

# Department store downtown 'unlikely'

3-22-2000

By DARREL W. COLE

Sentinel staff writer

## Department Stores

SANTA CRUZ — A city consultant said it's "highly unlikely" a major department store will be lured downtown, but there is some bait the city could dangle that might make it a reality.

Eric Hovee of Washington-based E.D. Hovee & Co., discussed that and many other aspects of a detailed downtown market assessment at City Council's Tuesday workshop about the future of downtown. The study, which cost \$12,500, showed sales trends and what the future could hold.

While downtown sales in most categories have thrived over the past six years and should continue to grow, Hovee said the one major sales group not represented is a department store. But Hovee also said the city has only a 25 percent chance of securing such a store downtown.

"... The likelihood of getting a department store here, in a city this size, is very unlikely," Hovee said.

But he continued to say that there are good reasons a department store would locate in downtown Santa Cruz. First, he said, his analysis indicates that general goods are not readily available downtown and are being purchased outside the city limits.

"Also, there is a resurgence of downtown's and neighborhood markets all over and you could be intriguing to a store ... but I wouldn't bet the farm on it."

There are a few spaces available for a department store, but Louis Rittenhouse, who owns a vacant parcel at Pacific Avenue and Church Street, has said he wants to sign one up for a proposed five-story building at that site. A community group and Mayor Keith Sugar are eyeing the site for a public plaza, although Rittenhouse has said he won't sell and has submitted plans for a retail/office building.

The council talked mostly in generalities Tuesday but were presented with several surveys in addition to Hovee's market assessment.

Another consultant conducted two downtown surveys, one with visitors and one with businesses.

According to the surveys, both visitors and businesses agreed that what they liked best about downtown was the social atmosphere, diverse mix of people and sense of community. The groups also agreed that panhandling and loitering were negatives downtown and that a new department store would be a positive for the downtown.

The survey results differed as well.

Of the visitors surveyed, 23 percent said they would go downtown more often if Pacific Avenue was a "pedestrian-friendly mall" and 11 percent said they would be lured by a public plaza.

Nearly 50 percent of merchants, meanwhile, said they didn't see the benefit of a public plaza and instead identified parking as their greatest need.

Another issue discussed by the council included a phone survey of 400 registered city voters, conducted by Gene Bregman & Associates. That survey was done as part of the council's budget process to gather voter interest of a variety of issues.

Raised most often was the survey's result that showed 51 percent of voters would somewhat or strongly oppose spending city money on a plaza, while just 42 percent would strongly favor or somewhat favor such an expenditure.

Voters were more in favor of the council spending money on improving the water and sewer system, providing more services to the homeless and having a performing arts center.

The council is scheduled to hold more hearings and meetings with businesses, experts and the public about how the downtown can continue to thrive.