

2 LAND USES

This chapter describes the existing land uses in and around the Ocean Street Plan Area. It also discusses current and proposed developments, vacant and underutilized parcels, and ownership patterns.

A. Existing Land Uses

Ocean Street has a wide variety of existing uses. Most parcels along the corridor north of Broadway are occupied by commercial businesses. Ocean Street is also adjacent to several residential neighborhoods, and the portion of Ocean Street south of Broadway is largely multi-family and single-family housing.

Figure 2-1 shows how land is currently being used along Ocean Street, based on field reconnaissance completed in September 2007. The existing uses have been grouped into the following categories:

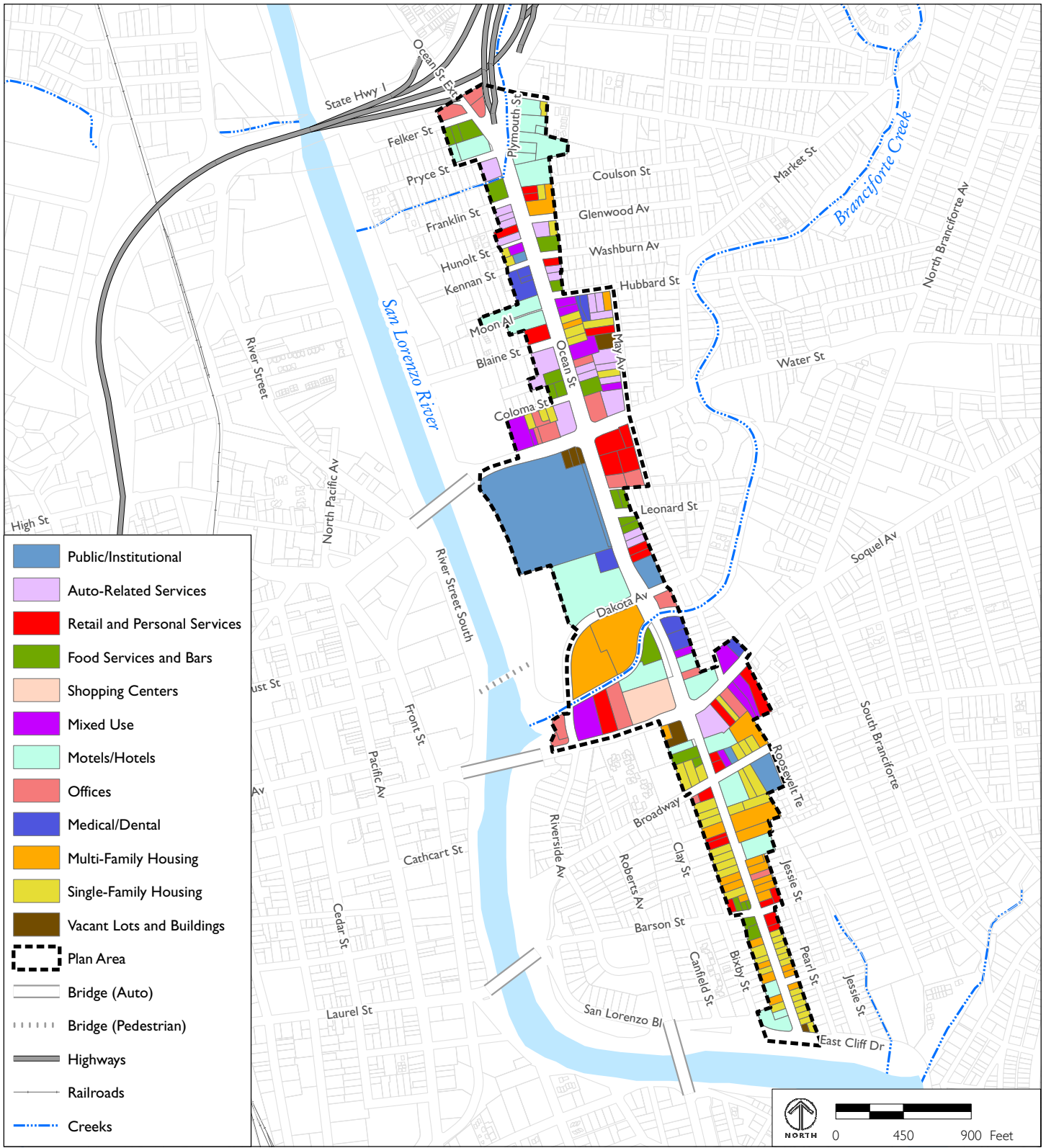
- ◆ **Public/Institutional.** These uses include two government-owned facilities, as well as community organizations and a house of worship. Government facilities in the Plan Area include the Santa Cruz County Government Center and the County Jail, both on the west side of Ocean Street at Water Street. The Santa Cruz County Government Center is on the largest parcel found in the Plan Area and accommodates the main offices for most County departments. The five-story building is set back behind a large parking lot that faces Ocean Street. Although nine court facilities are currently located at the Government Center, two of these will soon move to downtown Watsonville.¹ The County Jail facility is less visible from Ocean Street, bordering the San Lorenzo River with access from Water Street. The facility houses crime suspects awaiting trial as well as convicted criminals.

The Santa Cruz County Visitor Center, operated by the Santa Cruz County Conference and Visitors Council (CVC), is located at the corner of Kennan Street and Ocean Street. Other community organizations in-

¹ Personal communication with Susan Mauriello, County Administrative Officer, Santa Cruz County, November 1, 2007.

clude the Resource Center for Nonviolence and the Art League, both found along Broadway east of Ocean Street. The Christian Science Church and Reading Room is located at Dakota Avenue and Ocean Street.

- ◆ **Auto-Related Services.** Ocean Street provides many auto-related services such as fuel stations, car rentals and auto repair. Within the Plan Area, there are four fuel stations, three car rental companies and seven auto repair and tire shops, most of which are franchises. A U-Haul rental service occupies multiple parcels, with frontage on both Ocean Street and May Avenue.
- ◆ **Retail and Personal Services.** Ocean Street has many small-scale retail uses, as well as businesses that provide personal services such as banking and dry cleaning. Although uses in this category vary widely, additional examples include a tattoo parlor, a party supply store, a dry cleaner, a liquor store, hair and nail salons and a bail bondsman.
- ◆ **Food Services and Bars.** A handful of restaurants, such as the Santa Cruz Diner, are located on Ocean Street, along with several fast-food establishments. Other establishments in this category include a donut shop, Marianne's Ice Cream and the Jury Room bar. A new café, Fins Espresso, was recently built at the corner of Hubbard Street and Ocean Street.
- ◆ **Shopping Centers.** The only shopping center within the Plan Area is the Soquel Ocean Center, a complex of one-story buildings with two restaurants, a locksmith, a tanning salon and an electronics store, among other uses.
- ◆ **Mixed-Use.** Mixed use is a category that typically includes multi-story buildings with ground-floor retail use and office or residential use above. There is currently very little mixed-use development within the Plan Area. One example of a mixed-use building in the Plan Area is on Soquel Avenue near May Avenue, where several businesses, including a hair salon and a disk jockey studio, are located on the ground floor and apartments occupy the upper floors.



Source: City of Santa Cruz GIS, 2007; DC&E, 2007

FIGURE 2-1
EXISTING LAND USES

- ◆ **Motels/Hotels.** Because many visitors arrive in Santa Cruz on Highway 17, which feeds directly into Ocean Street, the Plan Area is home to many of the city’s motels and hotels. Table 2-1 provides a complete list of motels and hotels within the Plan Area. The University Inn & Conference Center, at the intersection of Ocean Street and Dakota Avenue, is the only facility on Ocean Street that includes a significant amount of meeting space, with a maximum capacity of 425 people. Although this meeting space is most frequently used by various academic and administrative departments at the University of California at Santa Cruz (UCSC), it also accommodates a variety of other events. Although most hotels and motels on Ocean Street are occupied almost exclusively by visitors, there is one residential motel on the lower part of Ocean Street, south of Broadway.
- ◆ **Offices.** These are places where business is conducted but where retail uses do not occur. Medical-related offices are not included within this category because of the specialized nature of that office use. Because of the presence of the County Jail and the court facilities at the Government Center, there are several law offices along Ocean Street. Other office uses in the Plan Area include mortgage brokers and title companies.
- ◆ **Medical/Dental.** These sites include a number of medical, chiropractic and dental offices, as well as a physical therapy/rehabilitation center and a veterinary clinic.
- ◆ **Multi-Family Housing.** These include any site with two or more dwelling units, typically in the form of apartments or condominiums. Several large apartment buildings are located between Ocean Street and Dakota Avenue, near San Lorenzo Park. In addition, there are several smaller apartment buildings on the lower part of Ocean Street.
- ◆ **Single-Family Housing.** These sites contain a single dwelling unit and potentially an accessory dwelling unit (ADU). Although there are few single-family homes in the Plan Area north of Broadway, there are several single-family neighborhoods along the side streets. In addition, the portion of Ocean Street below Broadway is predominantly single-family housing.

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TABLE 2-1 **MOTELS AND HOTELS IN PLAN AREA**

Motels/Hotels	Rooms
University Inn & Conference Center	177
Best Western All Suites Inn	75
Comfort Inn	62
Travelodge Santa Cruz	55
Motel 6 Santa Cruz	53
Continental Inn	50
Hampton Inn	49
Quality Inn	42
Guesthouse International Pacific Inn	36
National 9 Motel/Ocean Lodge	30
Best Western Inn	28
National 9 Motel	25
Ocean Gate Inn	25
America's Best Value Inn (The Islander Motel)	22
Budget Inn Motel	16
Sleep Tight Motel (residential motel)	n/a
Total Rooms in Plan Area	745

Source: City of Santa Cruz, 2007.

- ◆ **Vacant Lots and Buildings.** These are sites that are completely undeveloped, excluding parking lots, as well as buildings that are not in use. There are currently only two undeveloped parcels in the Plan Area, including one small site at the southern end of Ocean Street and another at the intersection of Ocean Street and Water Street, near the County Government Center. There is also a parcel with vacant buildings on May Avenue.

B. Visitor-Serving Businesses

Because Ocean Street is the primary connection for visitors arriving on Highway 17 and traveling to the beach, businesses that serve visitors are essential to the overall function of the corridor. Figure 2-2 shows where these businesses are located within the Plan Area. Exclusively visitor-serving uses consist primarily of hotels and motels, as well as the Visitor Information Center. However, there are also many businesses that serve both visitors and residents, including gas stations, restaurants and auto repair shops. Resident-serving businesses include retail shops and services that are used largely by the city's residents, such as medical offices, salons and home improvement stores.

A total of 16.2 acres is dedicated to resident-serving businesses. 11.8 acres are occupied by visitor-serving businesses, and 9.2 acres are used for businesses that serve both residents and visitors.

Ocean Street's motels and hotels provide Santa Cruz with transient occupancy tax (TOT) revenues, an important funding source for the City. Table 2-2 shows an upward trend in TOT revenues between the fiscal years of 2006 and 2007 for hotels and motels in the Plan Area, with total revenues of \$1,087,861 and \$1,188,022, respectively. Peak occupancy occurs in the spring and summer months between April and September. Although specific data on occupancy is not available, hotels on Ocean Street have indicated that they have many vacancies outside of the peak season, and that rooms are often vacant during the week even in the busy summer months.

TABLE 2-2 **TRANSIENT OCCUPANCY TAX REVENUES FOR PLAN AREA**

Quarter	Fiscal Year 2006 ¹	Fiscal Year 2007 ²
July-September	\$429,140	\$471,384
October-December	\$177,272	\$197,182
January-March	\$171,352	\$196,748
April-June	\$310,097	\$322,708
Total TOT	\$1,087,861	\$1,188,022

1 Includes the months of July 2005 through June 2006.

2 Includes the months of July 2006 through June 2007.

Source: City of Santa Cruz, 2007.

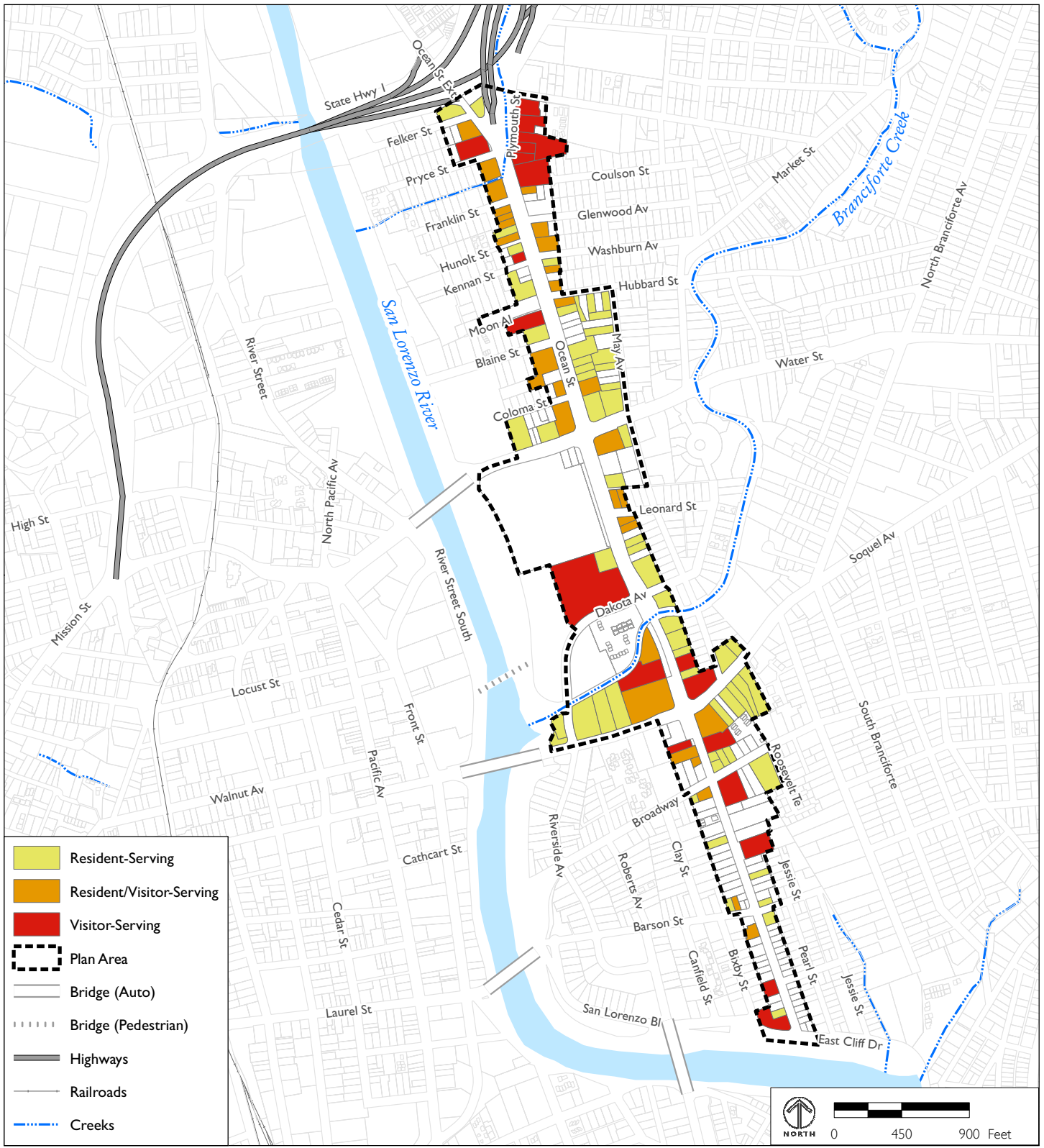
C. Local and Franchise Businesses

Most businesses in the Ocean Street Plan Area are independent retailers. However, franchise businesses are also an important part of the corridor. Many of the businesses that are essential to visitors, including Ocean Street’s gas stations and many of its motels and hotels, are operated as franchises of a national chain. Other types of franchise businesses in the Plan Area include sit-down and fast food restaurants, car rentals and auto service. Figure 2-3 shows the locations of local and franchise businesses within the Plan Area.

D. Current and Proposed Developments

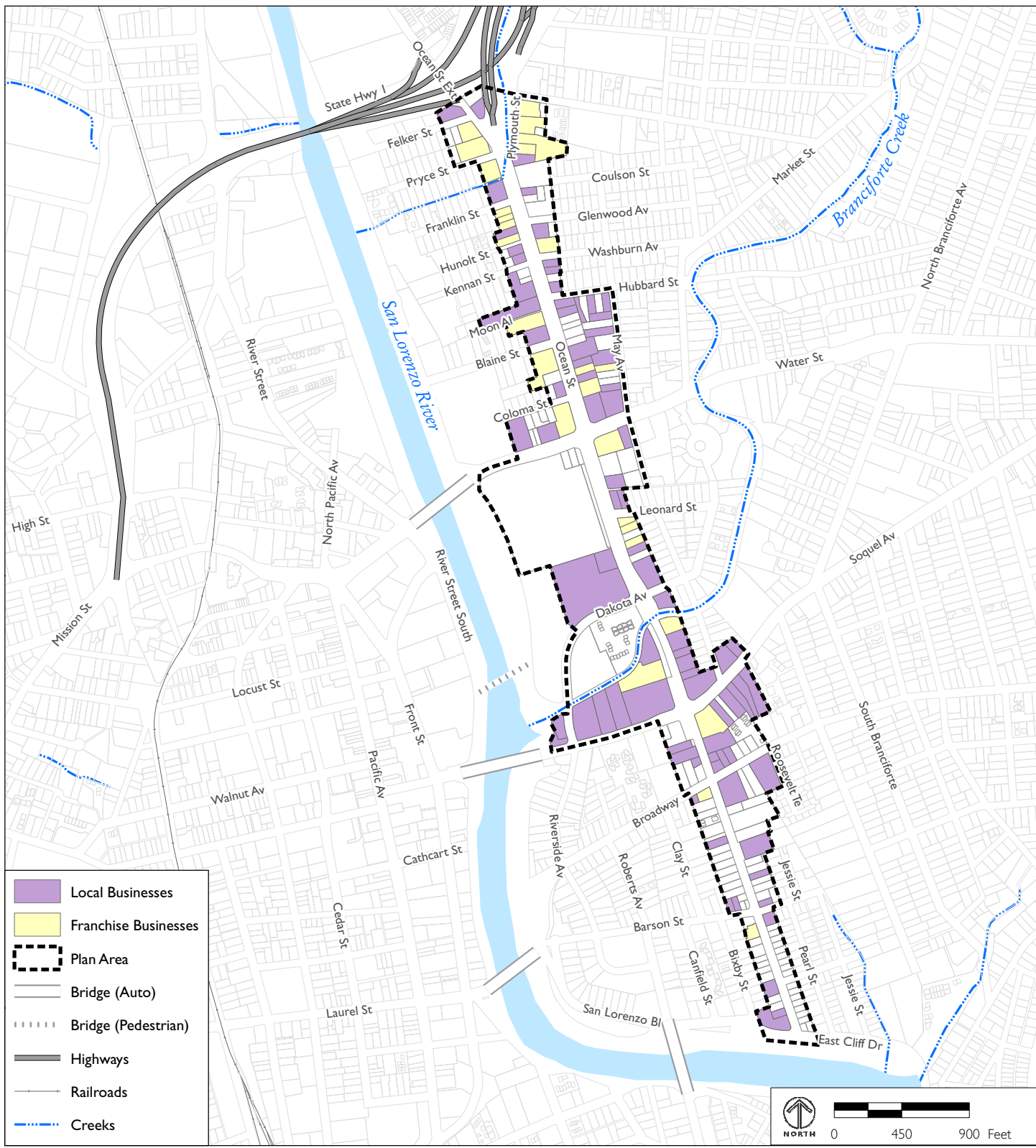
New development within the Plan Area has been limited over the past decade. However, a variety of projects in the Plan Area have recently been proposed or are under construction, including all of the following:

- ◆ **1410 Ocean Street.** A Holiday Inn Express, with 100 rooms and a pool, is currently under construction. The site was previously occupied by an



Source: City of Santa Cruz GIS, 2007; DC&E, 2007

FIGURE 2-2
VISITOR-SERVING BUSINESSES



Source: City of Santa Cruz GIS, 2007; DC&E, 2007

FIGURE 2-3

LOCAL AND FRANCHISE BUSINESSES

adult daycare facility. The Holiday Inn Express will be three stories tall and will include an underground parking garage with 80 spaces, as well as 21 at-grade parking spaces.

- ◆ **1314 Ocean Street.** Located at the corner of Glenwood Avenue and Ocean Street, Easy Access Development has proposed a new project for this parcel. Existing buildings will be replaced by a three-story mixed use building, including a ground-floor commercial use and 14 studio and one-bedroom units on the upper floors. The site will also have four townhouses, ranging from two to three stories tall, and a two-story detached home at the rear of the parcel.
- ◆ **1109-1111 Ocean Street.** Located at the intersection of Ocean Street and Kennan Street, a parking lot will be developed as a three-story building with nine studio and 1-bedroom condominiums, including one affordable unit, above ground-floor retail space. Because the lot size is slightly below the City's minimum requirement of 8,000 square feet, Easy Access Development obtained lot size and open space variances in order to develop the parcel.
- ◆ **433 Ocean Street.** This proposed project, the Surf City Hotel, is located at the corner of Ocean Street and Soquel Avenue; it would replace a former biodiesel station. The three-story building would provide 44 new hotel rooms, with a mix of traditional hotel rooms as well as multi-room suites.
- ◆ **350 Ocean Street.** A mixed-use project has been proposed for this site, including 82 residential condominiums, 8,900 square feet of retail commercial space fronting on Ocean Street, and a 7,500 square foot gymnasium and spa.

E. Vacant and Underutilized Sites

The Plan Area includes two small vacant sites where development could potentially occur in the future. One of these sites is a former gas station, located adjacent to the County Government Center at the corner of Ocean Street and

Water Street; its total size is about 15,000 square feet. In addition, there is a small residential parcel at the foot of Ocean Street, with an area of about 2,200 square feet.

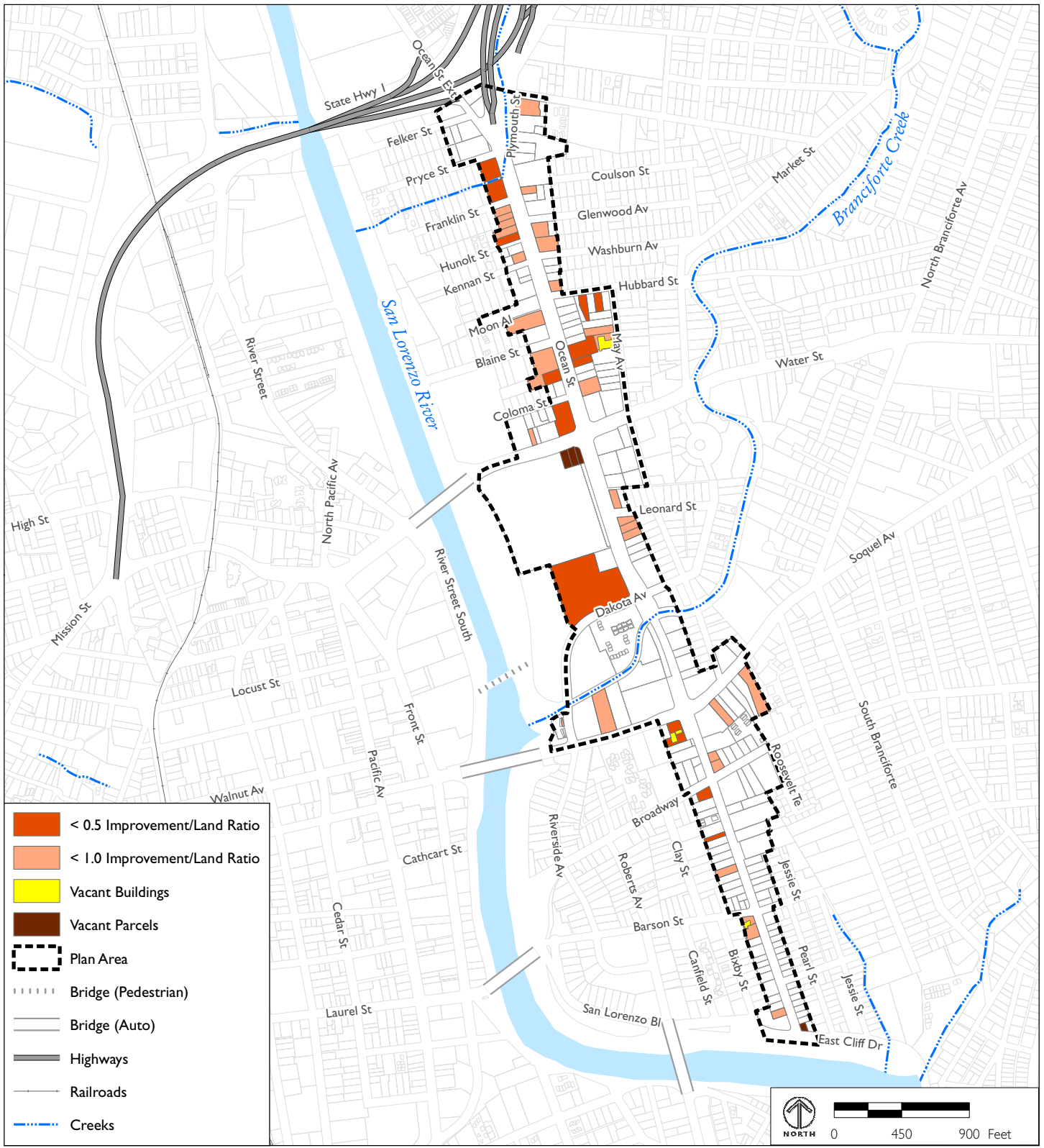
In addition to these two vacant sites, there may be development opportunities on some of the area's underutilized commercial sites. One method of identifying underutilized parcels is to take the assessed value of the site's buildings and other improvements and divide it by the land value. The result is the site's improvement/land (I/L) ratio. If the I/L ratio is less than 1.0, the site is considered to be underutilized, and it may be appropriate to develop the site more intensively. Based on this method, underutilized commercial sites comprise a total of 13.6 acres within the plan area, as shown in Figure 2-4. Of this total, 6.9 acres have an I/L ratio lower than 0.5.

Other underutilized opportunity sites to consider are parcels that have more land dedicated to parking than is necessary. In some cases, it may be possible to develop these sites more intensively using structured parking. Figure 4-1 in Chapter 4 of this report identifies sites with surface parking lots.

F. Ownership Patterns

The current land ownership patterns in the Ocean Street Plan Area are generally fragmented, with many small parcels under separate ownership. In many cases, it would be necessary to assemble these small parcels into larger sites to attract development. However, there are some locations where several small, adjacent parcels are currently under common ownership, even though each parcel is occupied by a separate business. Figure 2-5 identifies these locations.

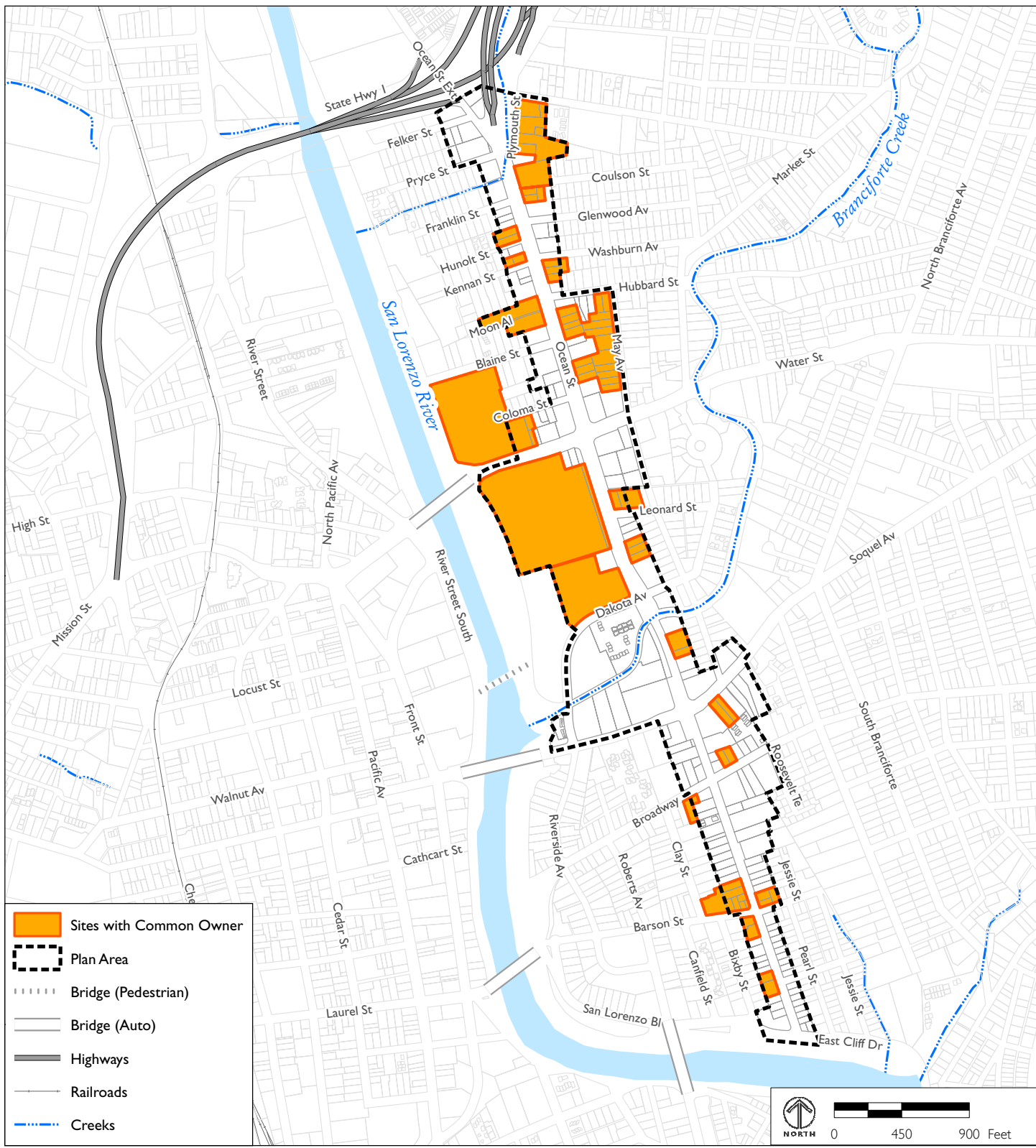
The major landowners of these sites include Bei-Scott & Company and the Patel family. Bei-Scott & Company is a real estate and property management firm that currently owns much of the land between May Avenue and Ocean Street, as well as several parcels around Barson Street. The Patel family, which currently operates several motels and hotels in the Plan Area, owns a number of adjacent parcels near Plymouth Street and around Moon Alley.



Source: City of Santa Cruz GIS, 2007; DC&E, 2007

FIGURE 2-4

VACANT AND UNDERUTILIZED SITES BASED ON ASSESSED VALUE



Source: City of Santa Cruz GIS, 2007; DC&E, 2007

FIGURE 2-5
OWNERSHIP PATTERNS

