

Lindsay Nelson

From: Phyllis Galvan <bladelady@sbcglobal.net>
Sent: Saturday, June 22, 2024 11:29 AM
To: City Council
Subject: Hotel project SCFS Venture LLC 6/25/2024 12:00pm meeting

Dear, Honorable Mayor Keeley, Vice Mayor Golder, Council Members, Brown, Brunner Kalantari Johnson, Newsome and Wakins.

I am writing to you because, I cannot be at the scheduled council meeting on Tuesday the 25th of June. I would like to personally express my concerns about the matter of the upcoming Giant hotel project previously approved. In my opinion the Costal Commission got their approval wrong. This project will have a significant impact on our environment and community. The loss of this open space, heritage trees and disruption of bird flight patterns, traffic, pollution, noise, will sadly take its toll. In a time where we should be preserving our environment for the future we are choosing the change our environment in the interest of funding the Rich outside of the area corporations. No consideration has been given to the adjacent communities affected. I would like to believe that you as our elected representatives you would be looking out for our interests not those of the wealthy corporations who obviously have only monetary interests. My name is Phyllis Galvan, I live at the adjacent property Clearview Court in Space #44. I have had the privilege of living here for 39 years, many of those years fighting to keep this truly affordable housing option available for the future. Not a popular position in the eyes of the wealthy developers. Although I will not actually lose my home, this project will adversely affect my quality of life as I know it. My home sits at the common fence line between our park and the Dream Inn parking lots, I am 10 feet from the proposed service entrance road, service entrance meaning trash truck hauling and trucked in goods. All of that is noisy and polluting. That will be after a very long noisy, dusty, jarring construction process. Just look at the church circle project what an ugly mess. I'm still wondering if I and my neighbors will be able to withstand the construction process and then live with the aftermath, which will be no sun to our homes, day and night noise and traffic from cars, trucks and pollution from people who don't even live here. I cannot even imagine the traffic nightmare that will ensue. Have you driven this area when the traffic is bumper to bumper on any given summer weekend. This will be a polluting and dangerous safety issue. How will emergency vehicles be able to respond? All the traffic proposal options will not fix this issue. I myself in the process of living out my golden years, will have no sun for my beloved garden, no warmth of the sun to my home, no birds flying over nesting and living where I can enjoying them. Instead I while have rich people looking down from their condos, and wishing they didn't have to look at the Trailer Park Where the elderly and low or fixed income people dwell. If ever there was a definition of environmental gentrification and inequality this is it.

Although this is an approved project, our City Council has been able in the past 40 years to preserve our affordable housing situation from the greed of the developers. That is why I still have hope that this project could be reconsidered. If we lived in San Jose or other cities we would have been displaced many years ago. Our Santa Cruz has been different and should be conscious about the preservation of environmental protection and truly affordable housing stock that is disappearing at an alarming pace.

I want to thank each of you for your time and consideration in this matter. It is in you hands now.

Thank you Sincerely,
Phyllis Galvan
170 West Cliff Dr SPC # 44
Santa Cruz, Ca. 95060
831 419 8234
Bladelady@sbcglobal.net

Lindsay Nelson

From: Brad Brereton <BCB@brereton.law>
Sent: Sunday, June 23, 2024 1:09 PM
To: City Council
Subject: Cruz Hotel

Dear City Council

Please support the proposed Cruz Hotel. It will bring needed jobs and revenues to the City, and it will allow the improvement of a problematic section of the Riverfront area. The improvements are long overdue. Please continue improving the downtown area by allowing this much needed addition without further delay.

Thanks.

Brad C. Brereton

Lindsay Nelson

From: Jacob Knobel <jacobknobel@gmail.com>
Sent: Sunday, June 23, 2024 1:11 PM
To: City Council
Subject: Cruz Hotel

Hello,

I'm writing to express my support for the Cruz Hotel project that is up for approval again.

As a Santa Cruz resident, more hotel options are a major plus for friends and family who visit, especially if it's located in our awesome growing downtown.

I'm also a business owner downtown, and welcome projects that bring more tourists, residents, and customers.

I'm very excited for the future of our downtown over the next few years and this project is one key component of that.

Thank you!

Jacob

Lindsay Nelson

From: Ian McRae <ianmraess944@gmail.com>
Sent: Sunday, June 23, 2024 1:15 PM
To: City Council
Subject: Downtown Hotel

I am in support of a downtown hotel. As a downtown business owner for twenty years I know first hand the value of good jobs in the service industry. Secondly, if you are in support of locally owned downtown businesses you should be in support of a hotel. These are all potential customers for downtown businesses. And yes I own a downtown business. We employ 70 people with a living wage and health insurance. We would be hiring more staff, as would many other downtown businesses as a result of more downtown residents and hotel guests. And thirdly, I have to assume that the tax revenue from such a venture would be a great benefit to the city for such things as our teachers, first responders, and local infrastructure projects.

Ian McRae
Hula's Island Grill and Tiki Room

Lindsay Nelson

From: Bob Cagle <bob@productops.com>
Sent: Sunday, June 23, 2024 1:41 PM
To: City Council
Subject: Cruz Hotel

Esteemed City Council,

Please vote yes on the proposed changes to the Cruz Hotel project.

I've had a business downtown since 1999 and we have needed more hotel space and quality conference space for my clients and visitors downtown.

As well - affordability is critically important for our community and we need to take action to back up all of the talk about it.

You can do that - please. Let's continue to improve the vibrancy, safety and economic health of our downtown.

Please vote yes on item 40 this coming week.

Best regards,
Bob Cagle,
CEO, productOps.

Lindsay Nelson

From: Thomas Brezsny <getreal@sereno.com>
Sent: Sunday, June 23, 2024 3:49 PM
To: City Council
Subject: Downtown Hotel Project

Dear Council,

I want to urge you to vote yes on item 40 on your Tuesday agenda regarding the Downtown Hotel Project. In addition to the housing being added to the Downtown Plan that brings permanent residents to the Downtown sphere and eases the housing crisis and at the same time it helps the Downtown economy, the addition of a 232 room hotel and conference facility is vital to help support both existing businesses and the new commercial spaces that will be added on the first floors of some of those residential projects. We need more residents **AND** more visitors to create a truly viable Downtown Business Community.

Tom Brezsny
Christie's Sereno Real Estate

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Tom Brezsny

Vice President of Experience - Coastal Region



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CHRISTIE'S
INTERNATIONAL REAL ESTATE
SERENO



Lindsay Nelson

From: Douglas Ley <dley@redtreepartners.com>
Sent: Monday, June 24, 2024 7:24 AM
To: City Council
Subject: Cruz Hotel

Dear Council Members.

The City has performed admirably over the last decade to revitalize the downtown south of Cathcart. Please continue this very, very important transformation by approving changes to the Cruz Hotel project. Keep up the good work.

Doug Ley

**Douglas P. Ley, President of the General Partner
Redtree Partners LP
1200 Pacific Avenue, Suite 210
Santa Cruz, CA 95060
831.346.6414**

Lindsay Nelson

From: Eric Gil <eric@socksmith.com>
Sent: Monday, June 24, 2024 8:19 AM
To: City Council
Subject: Cruz Hotel - Absolutely Yes!

Good Morning Santa Cruz Council,

As the co-owner of Sockshop & Shoe Company I'm writing to show my support for the proposed Cruz Hotel in downtown Santa Cruz. Downtown has needed a functional hotel for visitor's for many years. This is the kind of connection that will make a difference between the wharf and downtown. With the transition to downtown housing, we also need a place for tourists and business professionals to stay and enjoy what downtown has to offer. This is part of a highly functioning downtown district.

Please consider the potential of having the kind of demographic that has money to spend and can enjoy downtown Santa Cruz while being blocks away from the main beach, wharf and boardwalk. This is essential to having the kind of working downtown that will benefit not only the businesses downtown, but the City of Santa Cruz and everyone who lives here.

Respectfully,
Eric Gil
Co-owner - Sockhop & Shoe Co.

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Eric Gil
Co-Founder / CEO - Socksmith Design Inc
p: [831.426.6416](tel:831.426.6416) f: [831.401.2331](tel:831.401.2331)
w: socksmith.com e: eric@socksmith.com
a: [1115 Thompson Avenue, Suite 5](http://1115ThompsonAvenueSuite5.com)
[Santa Cruz, California 95062](http://SantaCruzCalifornia95062.com)

Lindsay Nelson

From: Charles Jack <charles@catandcloud.com>
Sent: Monday, June 24, 2024 9:07 AM
To: City Council
Subject: YES on Item 40 - New Downtown Hotel

Dear City Council,

I wanted to write and urge you to vote YES on Item 40 tomorrow. The proposed new hotel will be a positive for our downtown businesses and help support economic growth for Santa Cruz, all while introducing new visitors to our wonderful town. Please vote yes on Item 40.

Thank you,

Charles Jack
Cat & Cloud Coffee, *Co-owner*
3600 Portola Drive
Santa Cruz, CA 95062
catandcloud.com

Lindsay Nelson

From: Ellen Gil <ellen.sockshop@gmail.com>
Sent: Monday, June 24, 2024 9:14 AM
To: City Council
Subject: Yes on Downtown Cruz Hotel as planned

Dear City Council,

As the co-owner of Sockshop & Shoe Company, I am very excited about the Downtown Cruz Hotel as it is currently proposed. It is exactly what we need to bring visitor's downtown who can park their car and walk to the shops and restaurants and the music and sports venues that Santa Cruz has to offer. This is exactly the vitality we are missing now. People don't have a place to stay downtown so they come to the 'beach' and they disperse to their hotels with no option of staying in a vital downtown area where they've gone out to play.

We used to be open till 9:00 at night because there were people walking around in the evening after enjoying dinner and a movie but there is no one on the street at night anymore. Imagine the new commerce and community that can come from more people trying to enjoy our unique downtown.

With the addition of all of the new tall buildings downtown I believe that a stately hotel is a smart addition to the mix. The design of the Downtown Cruz Hotel looks like it will fit in very nicely!

Let's not slow down progress on this project if we can help it.

Thank you,

Ellen Gil
Sockshop & Shoe Company

Lindsay Nelson

From: Linnaea Holgers James <linnaea@artisanssantacruz.com>
Sent: Monday, June 24, 2024 9:24 AM
To: City Council
Subject: Item 40

Dear City Council,

Please vote yes on item 40. A hotel downtown will be hugely helpful in the vitality of our community. Hotel Paradox is the only current option downtown and it is on the other side of the river. We constantly have people asking where they could stay and walk downtown easily. These are people who want to come spend time and money in our unique downtown. And the conference space provides an opportunity for us to expand our reach beyond just beach tourism where the majority of hotel/motel options exist in Santa Cruz.

Thank you,

LINNAEA HOLGERS JAMES

(831) 423-8183
1368 Pacific Avenue, Santa Cruz, CA 95060
www.artisanssantacruz.com



Lindsay Nelson

From: Cara Pearson <cara@pacificcookie.com>
Sent: Monday, June 24, 2024 9:26 AM
To: City Council
Subject: In Support of Cruz Hotel

Good morning Councilmembers,

I am writing to you as a small business owner and board member of the Downtown Association. I would like to show my enthusiastic support for Cruz Hotel. We believe it is a perfect addition to our expanding downtown district and look forward to the business it will bring our downtown community. Please support this project and its modifications.

All my best,
Cara

Cara Pearson, President
Pacific Cookie Company
831.429.9709
800.969.9709
<https://pacificcookie.com/>

Lindsay Nelson

From: Shiri Gradek <shiri.gradek@gmail.com>
Sent: Monday, June 24, 2024 11:09 AM
To: City Council
Subject: PLEASE VOTE YES on Item 40

Dear council members,

Please consider voting yes on item 40 - let's get the hotel approved!

The downtown expansion plan and all the current development in the downtown district is so exciting and vital to Santa Cruz' economic future. It would be incomplete without a downtown based hotel like the Cruz Hotel.

We are attracting so many tech companies to operate in the downtown businesses, but don't offer a hotel in walking distance to the offices. We are spending money and effort in the downtown expansion plan, but how can we attract the Warriors experience to visitors without giving them lodging?

The hotel is the missing piece to an amazing future downtown. Please vote yes.

Shiri Gradek

Lindsay Nelson

From: jorian@downtownsantacruz.com
Sent: Monday, June 24, 2024 11:19 AM
To: City Council
Subject: In Support of Item #40

Dear City Council Members,

The Downtown Association works to support the hundreds of existing business owners in the Downtown Santa Cruz district, where the new Downtown Cruz Hotel is proposed. A hotel is a very welcome, complimentary business for our neighborhood. Please vote in favor of item #40.

We are often asked where large, several hundred-person business, nonprofit and educational events can be held Downtown. The Civic is too large for these groups (and lacking in tech and hospitality services), and our other Downtown venues are too small. A hotel conference facility would allow Downtown Santa Cruz to host innumerable more groups, both locals and visitors, bringing positive and healthy traffic to our city center on a regular basis.

In addition to benefiting from conference traffic, Downtown businesses would have the opportunity to attract the hotel’s hundreds of nightly guests as they walk to dine out, souvenir shop, and seek entertainment in the district.

Hotels are important components of healthy cities everywhere. Thank you for supporting a hotel for Downtown Santa Cruz!

Warmly,
Jorian Wilkins
Executive Director
Cell | 303-905-1424
Downtown Association of Santa Cruz
www.DowntownSantaCruz.com



Lindsay Nelson

From: Emily Bernard Coonerty <emilyb@dellwilliams.com>
Sent: Monday, June 24, 2024 12:09 PM
To: City Council
Cc: Fred Keeley
Subject: vote YES on item 40

Hello Mayor Keeley & City Council Members ---

I urge you to vote yes on Item 40 and support The Cruz Hotel.

My family has been in business in Downtown Santa Cruz for almost 100 years. We wholeheartedly support this development and believe in the need for projects like this in order to increase the vitality of the downtown business district and the overall health of our city's economy. This opportunity is so exciting and would be such a huge, long-awaited, positive addition to our precious community.

Emily

--

Emily Bernard Coonerty
DELL WILLIAMS JEWELERS
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DellWilliams.com | [Instagram](#)

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Lindsay Nelson

From: Ron Pomerantz <hectic@cruzio.com>
Sent: Monday, June 24, 2024 12:14 PM
To: City Council
Subject: 6-25-24 Council Agenda item #24: Cruz Hotel

re. 6-25-24 Council agenda item #24: Cruz Hotel

Good day Mayor and Council members.

Attached below is our appeal to the Coastal Commission after your approval of the Cruz Hotel that was strongly in favor of providing low cost visitor accommodations. The proposal before you is inadequate. The developers were clear at the Council meeting when the hotel was approved that there was no way the hotel would provide on-site affordable accommodations and instead would give a few shekels for such accommodations at Greyhound Rock campground. Now miraculously they'll provide some of these accommodations on-site. What else are they being disingenuous about? 25% of the rooms as affordable is what you should be approving as a condition of approval as the Coastal Commission staff implied.

The Council needs to be aware there are other important grounds of appeal which should've been addressed in this agenda item. Such as affordable housing and parking for hotel workers. Public benefits like access and recreational opportunities. The protection of coastal resources is also needed to be addressed by you.

I request you deny the applicant's proposal for low cost affordable accommodations as inadequate. Have staff bring back this issue when you know what the Coastal Commission staff is requiring. This along with the other grounds of appeal and CCC staff's demands. Please read the attached appeal.

Thank your your time and thoughtful consideration.

Ron Pomerantz

April 16, 2024

California Coastal Commission
Central Coast District
725 Front Street #300
Santa Cruz, CA 95060
CentralCoast@coastal.ca.gov

Re: Appeal of Coastal Development Permit No. CP21-0051 - Cruz Hotel Project

Dear Commissioners,

Like other California coastal cities, the City of Santa Cruz has an abundance of low paid service jobs and a shortage of affordable housing for those workers. While there are some [low cost visitor amenities](#), it lacks proportionate [lower-cost accommodations for visitors](#). Yet the City of Santa Cruz seems to have bent over backwards to get an additional chic, mid-range hotel through their approval process. Significant changes to zoning, density, height, a bargain sale price of city-owned property deemed surplus despite the potential of it being used for affordable housing, and the offer

of a Categorical Exemption to satisfy California Environmental Quality Act (CEQA) requirements were all maneuvered into place to facilitate this project. Without any other obvious benefit to the community or the state, we can only assume that the hotel is being courted by the City to add its Transient Occupancy Tax to City coffers.

On March 26, 2024, the Santa Cruz City Council approved a coastal development permit (CDP) for the Cruz Hotel, a new 232-room upscale hotel and other related developments at Laurel and Front Streets, two of the main arteries of the Downtown City corridor and the city's East-West connection. The project will include 11,498 sq ft of ground floor retail, banquet and conference space, a restaurant and bar, and rooftop deck and pool areas. The City's approval raises questions for the community and supporters of the Unite HERE Local 19 hotel union about the project's consistency with the [Coastal Act section 30213](#), the City's [Local Coastal Program \(LCP\)](#), and Local Land Use Policies (LUP) on issues related to providing lower-cost visitor accommodations, public benefits, access and amenities, community character, and affordable housing, as specified below:

Fails to provide lower-cost visitor accommodations to meet Section 30213 Coastal Act mandates:

The Cruz Hotel project, as currently approved by the City of Santa Cruz, will be a 232-room chic hotel with [average room rates projected to be \\$330 a night and up](#), plus taxes. As of its City Council approval, the project developer has not identified adequate units within the hotel to meet the lower-cost accommodations requirement for retail shopping areas like downtown Santa Cruz. The California Coastal Commission (CCC) website states, "the Commission has typically required approximately 25% of the total number of new rooms to be lower-cost." The Commission has found that new higher-cost hotel projects that do not provide for or protect lower-cost units are inconsistent with Coastal Act Section 30213. Section 30213 also includes an affirmative mandate to provide lower-cost facilities where feasible as well as a mandate to protect existing lower-cost facilities.

Coastal Act Sections 30210 and 30604 (h) call for providing "equitable, maximum access for people of all income levels to coastal waters." The website further states, "a lack of affordable accommodations remains a barrier to coastal access." Supposedly addressing this lack, the [developer's November 13, 2023 letter to the CCC](#) states that in 2014, the City "had an inventory of 2170 hotel/motel rooms with 40% of the City's hotel inventory classified as economy." These statistics are from a decade ago and pertain to research justifying the in-process La Bahia project. Since then the city has added a significant number of mid- and upper-mid-range hotel rooms, and the county even more.

The same letter points out that our City's LCP does not have explicit policies that apply to overnight accommodations such as hotels, as well as the fact that the LCP can be interpreted as incorporating the standards of section 30213 of the Coastal Act which encourage low-cost visitor facilities where feasible. **The developer is claiming that lower-cost accommodations are not**

financially feasible for their hotel. Although our LCP is not as specific as some other LCPs, **the CCC mandate for environmental justice, equality, and social equity should be respected and enforced.**

As of this appeal, no explanation for why this project can't offer more lower-cost accommodation on site has been provided. To be consistent with CCC coastal access policies, Cruz Hotel should be required to provide 58 units of on-site lower-cost accommodations—25% of the project total. This would be in keeping with the goal of the Commission to have overnight accommodations that offer “variety and affordability” particularly to “lower- and moderate-income families and to organizations that serve young or at-risk populations.” There is no reason why developing a program to remove or lessen economic barriers—with coupons or vouchers for example—should create an undue burden.

Surveys of California residents conducted by the CCC to provide a more complete picture of residents' attitudes about coastal overnight accommodations provide the following insights: 74% of Latinos, 73 % of Blacks, and 73 % of Asians said they would not stay overnight due to financial considerations. Breakouts by income levels were equally stark: for those making less than \$25,000 a year, 75% said no to staying overnight at the coast; for those making \$25,000 to \$50,000 a year, 63% said no to staying overnight at the coast. The developer conveniently ignored these findings in their **November 13 letter. The hotel, by developer design and intent, is not intended for the California populations identified as most in need through the Commission's own research.**

Most importantly, we believe that the developer has failed to provide a rational and adequate proposal to meet the in lieu requirement “that no lower-cost accommodations should be required or exacted if the CCC can make a finding that each of its in lieu objectives are met.” At the March City Council meeting, the developer offered an additional \$5 million dollar donation via the City to the County of Santa Cruz toward the construction of cabins at Greyhound Rock Park, to add to the stock of lower-cost visitor accommodations. Aside from the vagueness of the offer's language, the fact that Greyhound Rock is a 30 minute drive from Downtown Santa Cruz is inconsistent with providing lower-cost accommodations for Santa Cruz City visitors. It is also notable that the CCC has stated, “transportation is one of the main barriers to Californians to access and enjoy the coast”, yet the Cruz Hotel project would offer no public transportation from the purported Greyhound Rock housing facilities to the City of Santa Cruz.

Presumably the \$50,000 donation to the Hostel Society is to support the expansion of their facility to offer more low-cost visitor accommodations. However, there is no indication from the Santa Cruz Hostel Society that their organization could use the one-time \$50,000 donation to expand to accommodate more visitors since it is located in a small public park. In any event, \$50,000 would accomplish little toward expanded facilities.

Furthermore, the Commission's website very clearly states that a financial analysis of the project needs to be provided if the developer's claim that providing lower-cost accommodation would

make the project infeasible. As of this writing, the community, the Union, and the Commission are left to take the developers at their word, which is clearly unwise.

Fails to provide meaningful, adequate public access as a public benefit per Section 30213 Coastal Act mandates:

Not only does the hotel project fail to fulfill the goals and mandates of the California Coastal Act and Commission policy in regard to low cost accommodations, the project falls far short of affording public benefits and recreational opportunities as required of coastal waterways and waters. The developer has highlighted to City and CCC staff the so-called “benefits” of the project for the public with a list of promises rather than legally binding obligations to assure that mentioned benefits will become reality. Any permit or finding of the CCC should set specific operational parameters so there is no misunderstanding as to how these benefits to the public are to be fulfilled.

The developer has stated that public access is allowed in the rooftop pool area and cited as an example that it will allow the Boys and Girls Club access to the rooftop pools 3 times a year. This is hardly “public access.” With true public access, our community would be designated access to the pool area any time it is open. A clear statement of intent detailing public access should be added to the developer’s coastal permit application as a condition for approval from the CCC.

Lack of accessible, affordable housing and parking for the hotel’s 130-150 employees:

More logical hotel worker housing could be accomplished near existing and future hotels through the Commission’s requirement of off-site employee accommodations where more on-site accommodation for employees is not feasible. The hotel employees will need affordable housing near their jobs. The City and developer should be required to do more to help accomplish this.

Parking downtown for the large number of workers is a big issue. Given that there is no parking on-site for the anticipated 130 to 150 employees, there has been a condition made that the developer find accessible parking elsewhere for its employees. Providing parking for Hotel Cruz employees in the area of the hotel will result in an overall net loss of public parking available for residents and visitor shoppers in Downtown Santa Cruz. Given that there are many proposed and under-construction housing projects in Downtown Santa Cruz with very limited parking available for their tenants, providing parking for hotel employees in our downtown will affect residents profoundly. There is virtually no mitigation required of the developer for this impact.

Community Character for the City of Santa Cruz means affordable housing:

Californians, including our State Senate and Assembly members—know that housing access and affordability are a top priority. This issue is particularly acute for employees at non-union hotels – which in Santa Cruz constitute all of our hotels with the exception of the Dream Inn. Housing access is also acute for State residents who are Latino, Black, Indigenous, or Asian, our youth, and

residents with disabilities—all of whom are important to the CCC environmental justice policy as evidenced in the aforementioned analysis of development impacts on underserved and disadvantaged communities (per the CCC website).

The City has options to preserve public property for public good, rather than selling off lots as Surplus Property. They could have used their Front Street parcels to build a substantial, truly affordable non-profit housing development by consolidating the future paseo and current parking lot parcels to create an 8,000+ sq ft lot perfect for more affordable housing. They could have negotiated purchase of the Santa Cruz Community Credit Union parcels and created even more public benefit. They could have swapped the smallest parcel, on the corner of Front and Laurel Streets, to hotel developers and approved a smaller, boutique project, while maintaining ownership of a large chunk of land for public housing with true public amenities. The City could even have purchased and maintained ownership of all of these parcels and leased them to hotel developers, to have an annual rental income in addition to TOT, instead of negotiating one-time payments that will barely cover the cost of a handful of desperately-needed affordable units for the hotel workers that are already commuting hours every day.

These parcels are a prime downtown location zoned multi-residential within a block of our public transit hub, surrounded by other housing projects under construction, nearing completion, or proposed, as well as numerous existing and new commercial rental spaces in need of year-round tenants and customers. Our City can and MUST do better.

As for the City's affordable housing trust fund, this project is only being charged \$5 per sq ft which will only generate approximately \$227,500 for the Fund. According to the Commission [Staff report to CCC of December 2023](#), this should be "sufficient to cover the costs associated with planning, permitting, and constructing affordable units," but in fact it is not. The developer has only offered to rent four housing units to its employees for a limited time. These employees are unlikely to earn enough to afford even these units. The appropriate and reasonable expectation of the developer would be to either rent more units for its employees or contribute considerably more than the \$5 per sq ft minimum to the City's affordable housing trust fund.

It bears mentioning that the original zoning of this area, and that of the rest of downtown, is for multi-residential housing. A building this size could host more than 100 units, with 11 to 20 of them being affordable—depending on density bonuses. In contrast, the \$5 per sq. foot fee will not even generate enough income for half of one affordable unit, even if the City were to use the money for that purpose. It is relevant to note that the City's affordable housing trust fund is not an enterprise fund, meaning that there is no enforceable guarantee that the fee will be even used for the pittance of affordable housing for which it is targeted.

We assert that the developer's November 13, 2023 letter's statement that this project alone will "bring needed economic growth to a depressed local economy" is unfounded, considering that the City is going to have hundreds of affordable and market rate units available to lease or rent well before this project would be completed. If this planned infusion of full-time city residents doesn't

create economic growth in our downtown, how can a hotel with 232 rooms for a transient population and 130 to 150 non-union employees, commuting long hours from locations both up and down the coast, be expected to turn the tide?

The City already has a surplus of low-wage service jobs in restaurants and hotels, without housing to support these positions. Has the developer provided the City or the Commission with any economic impact analysis of how a moderate-sized hotel produces more economic impact than potentially hundreds of full-time residents? Has the City examined how an additional 130-150 downtown employees affects the jobs to housing balance? We haven't seen any such documentation.

In regard to the question of unionizing the hotel as a developer concession, our discussions with the local Unite HERE organizers have ascertained that they would much prefer the more concrete public benefit of changing this project to an affordable housing development rather than constructing a new union hotel. Why? Because what their current and future members need is an affordable place to live near their workplace. It's that simple.

The environmental justice impact of the Cruz Hotel project on underserved and disadvantaged communities should be identified and analyzed. It takes a diverse range of residents to create a healthy, thriving, and vibrant city.

Major CEQA environmental concerns regarding lack of much-needed environmental impact report:

In keeping with the mission of the California Environmental Quality Act (CEQA) to protect and enhance our coastal resources, it is essential that an Environmental Impact Report (EIR) be required for the Cruz Hotel project to evaluate and mitigate the significant impacts that will likely be caused by the proposed riverside development. We feel strongly that adoption of a Categorical Exemption in lieu of an EIR is highly inappropriate given the design and location of this development which will have significant and irreversible impacts on the city's natural and urban environments. The California Code of Regulations, Title 14, Section 15332, Class 32, states that a categorical exemption for infill projects may be applied when the following criteria are met: "Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality." This development, along with the cumulative impacts of other developments underway and on the drawing board, will have a significant negative impact on vehicle miles traveled (VMT), traffic congestion, noise level, air quality, river water quality, water demand, habitat for local fish and wildlife, and safe river recreation. This is not just a simple infill project as characterized by the City of Santa Cruz.

The proposed infill of the space between the hotel and the river levee to create a contiguous walkway area between the two would displace floodwaters and subject adjacent low-lying neighborhoods to potential flooding in the event of the levee overflowing during severe winter storms, as almost occurred in 2023. Downtown flooding is a very real danger.

The plan to excavate 3-stories of soil adjacent to the river levee in order to create an underground parking garage—without first conducting a levee stability study and a geotechnical study of the potential for soil liquefaction at the site in the event of an earthquake—is dangerously irresponsible.

Pumps will need to be in operation constantly to address groundwater/river seepage due to hydraulic pressure. Multiple health and safety questions arise: Will there be diesel generators to run the backup pumps that require diesel fuel storage? If so, diesel fuel will have to be transported to the site and stored. Running a diesel backup generator will cause noise and air pollution for Cruz Hotel guests and city residents, and fossil fuel exhaust from diesel pumps will affect those who are in the vicinity. Will there be other chemicals stored, like herbicides and fertilizers, in the same area as the diesel pumps? If there's a leak while the pumps are running, how will the diesel and hazardous chemicals be prevented from filtering into the river? Many of these critical questions will be the same for every new Front Street building that has underground facilities, regardless of the side of the street they are located. Will the continuous stream of river seepage into the garage, polluted by auto and generator oil and gas, be treated before being discharged into the river? Where are the plans for water treatment?

The property will be landscaped to the hilt. Lush green landscape will potentially require off-road landscape equipment, fertilizers, and herbicides that percolate down into soil and groundwater outside of the hotel area, ultimately ending up in the river alongside the auto tire and hydrocarbon pollutants in the atmosphere and waterways.

What are the impacts of an 85+ ft. structure towering over the river on the native bird populations that migrate between the San Lorenzo River habitat, Jessie Street Marsh, and Neary Lagoon? The San Lorenzo River is part of the migratory path of the Pacific Flyway—a major north-south migratory pathway extending from Alaska to Patagonia for millions of birds transversing the Americas. What will be done to protect migrating birds from the real possibility of crashing into hotel windows, as well as impacts from light pollution on the riverwalk and the rooftop amenities?

Other considerations:

Noise impact during construction and in operation need to be evaluated. See attached “Revised Comments on the Cruz Hotel Noise Analysis” from Wilson IHRIG, dated March 26, 2024.

Loss of sunlight and solar radiation resulting in increased use of fossil fuels. The creation of a transient cold and dark microclimate surrounding the building area created by the shadow of the Cruz Hotel must be evaluated in the following contexts:

- Loss of human right to light and solar radiation; ;
- Loss of future solar energy generation capacity in the surrounding area due to extended periods of shadow;
- Loss of carbon offset for generating heating and electricity, which would help the city meet its climate action goals.

What will be the cumulative impacts from the many other 80-90' structures being built and planned along the river, next to and around the hotel? Loss of the majestic coastal mountain view surrounding Santa Cruz, as it relates to neighborhood aesthetics, a sense of community, and the neighborhood character of lower Pacific Avenue, due to construction of an 85+ ft. tall, block-long, massive structure. These mountains and expansive views set Santa Cruz apart from other California coastal cities, and our iconic views are under threat of disappearing if the Cruz Hotel gets built as currently proposed, in opposition to our LCP to preserve downtown views to the river and surroundings.

Conclusion:

In conclusion, it is a disappointment that the City of Santa Cruz, an iconic California beach town, is soliciting a hotel project that does not serve existing residents, will likely harm the river and river environs, and will gentrify our downtown.

Given that the California CCC faces increasing pressure from the State Legislature to support housing projects on our coast, and the tremendous need for workers to have access to affordable housing close to work, it is a travesty that city-owned property downtown will be prioritized for visitors rather than supporting those who are trying to live and work here. At the very least, this project should have a Community Workforce Agreement.

With the Cruz Hotel project's numerous potential impacts to surrounding urban and natural environments, a Categorical Exemption is clearly inadequate and inappropriate. In light of the potential impacts enumerated here, an EIR should be developed if this project is to move forward. The lack of affordable accommodations and affordable worker housing accommodated by this project is unacceptable. We ask the Commission to make the determination that these are Substantial Issues and overturn the City of Santa Cruz decision to approve the Cruz Hotel and require the City to return with a viable housing development.

Respectfully,
Joy Schendledecker
Ron Pomerantz
Micha Posner

Attachments:

[Expert Noise DW Santa Cruz Hotel.pdf](#)

[Supplemental Local 19 Comments Santa Cruz Hotel exhibits attached.pdf](#)

Sent from my Magic phone

Lindsay Nelson

From: Patrick Prindle <pprindle@mcmdiversified.com>
Sent: Monday, June 24, 2024 12:25 PM
To: City Council
Subject: Downtown Cruz Hotel

I am fully in support of the Downtown Hotel project. As everyone is aware the downtown is going through a transition period and it's important that it be managed correctly. The hotel is an essential component. Santa Cruz has and always will be a tourist destination. Tourists come, they deliver money to our community, and then they go home. And they are more likely to spend that money within walking distance of the place they stay. They go out to have a cup of coffee or eat a nice meal. They are more willing to buy souvenirs and things to remember their visit. This supports our local downtown restaurants and retail shops that in all honesty are struggling right now. And the plan is to add more retail shops and restaurants with each new housing development. Will those continue to sit empty? Someone once told me that in Santa Cruz the locals will pay your bills for 12-months out of the year, but the tourists will make you profitable. You need both to run a successful business downtown. Yet currently all the hospitality is focused on the beach and there are very limited options that would put a tourist in close proximity to our downtown core for an extended period of time. The reality is that we don't need one downtown hotel. We need several.

Patrick

PATRICK O.A. PRINDLE, CCIM

Vice President
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Lindsay Nelson

From: Todd and Jill Prindle <prindletroon@yahoo.com>
Sent: Monday, June 24, 2024 12:40 PM
To: City Council
Subject: Cruz Hotel

The Cruz Hotel is going to be almost 6 stories, but next door there are going to be possibly 12 stories. I believe this is what we use to call a "No Brainer". The customers are going to be downtown and want to get outside to enjoy our shops/cafes/etc.

The visitor tax money and shoppers will be very substantial to City Hall and the our downtown shops...Todd Prindle

Lindsay Nelson

From: Stacy Nagel <snagel@google.com>
Sent: Monday, June 24, 2024 2:11 PM
To: City Council
Subject: Yes on Item 40 for the Downtown Cruz Hotel

I am thrilled to welcome the Downtown Cruz Hotel to our business and tourism community. Creating a stable downtown economy is key to Santa Cruz and this hotel will drive visitors to downtown again and again. Please vote yes on item 40!

Thank you,
Stacy

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Stacy Nagel
Strategy & Operations Program Manager
Business Platforms & Cloud Operations |Chief of Staff Office
<http://go/usermanual/snagel>

If you are a woman or you love a woman, make sure they get their yearly mammograms because they saved my life.

Lindsay Nelson

From: Marie Beaugureau <cmariebeau@gmail.com>
Sent: Monday, June 24, 2024 2:31 PM
To: City Council
Subject: please support the downtown hotel

Hi City Council,

As someone who works in downtown Santa Cruz, I'd like to voice my support for the Cruz Hotel being developed on Front St. It would be great to have a hotel/conference center bring people and business to downtown Santa Cruz.

Our downtown currently feels sadly under-populated and under-utilized compared to other downtowns in similarly sized central coast communities. I'd like to see it revitalized! It would be great to bring more people to support our local downtown businesses and restaurants.

Thanks,
Marie Beaugureau