

Autos, not transients, knock down Mall sales

On December 11 Santa Cruz City Director of Finance Robert Shepard released to the City Council a controversial report on local retail sales trends. Based on State Board of Equalization figures, the report purported to show that sales for the downtown area grew at half the rate as sales in the rest of the city. (12.1% for downtown from 1973 to 1976 compared to 23% elsewhere in Santa Cruz.)

Proponents of a human "cleanup" of the Mall area were quick to use Shepard's report as a justification of their viewpoint. City Councilmember Larry Edler, who has declared that the way to deal with undesirables on the Mall is to "get them out of there," asked that the report be forwarded to the Mall Committee. A *Sentinel* news story stated flatly that "Shepard's report bolsters complaints from the downtown business community that people are shopping elsewhere because of reports about panhandlers, drunks, drug pushers, purse snatchers, loiterers, obscene behavior, or intimidation." Two days later, the *Sentinel* ran an editorial on the report, saying that the "behavioral effect on the Pacific Avenue Mall" has "definitely been a factor" in hurting retail sales.

But a closer look at the figures shows that most down-

town businesses actually did as well as their counterparts in the rest of the city during the 1973-78 period covered by the report.

Much of the slowness in the growth of downtown sales is due to a group of auto dealers and suppliers whose total business barely grew between 1973 (\$6,440,000) and 1978 (\$6,596,000). The report's reliance on total rather than average sales figures fails to take into account that the number of businesses in the city as a whole has been growing faster than the number downtown. While the number of resale permits in the city jumped from 1125 to 1486 between 1973 and 1978 (a 32.1% increase), downtown permits increased only 25.4% (from 209 to 262).

When these factors are taken into consideration, the picture changes significantly. The average downtown business increased its sales from \$168,300 in 1973 to \$237,500 in 1978, a 41.1% increase. (Downtown auto dealers are excluded from all the following figures.) During the same period, the average city business increased its sales from \$112,600 to \$161,100, a nearly identical 43.1% rise!

Even when inflation is taken into account, the findings are much the same. In "1973 dollars," the sales of the average downtown business dropped slightly from \$168,300 in 1973 to \$158,700 in 1978 (5.7%), as did the sales of the average city business, from \$112,600 to

\$107,700 (4.4%). Both sets of figures challenge the conclusions drawn from Shepard's report: they suggest that the difference in downtown and city sales is negligible.

The relevance of Shepard's report to the "Mall problem" is limited in other ways as well. Its most recent figures are for December 1978, and it contains no information on sales during the last year. The report's "downtown" area consists of the entire downtown parking district, which includes Pacific, Front, and Cedar Streets between Mission and Laurel, and some parts of Center St. More recent information (and figures for the Mall alone) are not available from the State.

Many of the shortcomings of Shepard's report were raised by City Councilmember Bruce Van Allen at the December 11th City Council meeting. When the *Phoenix* asked Van Allen why some other Councilmembers had chosen to overlook those shortcomings, he replied, "They're using these figures to bolster their foregone conclusions about what's happening on the Mall. It's part of the business community's ongoing efforts to keep the city on the defensive about the services and improvements that the downtown business area gets." Van Allen said he believes that the report is being used to support a "distorted picture" of the effects of the street people's presence on downtown business. ■

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