



# Shake-up

■ Downtown tries to rebuild

■ A school rises again

■ Who gets recovery grants?

## Business community continues to rebuild

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**W**HEN STRANGERS WALK through downtown Santa Cruz, they still get a sense of the traumatic earthquake that devastated the area three years ago.

In contrast, local people see beautiful buildings, paved streets and exciting new stores.

The reality is that there are 100 fewer stores, restaurants and businesses downtown today than there were three years ago, when about one-third of the 600 retail and office spaces were destroyed, according to figures compiled by the Redevelopment Department.

"We're obviously not back to what we were before the quake," said Joe Hall, Redevelopment Department Assistant Director. "Not to give excuses, but nobody is loaning."

Hall says the earthquake knocked out 206 businesses and 160 housing units downtown. About 100 businesses have opened on the mall since the earthquake, and the Downtown Association says 57 of those are new to the area.

"Our business has been really good, although it's dropped off a little since they closed the street," said Lisa Finklestein, who brought We BeBop, an Indonesian clothing outlet store, to downtown this summer.

She said she decided to open in the area despite the problems because she remembered the way it was before the earthquake. She is optimistic that



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Please see DOWNTOWN — A4

There are 100 fewer businesses downtown than before the earthquake.



business will get even better in the coming months.

"As soon as the street is back and people are driving by, it won't seem like a ghost town anymore," she said.

Another 34 businesses that were open downtown before the earthquake and forced to temporarily close or move into temporary pavilions, are now back in action.

"We were ecstatic to move back onto Pacific Avenue," said Julie Hendee, the co-owner of Cat-N-Canary clothing store. "We were thrilled to get into a building after being in a pavilion."

Hendee says business was "way up" in the first year after the earthquake, and has continued to increase each year. She said that after the earthquake, the business was recruited by the Capitola Mall, but she opted to remain downtown.

"We like it here," she said. "We like being part of the community, and that's what downtown business is about."

The last of the pavilions is scheduled to come down next month. About a dozen businesses, including Bookshop Santa Cruz owner Neal Coonerty, are still in those temporary structures.

Coonerty is planning to move into a new store at the remodeled St. George Hotel later this year.

Patricia Calvert, Santa Cruz Downtown Association executive director, gets ruffled when asked about the businesses that didn't make it.

"I wasn't even here (at the time of the earthquake)," she said. "I have no idea who went out of business or left the area, and that has nothing to do with the earthquake."

When pressed, Calvert recalled one woman who ran a shop called Coyote Co. who decided to close her business when it was in a pavilion.

Numerous other businesses were never able to pull it back together after the earthquake, and still more opted to leave.

One of downtown's greatest losses was Gottschalks, a department store with 25 branches on the West Coast.

Gerald Blum, Gottschalks' president, says he never got around to rebuilding the Santa Cruz store because it was wrecked in the earthquake, and work was already under way to build a new store in Capitola.



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Framed by the demolished Flatiron building, Amy Marchek and Tony Venuto dine at Zoccoli's deli.

"We had a store under construction, so rather than trying to build two, we focused our efforts in Capitola," he said.

That Capitola store, which is about five miles from downtown, ended up costing much more than expected because stronger reinforcements were required after the earthquake, Blum said.

All the employees at the downtown Gottschalks were offered jobs at the Capitola store, he noted.

Since the earthquake, city officials have tried to woo Blum back into town.

"The mayor and a couple other people came and talked to me, but I don't think there is any parking in the area

now, and I don't even think you can drive all the way down Pacific Avenue," he said. "We said when things get back to where it's habitable, we would take a second look at it."

Downtown construction managers say the area should be vastly improved within the next few weeks.

Trees are being planted and street lights installed up and down Pacific Avenue, and gardens will be planted within two weeks.

Donna Maurillo, who has been hired by the city as a spokeswoman for the \$23 million project, says the new "earthquake memorial compass" will arrive from Minnesota next month.

That 44-foot circle of granite will be placed in front of the post office.

"All of Pacific Avenue between Laurel and Water streets is scheduled for reopening by Nov. 25, the day before Thanksgiving," she said.

Work will continue between Thanksgiving and New Year's Day, but the street will remain open to traffic during business hours.

Housing has fared better than business in downtown recovery — 160 units were demolished after the earthquake, and 169 have been built in the past three years. More than 200 additional housing units are expected to open in the coming months.