

OR3 - Competing Interests: Marina Upland vs. the Downtown Corridor

Observations and Recommendations for Consideration

Observations:

Why is the City involved in a Marina development that competes with downtown development opportunities? The City's economic development efforts and strategies regarding this boutique hotel are surprising and somewhat baffling. With the exception of the Theater, it appears the City has had less than great success with its economic development in the downtown Marina District over recent years. It now seems that the City is trying to prime the "economic development pump" with development opportunities on the Marina floor. This creates a competition for economic development between City-owned public lands in the Marina *versus* privately-owned land in the Marina District downtown area.

There are a number of questions that emerge:

- Does the City create an unfair advantage over private property holders and investors in the downtown corridor by designating the placement of the hotel on the City-owned property in the Marina?
- Do the private property holders and investors in the downtown corridor have their property values reduced by elimination of their property from consideration in the City's efforts to secure a boutique hotel?
- Doesn't the use of public private financing require the project to have a public benefit? What public benefit is derived from the creation of a privately owned boutique hotel on the City's open space?
- Why would the City wish to join in the competition against private enterprise (property owners and investors) for commercial businesses?

The Results: The City's selected commercial developer gets a great deal; the private property holders and investors in the downtown corridor are eliminated, and the residents are pushed out of their public open space with its beautiful waterfront setting.

Recommendations:

- This makes no sense – Let's get back to focusing on downtown development with free marketplace and competition at play.
- The City could structure such a competition with incentives available to all with a qualified proposal for a boutique hotel.
- The City should remain committed to the public benefit, which is building a supportive public infrastructure to accommodate growth.