

# Poor growth of downtown worries group

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SANTA CRUZ — Downtown Santa Cruz is in decline economically, the president of a downtown business group said Wednesday.

Speaking before a Santa Cruz Chamber of Commerce luncheon at the Holiday Inn, Terry Spodick, president of the Downtown Association of businesses, presented a study showing the city losing its share of retail and other sales, while Scotts Valley and Capitola have increased their shares.

Spodick also presented a plan to revitalize the downtown business and shopping area, by making it more like suburban shopping areas.

"We don't have to hit rock bottom," Spodick said to an audience that included one City Councilman — Arnie Levine — and three candidates for the council — Mo Reich, Rod Quartararo and Dave Steeves, plus a few dozen chamber members and other business leaders.

The study — using information gathered from city, state and federal sources — demonstrates that Santa Cruz' downtown, including its showplace Pacific Garden Mall, experienced a healthy rate of economic growth in the 1970s, but that growth abruptly ended in the 1980s.

- The city's total taxable retail sales grew 25.2 percent between the years of 1975 and 1979, according to the Downtown Association study. But that rate flattened out to 5.4 percent between 1979 and 1986, said the study.

- The picture was worse for the city's total taxable sales. These increased 37.6 percent between 1972 and 1979, according to the study, and then only 1.9 percent between 1979 and 1986, the study said.

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## Growth/ Downtown suffers

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- In the category of taxable retail sales per capita, the rate increased 20.7 percent between 1975 and 1980, according to the study, then declined by 3.8 percent between 1980 and 1986, said the study.

The city's total taxable sales per capita declined by 2.5 percent between 1980 and 1986, said the study. During that same period, however, the city of Scotts Valley experienced a 47.1 percent increase, while the city of Capitola jumped 33 percent. Watsonville dropped by 14 percent from 1980 to 1986.

While the study stopped at 1986, Santa Cruz has suffered additional economic losses since then, including the loss of three auto dealers to Capitola. It also faces the loss of at least four others to a projected midcounty auto plaza.

"I don't think we're doing a good job in capturing our fair share of the retail market," Spodick said.

She then presented a summary of a conference on retail management she attended last month in Eugene, Ore. Spodick, who owns a downtown furniture store, was joined at the conference by six other local people, including City Council members Mardi Wormhoudt and Michael Rotkin and business owners and downtown landlords.

The group returned with a mission: to work toward getting centralized management for downtown Santa Cruz, so that the area can compete with suburban shopping areas, such as the Capitola Mall.

The management plan would include keeping the Mall open at night, with common hours; establishing a better mix of businesses and taking advantage of

changes in the marketplace; downtown promotions; and better lighting and security.

Spodick said downtown Santa Cruz is perceived as being unsafe at night and that retail areas, such as the Downtown Mall, that are open from 9 a.m. to 5 p.m. "cater to the unemployed."

The city has been working to upgrade the Mall, providing additional security, landscaping and approving a long-range study on a plan that would take the Mall into the 21st century.

But Spodick said such efforts are not enough. "We've cleaned up downtown, but it doesn't mean it's necessarily alive," she said.

After Spodick finished her report, Councilman Levine said, "It always hurts to face the facts ... but I was happy it ended on an up beat."

Asked if he is worried, as the only incumbent running for re-election to the council in November, that city voters will blame the present council for the downturn in economic growth in the city, Levine said he is.

"As the only incumbent, I will come in for some share of the blame," he said.

But, Levine said, the city has an "ongoing commitment" to its downtown business sector "and that commitment is growing stronger and stronger."

Businesswoman Sheri Rushing said she was aware of the economic growth curve for Santa Cruz before she and her developer husband, Jay Paul, recently bought the Cooper House on the Mall.

But, said Rushing, "we're not concerned about it. Santa Cruz can do nothing but get better."