

Downtown Santa Cruz no longer is considered a traditional shopping area.

Playland booms as big stores fade



Charles Hilger, one of the two directors, checks the interior of the new museum at Cooper and Front streets.



KAREN T. BORCHERS — MERCURY NEWS

Workers are putting on finishing touches for the February opening of the McPherson Center for Art and History, a project indicative of the cultural trend in Santa Cruz.

Hip eateries, specialty shops take the spotlight

BY PAUL ROGERS
Mercury News Staff Writer

Culture is winning over consumption as a new downtown Santa Cruz rises from the rubble of the 1989 earthquake.

Accelerating a trend already under way before geology wrecked the area, the Pacific Garden Mall has lost its role as a traditional shopping area, say many observers, and is evolving instead into a post-earthquake playland where people spend money to do things rather than to buy them.

Economic hard times have so far dashed hopes in Santa Cruz for big new department stores to replace the two retail anchors demolished in the quake, Ford's and Gottschalks. Much of that business has shifted to the wildly successful Capitola Mall anyway.

These days, people are being drawn back to downtown Santa Cruz by entertainment and social attractions geared especially toward young audiences.

Clues are all around. Amid a growing network of specialty shops, there are six coffee houses

and nowhere to buy bedsheets. Five bookshops but not one store selling men's underwear.

And the trend is only beginning.

Hip restaurants are opening weekly. United Artists has announced plans to build an eight-screen movie complex behind the Town Clock. The \$6 million McPherson Center for Art and History at Cooper and Front streets will open Feb. 21 with an exhibit of abstract expressionism by San Francisco artists.

Studies are under way for a

downtown performing arts complex in the abandoned Bank of America building.

The hottest attraction lately has been 99 Bottles of Beer on the Wall, a new tavern on Walnut Street that specializes in exotic beer.

On weekends, there is a 45-minute wait outside, along a street that only six months ago was an open trench. Most customers who stay till the previously unheard-of 2 a.m. closing time are college-age students.

See DOWNTOWN, Page 8B

**The hottest
attraction lately has
been 99 Bottles of
Beer on the Wall, a
new tavern that
specializes in exotic
beer.**

Santa Cruz is sporting a new look

Entertainment-driven shops leading economic recovery

■ DOWNTOWN

from Page 1B

"It's much busier than we expected," said co-owner Andrew Crocker, 28. "We haven't even done any advertising yet and we've had to order more chairs."

Most downtown observers acknowledge the entertainment-driven recovery, which few had anticipated. They disagree only on whether to call it a passing fad or a new reality.

Mayor Neal Coonerty, who likes to call Pacific Avenue "a civic living room," says economic comebacks begin with entertainment in many towns. He and other city planners point to Santa Monica, Melrose and Old Pasadena.

Getting started

Restaurants and coffee houses have fewer start-up costs than big retail stores, he said. Their owners also don't have to worry about being stuck with shelves full of merchandise if no one comes in.

With the recession, a tough lending climate and Santa Cruz's streets under repair until recently, few entrepreneurs have been able to afford to take a chance on Santa Cruz, Coonerty said.

"It costs a lot more to invest in a large inventory than in tables and chairs," he said. "For coffee houses, you're talking about beans and hot water."

Coonerty's own business, Bookshop Santa Cruz, recently reopened in the St. George Hotel. Business is up 50 percent from last year, he said, and register receipts show as many as 1,200 people a day coming in to browse. A new cafe on-site, Georgiana's, has helped turn the bookstore into a popular hangout.

Other popular new eateries include Gabriella Cafe on Cedar Street, Cafe Milano on Pacific and Giovanni's on the Walnut Street site of the Old Theatre Cafe.

Santa Cruz Civic Auditorium also has lured thousands downtown. During the past two years, renovations at the building im-

proved acoustics. As a result, the Cabrillo Music Festival and Santa Cruz County Symphony Orchestra now call the Civic home.

More aggressive booking at the Civic has brought a full series of high-brow shows, such as the Vienna Boys Choir, to complement popular appearances by such draws as B.B. King and Gloria Steinem.

Many Civic patrons eat downtown and browse in shops before going to their shows, and that has helped create a new nightlife.

Options for Santa Cruz to go the traditional retail route have been a complete bust so far. The Ford's department store chain has filed for bankruptcy. Gottschalks moved its store to the Capitola Mall. Others, such as Macy's, have told the city that Santa Cruz County is too small to generate enough sales to support an operation their size.

Establishing the city as a cultural center is a smart way to react — maybe the only way to react — some say.

"Why fold up our tent and leave?" asked John Lisher, former president of the Santa Cruz Area Chamber of Commerce. "Let's adjust."

The case for being hip

Lisher, a Rotary Club member who once served on the San Jose City Council, sees strengths in being hip. He runs Artisan's, a gallery of handmade crafts.

"It's exciting to be down here now," Lisher said. "We have a hell of a lot more charm and character than Capitola Mall. It can be so antiseptic and generic there."

But some residents, especially longtime locals who remember the functional Santa Cruz of the 1950s when Leask's department store shared Pacific Avenue with pharmacies and hardware stores, don't like the emerging downtown.

"I'm really sad. I think it used to be a nice little town," Richea Shockley said. "It's not a serious shopping area anymore."

Shockley's family operated a



MERCURY NEWS FILE PHOTOGRAPH

The Loma Prieta earthquake of 1989 destroyed retail anchors and changed the face of Santa Cruz forever.

Options for Santa Cruz to go the traditional retail route have been a complete bust so far.

jewelry store on Pacific Avenue from 1944 until the quake demolished it.

These days, she said, she and many other traditional Santa Cruzans have no choice but to do all their shopping at Capitola Mall or in San Jose. They have no use for New Age books, Indonesian coffee and Guatemalan clothing shops.

Some stores that were more comfortable with the 1950s Santa Cruz had fallen on hard times before the quake. When the University of California, Santa Cruz opened in the mid-1960s, the city was changed culturally and politically forever. As those shops tried to hang on, they saw customers dwindling, moving to more sedate Scotts Valley and Capitola.

A study released in May by the

UC-Santa Cruz budget office showed the 10,000 students at the school spent \$66 million in disposable income in 1990-'91, 90 percent of it locally. The 4,800 faculty and staff members had disposable incomes of \$100 million.

Those kinds of numbers, which will grow as enrollment expands, are a big draw. Businesses catering to young people, from the Gap to Cat-n-Canary to the coffee houses, are doing very well in the post-quake world.

United Artists Theatre Circuit Inc. cited the large student population as a reason for its expansion plans.

"Money will follow opportunity," said Larry Pearson, owner of Pacific Cookie Co.

Pearson, who also is chairman of a task force supervising a

\$55,000 feasibility study on a performing arts center, predicts that as more people are drawn downtown for entertainment and specialty shopping, investors and even large retail shops eventually will follow. It is an opinion shared by many.

"We're pre-empting retail, rather than replacing it," city redevelopment director Ceil Cirillo said. "There are efforts being made to bring people downtown who sell sheets and underwear."

Pearson knows the new Santa Cruz may never be the same as the one before Oct. 17, 1989.

"You have to look at what your niche is and what you can be successful with," Pearson said. "It'll be a different downtown than before."