

Santa Cruz open for business

By JOHN ENDERS
ASSOCIATED PRESS

This beachside mecca for young at heart and tourists, its historic heart smashed and broken by the 1989 Loma Prieta earthquake, comes back to life today with a gala festival announcing it is again open for business.

Those who come, it hopes, won't care about the gaping ruins, crumbling buildings and vacant lots still dotting parts of the city's heart.

City officials, chamber music players, pipe-and-drum and high school marching bands and even a group called the Anti-quarian Funks will join thousands of residents on the rebuilt mall on Pacific Avenue to celebrate the new Santa Cruz.

Three and one-half years ago the deadly earthquake — named for a nearby mountain and with its epicenter just eight miles away — rumbled through Northern California, killing 66 people and injuring 3,000.

It's been a slow and dusty road back for this university town, where Foster's Freeze, El Grupo de Eleazar Cortes folk musicians and a kiddie band called The Tot Rockers peacefully coexist — at least this weekend.

Now, it's time to rededicate the city's core business area, a two-dozen square block area that today has more espresso bars and T-shirt shops and wider bike lanes than probably any other California town.

During 15 violent seconds on Oct. 17, 1989, Loma Prieta se-

verely damaged two dozen downtown structures. So far, just eight have been demolished and rebuilt. A dozen are now empty lots. Others stand as they did then, because owners are unable or unwilling to finance new construction.

The large post-temblor tents that were an eyesore and bottom-line torture for the businesses they sheltered temporarily disappeared from downtown a few months ago.

The city has funded the \$18 million reconstruction with a half-cent city sales tax hike, federal loans and other assistance. Private banks have largely been unwilling to help, officials said.

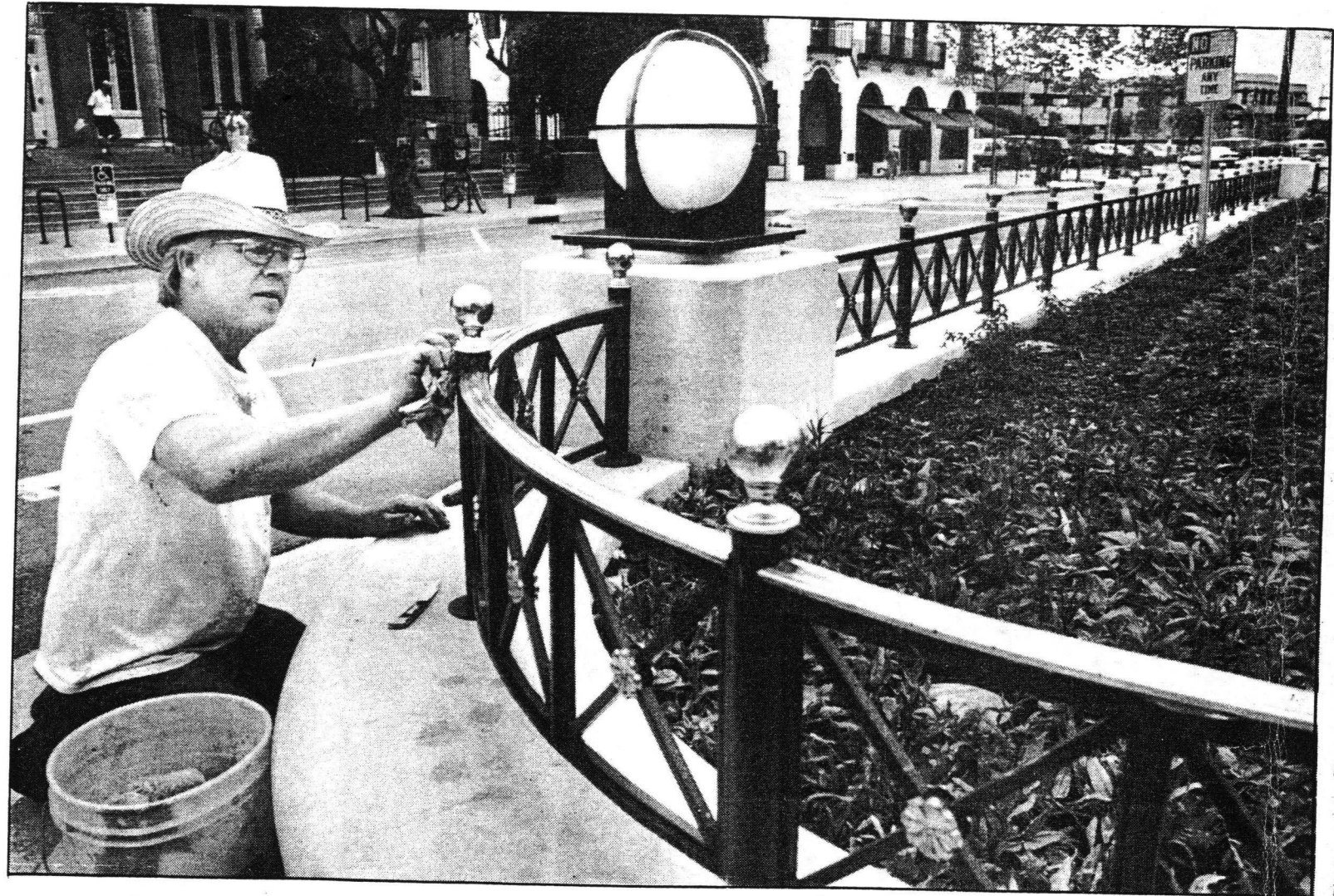
The old Victorian Cooper House and other landmarks are gone. The city jail has been turned into a museum and arts center. Soft brick structures have given way to concrete, glass and steel.

And it all took far longer than anyone thought.

City officials say that's because of a classic "Catch-22." Banks don't want to loan to developers unless tenants have already signed up to occupy the new buildings. But tenants won't sign unless they know the building is actually going to be built.

"What we learned," said Mayor Neal Coonerty, "is don't have a disaster in a recession."

Bob Rader, who with his brother Tom owns a pawn shop on Pacific Avenue, the town's main drag and the focus of the redevelopment, said he tried for months to get a loan.



Mike McCollum

John Lawr cleans and polishes brass on Pacific Avenue fence in preparation for today's celebration.

Finally, the Raders paid for the repairs themselves. Fortunately, damage was minor. Still, with all the traffic and other disruption, they say business has been rotten.

"We had a whole year we didn't have a street," Bob Rader said.

With a City Council frequently dominated by left-leaning members, many connected to the

University of California campus on the hill above the city, Santa Cruz has for years had a progressive, almost New Age image.

That, say the Raders and oth-

ers, also may have hampered the redevelopment effort. The council was willing to give money to social-service agencies, but not help out private business people.