inn (formerly the Coast Hotel). Each of these presents an edifice that appears to project ownership of a major portion of the local beach. This potential new project, located directly across the street from this portion of public beach, would add a new dominating presence and project its sense of ownership on this last remaining portion of public beach.

Adverse Precedent and the Impacts of Spot Zoning:

Creating and applying a new zone to a single site would seem to contradict the concept of a zone as a guide for land use over an area of multiple parcels. Spot zoning as provided by this proposed amendment violates several policies of the certified LCP including the Land Use Policy 1.6, which requires that new development minimizing obstruction of important viewsheds and be visually compatible with the character of the surrounding area; Policy 2.6.5, which requires protection of neighborhood quality by the use of design guidelines, adequate buffers and other development techniques.

Providing these increased height allowances and consequent increase in property value for a single property owner would seem to be problematic for a public decision making body. Additionally, providing this new zoning for this single site would create pressure to apply similar zoning to other sites throughout the beach area based upon a number of factors. Providing this new zoning to this single site would increase the value of this property and other property owners might desire a similar benefit for their property values. The impact on adjacent commercial properties might not only be in the increased value of this parcel, but might also diminish the value of their parcels due to comparatively lesser development potential and due to the impact of their diminished views. This could in turn increase pressure from adjacent hotel properties to seek similar rezoning and increased heights in order to recover their views and create a competitive product. Overall, allowing this amendment to the IP portion of the Santa Cruz LCP would provide an adverse precedent not only for the Santa Cruz LCP but for future decisions throughout the entire California Coastal Zone.

V. Conclusion

I agree that the La Bahia site is a good site for a hotel project. I agree with the current LCP that recognizes and seeks to provide for that hotel while renovating and restoring the valuable cultural and architectural treasure of the existing structures. I understand and regret how and why the City has proposed these amendments. The City's proposals are driven primarily by the desire for financial contributions to aid in meeting its budget crises. The Coastal Commission should not sacrifice long term Coastal Act goals to satisfy the City's financial appetites.

The LUP portion of the amendment violates the Coastal Act Section 30251 and 30253, among others. The Commission should not allow a "condominium option" provided to assist with the financing of renovation of an architectural structure, to be used to justify demolition of the structure, and then usurped to help finance a new-construction, huge hotel. The IP portion of the amendment violates numerous policies of the certified LUP including the Community Design Policy 2.2.1 and Policy 3.5.4, as well as Land Use Policy 1.6 and Policy 2.6.5 and the Community Design Policy 1.1 of the BSOL Plan portion of the LUP. The Commission should not approve an amendment that allows for a project with such excessive height and mass. The Commission should not sacrifice the public coastal views from the beach or from the public streets above the site. It should not approve an amendment that allows a project so completely out of character with the surrounding area, dominating the neighborhood and the adjacent public beach.

The Commission should not allow the first domino that begins the obliteration of the terrace and skyline as well as the visual and aesthetic character of this historic, iconic beach front area. Finally, the Commission should not allow the adverse precedent these proposed amendments would provide not only relative to the City of Santa Cruz LCP but also to the entire California Coastal Zone and LCP amendment process. I urge the Commission to reject all of the elements of this proposed amendment to the City of Santa Cruz Local Coastal Program.

Sincerely yours,



Edward Van Valkenburgh
217 Marnell Ave.
Santa Cruz, CA

Th8d

RECEIVED

July 25, 2011

JUL 29 2011

Mary K. Shallenberger and Commissioners
California Coastal Commission
725 Front Street, Suite 300
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Mary and Commissioners:

This letter is to urge your approval of the amendment to the city's Local Coastal Plan (LCP) to allow additional height for a quality hotel and quality rooms.

Providing Visitor Serving uses is a priority of the Coastal and a goal of the City's Local Coastal Plan. The proposed facilities are consistent with both current and proposed land use designation and zoning with a hotel, restaurant and conference meeting space.

The proposed project enhances the connection to Beach Street with pedestrian friendly street frontage as well as an economic benefit to the City in the form of well-paying jobs, increased tax base and a catalyst for beach area improvements. In addition, construction would meet current ADA standards increasing handicapped access severely lacking in the current structure.

The beach area needs this project and so does the community of Santa Cruz County.

Sincerely,

Cassidy Turley / BT Commercial



Carol Canaris
Managing Broker - Santa Cruz

~ La Bahia Site Tour ~



RECEIVED Observations

JUL 27 2011

Briefing from March 2010 tour

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

By

Ross Eric Gibson
La Bahia Historian

When touring the La Bahia, consider some of the following points.

LANDMARK: The City-hired expert Ward Hill determined La Bahia is an NR-2 National Register-Eligible landmark in 1996; and in 1997, Washington DC's Phipp's Group determined it was the third most important waterfront Signature Landmark after the wharf and boardwalk. La Bahia is a rare example of Mediterranean Hill Village architecture in America, designed by noted architect Wm. C. Hays, who founded the Berkeley School of Architecture. With craftsman simplicity and a build-with-nature ethos, it expresses the topography of the hillside. The casual layout was deliberately designed to create stage-set vistas from its various vantage points.

CHARACTER-DEFINING FEATURES: The landmark was designed in 1926 to be seen from all four sides, to reflect the Casa Blanca's hillside massing, and nestle into the (until recently) forested hillside. It was a pedestrian-only luxury complex, featuring courtyards, flights of stairs and ramps, and covered breezeways. It provides a calm oasis in the midst of a busy tourist waterfront. The City's hired experts "Architectural Resources Group" of San Francisco, required any La Bahia project to preserve the chief street facades, courtyards & court facades, stairs and breezeways, as character-defining features.

RESTORATION POSSIBLE: This landmark is in better condition than was the Lynch House (now the West Cliff Inn near Dream Inn), which Barry Swenson Builder restored into what they called a popular inn with the "highest average daily rate and highest occupancy rate than any hotel in Santa Cruz County" from the moment it opened. (City Council Hearing 3/31/09, La Bahia Report p.VII-12[3]). The West Cliff Inn is successful with preservation, without a highrise addition, and with most rooms lacking ocean-views. It is proof of their ability to restore a landmark, and make a success out of preservation.

VIEWING

STREET & BEACH: Compare the La Bahia's compatibility with the scale and massing of neighboring landmarks, chiefly the Casa Blanca to the west, and from the Main Beach and tidal zone. The proposed highrise is 7-stories from base to top, and higher than the Boardwalk Casino roof.

COURTYARDS: The natural lighting effects of the courtyards would be lost with the proposed 30-foot walls enclosing them, creating deep, dark pits, making the courts seem narrower. The Court of the Mariners is proposed to be turned into a driveway.

ROOFTOP VIEWS: The La Bahia enhances the view from all angles, with its articulated rooftop vistas. Note views from the street, especially from the First and Main street bluff, and view from the top of the Casa Blanca steps west of Main Street.

Th8d

RECEIVED

July 22, 2011

JUL 25 2011

Chair Mary K. Shallenberger & Commissioners
California Coastal Commission,
c/o Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

California Coastal Commission,
Central Coast Area

Re: City of Santa Cruz LCP Amendment Number 1-11 (La Bahia Hotel)

Dear Ms. Shallenberger & Commissioners,

As a Beach Hill neighbor and owner of 3 buildings on Main Street - the same street that the La Bahia is on, I'd like to express my support for the La Bahia project.

I feel that this project is the catalyst to revitalizing Beach Hill and the Beach front district – and it is not a generic solution! It is a monumental tribute to the original architecture and has taken into account countless feedback from countless groups and people. Its Spanish revival architecture has been developed to the point that will make it a landmark of its own, that we all can be proud of.

The way I see it, here is what we stand to gain:

- 1) Continuing the vision of the Beach Hill neighborhood .
- 2) Improving the face of the city to the Monterey Bay and the rest of the world.
- 3) Providing a tangible and financial reward for the city that is desperately needed.
- 4) Employment from a long and short term perspective
- 5) Drawing a respectable clientele to an area that is teetering on dangerous and undesirable.
- 6) More hotel rooms & meeting space= more supply = more options and competitive pricing for tourists and more draw for year round visitors.

Our community really needs this project. Please vote YES for La Bahia.

Respectfully,



Nicole Sanchez
1005 Third Street
Santa Cruz, CA 95060

RECEIVED

AUG 09 2011

California Coastal Commission,
Central Coast Area

09 August 2011

California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, California 95060-4508
faxed to (831) 427-4877

Peter J. Kennedy
223 Miramar Drive
Santa Cruz, CA 95060-5229

Dear Commissioners:

I am writing this letter to express my support for the La Bahia project.

I support this project because our City is in desperate need of a higher end hotel and conference center. Through the years, many projects have come and gone, some better than this one, some worse. The one thing they share in common is that none of them have ever been built. While I do have reservations about the La Bahia project, our town needs jobs and our City needs income.

Architecturally, the project does not appeal to me. It is a pity that the existing historic building will be demolished, but I see this as a necessary evil. In my opinion, a hotel like this is a modern building type, and should be built in a modern style. The current design, trying to reconcile the historic building and the new use is compromised, without clarity of intent, and does not appeal to me.

One strong positive of the project is its commitment to Green Building. Hotels use tons of energy, and as our City begins to think about Carbon goals, building to meet the LEED standard (in addition to CalGreen) is one step in the right direction. This far exceeds what is required by the City of Santa Cruz's Green Building Program. I see your Commission offers discounted permits for achieving LEED Gold, and in an ideal world, I feel this project should meet that (higher) standard. Committing to LEED Certified is great, and meeting LEED Gold would be better (though it may be cost prohibitive to the developer).

Please note that I am currently serving on the City of Santa Cruz Planning Commission. This project was approved by our commission before I was a member. I write this letter of support solely as a Citizen, not as Commissioner.

I ask that you approve this project, with a minimum of conditions, as Santa Cruz needs it.

Thanks you for your consideration.

Best regards;



Peter J. Kennedy, (831) 419-4869
pjkkennedy@gmail.com
223 Miramar Drive, Santa Cruz, California 95060-5229

RECEIVED

AUG 09 2011

California Coastal Commission,
Central Coast AreaAGENDA Item: Th8D
LCP AMENDMENT NO. STC-1-11
CHRIS FERRANTE-HOTEL OWNER
IN FAVOR OF PROJECT

July 31, 2011

Coastal Commissioners, California Coastal Commission
725 Front Street
Suite 300
Santa Cruz, CA 95060

Dear Commissioners:

My husband and I are citizens of Santa Cruz and we own two businesses in the city; a 40 room hotel (Beach Street Inn and Suites) and a 47 year old Travel Agency (Santa Cruz Travel).

I just finished reading the staff report and I would be remised if I did not write a letter in favor of the project, but **OPPOSED** to the Staff's Modification Recommendation, particular item number 2; addressing the low- cost visitor serving accommodations.

As a community and industry we are currently addressing the sub-standard hotel stock in the City and Beach Area by financially incentivizing property owners to upgrade their properties. It is a real need. By adding language to the LCP that further handcuffs our ability to build or remodel inventory is contrary to the current LCP as well as the City's overall goals. Furthermore, it is detrimental to our community, our industry and to all visitors that enjoy our coastline.

On page 27 of the report it speaks to the state of our local motel market: "As more recycling occurs (which is taking place in the City of Santa Cruz), the stock of low-cost overnight accommodations tends to be reduced, since it is generally not economically feasible to replace these structures with accommodations that will maintain the same lower rates."

Staff admits it is not economically feasible to replace these structures with accommodations that will maintain the same lower rates. Remember these "lower rates" that the staff identified are still higher than the State average, except for the identified 122 rooms. If it is not feasible to offer lower rates, then why would Staff recommend to change the LCP across the board and require any development to provide either low-cost accommodations or in lieu fees? It is NOT FEASIBLE AND THIS WILL PREVENT the much needed future renovations/developments in Santa Cruz.

Formula?

Although I do not agree with the fees, I understand Staff needs a formula and a standard to determine the fee structure. However, comparing a small beach town with just one market segment (tourist) in its Peak and ONLY real season, to hotels in all market segments across the State is unfairly justified. The comparison should be based on coastal "tourist" hotels in California, not all hotels across the state.

Thsd

Dear Ms. Craig - for California Coastal Commission,

I would like to reiterate my support for the La Bahia Hotel in Santa Cruz which the California Coastal Commission is scheduled to consider on Aug. 11 at its meeting in Watsonville.

In March, I expressed my support for the Hotel when the Commission was meeting in Santa Cruz. I will be out of Santa Cruz County this week and therefore would like to briefly repeat my reasons for support of the proposal.

The La Bahia is consistent with land use and zoning designations for a hotel and will provide visitor-serving services which is listed as a priority in the Coastal Act. It would provide public access of a beachfront facility to the coastline which isn't available now. This is of special interest to me because, as a member of the California State Senate, I worked with the Coastal Commission in 1997 to have my Senate Bill 72 passed that directed funds from the Coastal Commission's permit fees to public access uses.

The applicants have incorporated an environmentally sensitive design that will be "green building" certified, and they support alternate transportation opportunities such as a beach shuttle and employee bus passes.

As a fourth generation Santa Cruz native who spearheaded building of the McPherson Center for Art and History in downtown Santa Cruz, I am very pleased that the supporters of La Bahia will preserve some of the historic features of the Hotel. It has received strong community support, with only one "no" vote on the seven-member City Council because it meets the city of Santa Cruz' Local Coastal Plan.

As former editor of the Santa Cruz Sentinel and having served two terms in the both the California Senate and Assembly, as well as two years as California Secretary of State, for the reasons listed above I believe the La Bahia Hotel provides visitor-serving services recognized in the Coastal Act. It will be a tremendous beach area improvement to the community. I encourage the California Coastal Commission to pass the La Bahia Hotel proposal on Aug. 11.

Sincerely,

Bruce McPherson
14 Kite Hill Road
Santa Cruz CA 95060

Phone: (H) 831-427-0977
(cell) 916-204-8383

RECEIVED

AUG 09 2011

California Coastal Commission,
Central Coast Area

Th 8d

796 McKenzie Ave
Watsonville, CA 95076

RECEIVED

August 5, 2011

AUG 10 2011

California Coastal Commission,
Central Coast Area

California Coastal Commission
Central Coast District
725 Front St Ste 300
Santa Cruz CA 95060-4508

Dear Commissioners:

I have lived in the Santa Cruz-Watsonville area and worked in the hospitality industry for many years. I think a new hotel would be a good idea at La Bahia Apartments, but not the huge one that is planned right now.

La Bahia is a good size already, and it's a building that everybody thinks of when they think of the beach area. I don't think the developer should tear it down and build a giant structure in its place. The rules say the developer can't do that now, so please don't change the rules on us.

If the Coastal Commission allows La Behemoth, it would ruin the beach area for me.

Thank you,



Luis Calderon

Th8d

Susan Craig
California Coastal Commission
Central Coast District
725 Front St Ste 300
Santa Cruz CA 95060-4508

RECEIVED

AUG 10 2011

California Coastal Commission,
Central Coast Area

August 5, 2011

Dear Coastal Commissioners:

I have heard that you will consider changing the plans for the Beach area in Santa Cruz and allow for a giant hotel to replace La Bahia.

Please do not do this.

I have been working at a hotel nearby La Bahia for many years, and have enjoyed the view along Beach Street. I would be very disappointed to lose La Bahia—it looks and FEELS like Santa Cruz. If they put a big new hotel there, I'm afraid it won't look and feel like Santa Cruz anymore.

I think they could make a nice hotel out of La Bahia. They don't need to destroy it. Please don't let them do that.

Sincerely,

Javier Morales

Javier Morales

3715 Garden St #1

Santa Cruz, CA 95062

Th8d

RECEIVED 8/7/2011

AUG 10 2011

California Coastal Commission Hilary Bridges
Central Coast Area 75 Vine Hill Road
Santa Cruz, CA 95065

California Coastal Commission,
c/o Central Coast District Office,
725 Front Street, Suite 300,
Santa Cruz, CA 95060

Dear Chair Shallenberger and Commissioners,

I am writing as a Santa Cruz county resident who would like to see approval for the La Bahia Hotel project. I urge you to support this project for the benefits it will bring to the Santa Cruz coastal area, as I feel it will benefit both the community and visitors who come to enjoy the coast.

This property is in need of a change, and this change has been well planned. It is consistent with current and proposed land use designation. It will provide a useful destination, where there is none currently. It will improve the area, and will thereby draw other improvements to this treasured part of our city.

Thank you,

Hilary Bridges

Hilary Bridges

75 Vine Hill Rd
Santa Cruz, CA
95065
SAN
08 AUG