

SLOW, STEADY RECOVERY

Santa Cruz sales edge toward pre-earthquake levels



Shmuel Thaler/Sentinel

Christmas shoppers crowd Pacific Avenue on Sunday, in sharp contrast to the lack of foot traffic in 1992.

Bill Lovejoy/
Sentinel file



Boutiques, restaurants now dominate downtown

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Pacific Ave
SANTA CRUZ — Downtown businesses are slowly making their way back to pre-earthquake sales levels, but the recovery is not complete, according to a new study by the Downtown Association.

Despite steady growth since the 1989 quake, total sales in 1996 amounted to \$102.4 million, \$7 million less than the total for the year be-

fore the big tremor. *12-7-98*

The study also showed that the type of business has changed, rather dramatically. Before the quake, big-ticket items such as cars and appliances were important sources of downtown revenue. As of 1996, boutique items, food and beverages dominated. Final figures for 1997 were unavailable.

"It has been a struggle for the downtown to come back, but it also shows

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Downtown

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we are close and that we have come far," said David Plumlee of Plumlee Appraisals, a member of the Downtown Association's board of directors.

Plumlee said he thinks the current mix of businesses is good.

"There's more variety now," he said. "You can find something for the 16-year-old skater and even the 60-year-old tourist."

The association's first status report on downtown sales focuses on 440 businesses in the area bordered by the San Lorenzo River, Laurel Street, Center Street and River Street. Of those businesses, 92 percent are locally owned.

In 1988, the downtown generated \$109.6 million in gross taxable sales. Then, in October 1989, the Loma Prieta earthquake destroyed 20 downtown buildings and displaced some 50 businesses. The calamity drove sales for 1990 down to just \$80 million, the report says.

The recovery began almost immediately, with many businesses setting up shop under tents during the rebuilding process, which continues to this day.

In 1996, the gross sales figure had inched up to \$102.4 million. Plumlee and others said they expect the figures for 1997 and 1998 will top the \$109 million mark.

That sounds like nearly full recovery, but the numbers are not adjusted for inflation. Taking inflation into account, sales would have to total \$145 million a year to be equal to the 1988 sales.

That may not have happened yet, but it could soon. Three large retail/office buildings are under construction — the 100,000-square-foot Cooper House, 100,000-square-foot University Town Center and 83,000-square-



Bill Lovejoy/Sentinel

Stan Williams, owner of Dell Williams jewelers on Pacific Avenue, sees much more variety downtown.

foot 1200 Pacific Building.

The Pacific Building and the University Center will include some residential units.

Stan Williams, owner of Dell Williams Jewelers downtown, said he looks forward to the additional business and also hopes downtown can land a full department store.

The jewelry store on Pacific Avenue survived the quake.

Williams said the downtown has more variety and is more lively than ever before. He should know. The store

was founded by his father in 1927, and his family has witnessed a lot of change.

What hasn't changed is the fact the downtown has always been successful, except shortly after the quake.

"My building made it out OK, but I remember the wooden sidewalks outside" after the quake, Williams said. "We surely didn't have any foot traffic then."

Mike Vasquez, president of the Downtown Association board, said a department store would be nice but might not be feasible because of space limitations. He said people go downtown as an alternative to department stores.

He said he expects the new buildings to house additional specialty stores, such as linen shops and smaller clothing stores.

"The future success of downtown — and this is true in most downtowns — is to have a mix of things going on where you aren't setting office people out in a park someplace with nothing near them," said Vasquez, branch manager at Coast Commercial Bank. "You have to unify and consolidate, live, work and shop in the downtown area. Let's face it, people avoid places that are dead."

Department-type stores haven't fared all that well downtown. After Ford's department store was devastated by the quake, it never came back. Post-quake, Gottschalks picked up and left downtown.

Vasquez said that even with the small stores, he expects gross sales in the downtown will soon surpass the 1988 figures.

"We've turned the corner," Vasquez said. "And I think the trends will continue. We'll still be the center of this county. But we're not there yet and we'll need help from the City Council, the businesses and the community."