

The Carmel Pine Cone

Volume 112 No. 2

<https://carmelpinecone.com>

January 9-15, 2026

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New P.G. hotel an instant landmark

By KELLY NIX

A 99-ROOM, four-story, Spanish-style hotel — the Kimpton Mirador Pacific Grove — is on the verge of opening, and city leaders couldn't be more excited about the transformation of a formerly derelict part of downtown.



PHOTO/PAUL MILLER

The 99-room Kimpton Mirador Pacific Grove, which calls itself a "coastal sanctuary," is the latest of just a few new hotels on the Peninsula in decades.

"We've seen some amazing changes in the last couple of years," said one longtime P.G. resident who was on his morning hike Thursday and said he was too busy to give his name. "I love it all."

The 95,000-square-foot hotel at 150 Fountain Ave., which has been under construction since September 2023, is nearly complete, with crews adding finishing touches to the Spanish Revival-style building across from the city's library and Jewell Park and adjacent to the museum of natural history. It joins the renovated Holman Building and the large mixed-use project across from the movie theater — significant new ventures on Pacific Grove's main street, Lighthouse Avenue.

"The Kimpton's goal is to open later this month," city manager Matt Mogensen told The Pine Cone this week.

'Fresh coastal air'

The "luxury boutique hotel," as Kimpton Mirador describes itself, hasn't offered an official opening date, but its website is accepting bookings beginning Feb. 4. Room prices start at \$350 for a 372-square-foot layout with a

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Frustrated art association to take \$\$\$ plea to city

By MARY SCHLEY

THE CARMEL Art Association has raised roughly half the money it needs to repair damage to its Dolores Street gallery from construction in The Pit next door, according to archivist Sally Aberg. Meanwhile, the non-profit continues to battle with the project's prior developer, Leidig/Draper Properties, which is believed to have caused the damage to the CAA's foundation. The association is planning to ask the Carmel City Council for help.

After Leidig/Draper excavated the 16,000-square-foot property and then abandoned the project in 2019, the art association to the south and The Carmel Foundation's apartment building to the west suffered cracking, sagging and other problems. No one accepted blame for the damage, however, and after years of unsuccessful efforts to get the former owner/developers, the former contractors and/or their insurance companies to cover repairs, the nonprofits resorted to spending their own funds.

Mediation delayed again

The senior-focused Carmel Foundation undertook roughly \$600,000 worth of shoring and repairs that were completed a couple of months ago — redoing the interior of a damaged apartment is next — and the art association launched a campaign in October 2025 to raise \$400,000 to restore the foundation of its historic building and repair its sagging floors and cracking walls and ceiling.

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BUSINESSES PICK UP TAB FOR STATE'S COVID DEBT

■ \$20B loan from feds still to be repaid

SACRAMENTO HAS yet to pay back the \$20 billion it borrowed from the feds during the pandemic to cover the cost of unemployment insurance after Gov. Gavin Newsom forced businesses to shut their doors. Every other state has paid back its Covid-era debt — including, most

unemployment insurance payroll taxes per employee annually, compared to \$42 for employers in states with no insurance debt. It may not sound like a lot, but it creates a disincentive to scale and grow jobs in California, where the unemployment rate of 5.6 percent is the highest of any state's. Repayments on the huge debt are expected to stretch into the 2030s.

"Functionally, this means California employers are facing a decade or more of tax increases," wrote the California Chamber of Commerce in February of last year.

The chamber was urging lawmakers to set aside money for debt assistance in the budget to ease the strain on businesses, but that didn't happen.

Unable to pay

The Covid shutdown wasn't the first time California found itself unable to pay for unemployment benefits. During the Great Recession from 2007 to 2009, the state had to borrow \$11 billion from the feds to make ends meet. But in 2020, more than 2 million Californians lost their jobs when businesses were ordered to shutter, and the cost to cover the claims was double that of the recession.

The Legislative Analyst's Office reported the state entered the pandemic with \$3 billion in its unemployment

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Capitol Access

By CAITLIN CONRAD

recently, New York — but not California. Instead, lawmakers have left the tab for businesses to pick up.

Under federal law, employers are required to pony up if a state fails to repay the debt within two years. Employers are paying off the massive bill in the form of additional payroll taxes, to the tune of an extra \$84 per employee per year for businesses of all sizes in 2026. It's a burden that's been going up \$21 a year since 2023 and will continue to do so until the debt is paid.

"This is called, 'the greatest hidden tax,'" said Rob Lapsley, president of the California Businesses Roundtable.

Employers are paying \$126 total in federal



PHOTO/KERRY BELSER

Crews have been busy using heavy equipment and large trucks to demolish and remove the partially built parking garage at The Pit.

One lane open on C.V. Road after landslide

By CHRIS COUNTS

WHILE SOME residents were concerned that a small landslide Tuesday morning beneath the eastbound side of Carmel Valley Road near Sleepy Hollow would force them to take lengthy detours to get to the Peninsula, county spokesman Nick Pasculli reported a few hours later that the unaffected westbound lane was open for one-way



PHOTO/DOUG STEAKLEY

With one lane open, motorists can expect 20-minute delays where a wash-out undermined Carmel Valley Road this week.

traffic. "We were able to get one lane open under alternating traffic control," Pasculli said. "Motorists should expect 20-minute delays through the area."

Several residents reported being turned back earlier in the day. One woman said her partner was told by the California Highway Patrol that he would need to "go through Greenfield and around to get to the Village and beyond."

The CHP also told him the closure was necessary because "there's no dirt under the asphalt."

Temporary signal

Officially called a "wash-out," the erosion comes during an unusually wet start to the rainy season. Several locals claimed that officials had been warned the site was vulnerable and that ongoing maintenance efforts were insufficient.

The county reported that it's expected to take three to six weeks to make the repairs. A flagger was there Wednesday directing traffic, while plans were made to install a temporary signal light. "Traffic will continue to be one-lane-road access while the temporary traffic signal is in place," the county said.

A handful of locals reported delays ranging from 20 to 35 minutes on Wednesday. One noted that many of those driving through were contractors or construction workers headed from the Peninsula to jobs in Cachagua, which suffered serious damage in a 2020 wildfire.

Council set to make metal roofs acceptable

By MARY SCHLEY

THE CARMEL City Council could finally put the long-running fight over metal roofs to rest Tuesday, when it considers an updated policy that would add them — but only in earth tones — to the list of materials that planners can approve over the counter. The move would ease the minds of owners who have wanted to reroof with metal to protect their homes from wildfires and ensure they are insurable, but some residents have condemned the practice as a community-character killer.

'Acceptable colors'

The proposed update follows discussion by planning commissioners during four hearings in 2025 that culminated with their recommending the council revise the city's roofing policy so staff can OK a wider range of roof types, including metal and synthetics, as long as they fall within the range of acceptable colors.

The move marks a major shift from the residential

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