

Downtown SC working to come back

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FIVE YEARS, 15 seconds later, the Pacific Garden Mall is much like the smile of a 5-year-old child.

There are gaps in the smile, holes where there should be teeth, and indications of expensive work ahead, but beaming, nonetheless.

Five years ago, after the 7.1 earthquake, Santa Cruz was a city shaken to its foundation, a downtown district collapsed on itself.

The rebuilding isn't done: it's about three-quarters of the way.

True to the soul of Santa Cruz, the rebuilt downtown has built-in contradictions.

The comeback downtown has more entertainment and housing than before — a playground-bedroom mix that hasn't been easy.

Cardboard encampments to highlight the plight of homelessness have been erected in front of upscale stores.

Developers complain that the mosaic of street life has scared off national retail chain stores and that banks won't loan all they need to build because they can't line up tenants for the upper floors.

Some of the downtown's largest lots — where the Cooper House stood, for instance — are still vacant.

On top of it all, the quake hit while the state was mired in recession.

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Santa Cruz

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Despite that, five years, 15 seconds later, downtown Santa Cruz is coming back.

According to figures from the city's Redevelopment Agency, it has:

- Almost three quarters of the square-footage demolished after the quake has been rebuilt, with more housing units than before.
- Twelve buildings have been rebuilt and three more are under construction. Nine have been repaired.
- 147 businesses not located downtown prior to the quake have opened.
- 46 downtown businesses temporarily closed by the quake have reopened.
- Almost \$20 million has been spent on the city streets, sidewalks and amenities and a new parking garage.

Forever changed

5:04 p.m., Oct. 17, 1989, and 7.1 are numbers that forever changed Santa Cruz's downtown.

The numbers were devastating. Three people dead on the Pacific Garden Mall. Some 206 of 600 businesses in the downtown area were destroyed or displaced; 1,400 employees displaced and 29 buildings were demolished.

Christmas after the quake, the downtown was wrapped in security fencing.

For 2½ years, while the cold crash of wrecking balls delivered cruel aftershocks, 45 business took refuge in tents, the "Phoenix Pavilions." They were the first symbol of the downtown's rebuilding.

Landmark buildings — the Cooper House and St. George Hotel — were demolished as onlookers watched with tears in their eyes.

The list of the demolished buildings was so extensive that the state eventually withdrew its recognition of Santa Cruz's downtown as a historic district.

The rebuilt downtown is an entertainment center, with the new McPherson Art and History Center and 17 new restaurants, pubs and clubs, and coffee houses where none was before, according to a Downtown Association of Santa Cruz summary.

At night, downtown comes alive with lines of college students snaking down the street in front of the popular Redroom bar and 99 Bottles of Beer pub.

Palookaville, a new smoke-free, early-show club opened in late May, with a food court catering to the lunch crowd. Permits are pending for the Dakota Club, a wine and jazz club that will cater to those with alternative lifestyles.

Tables and chairs spill out the sidewalks in front of Santa Cruz Coffee Roasting Co., Walnut Avenue Cafe and Bookshop Santa Cruz, Logos Books and Records and Acapulco — additions made possible by the wide city sidewalks built as part of the \$20 million reconstruction.

The main attractions in this glitzy entertainment remake are still to come. A nine-screen theater complex is under construction at Church Street and Pacific Avenue, the heart of downtown. A proposal for another theater complex, this one with eight screens to be built on North Pacific Avenue, is pending.

Home is where downtown is

The emerging Pacific Avenue playground also is the bedroom for some 450 people who live in hotels rebuilt since the quake.

For them, the party never ends, and they wish it would.

The residential hotels — the St. George and Palomar and El Centro — were encouraged to rebuild

after the quake in an effort to provide affordable housing. The residences make good use of the upper stories and provide a financial basis for reconstruction.

In the past few months, at least three seniors who moved into El Centro, a city-subsidized affordable housing project for seniors, have been driven out by revelers. Six of the 44 rooms are vacant.

"The noise of bongo drums as late as 2 a.m. every night means no sleep day or night," said Mari Tustin, of the John Stewart Co., which manages the property at Pacific Avenue and Cathcart Street.

The complaints have been steady enough for City Councilman Mike Rotkin to reconsider the funtime-bedtime mix. Rotkin has asked the Downtown Association for recommendations on whether the sidewalk cafes should close and have the chairs removed at 10 p.m., and how to better enforce noise complaints.

Redevelopment Agency's Ceil Cirillo says the move to entertainment was driven, in part, by the lack of daytime shoppers after the quake.

"If we don't have daytime, weekday business to serve the retailers and restaurants, it has to happen in the evening. The entertainment provides the evening customers," said Cirillo.

Out of the garden

In the years before the earthquake, vacancies had crept into storefronts on Pacific Garden Mall. Store owners complained that the mall trees had grown too large, and had become shelters for people who hung out on the street. They wanted the greenery thinned and the thicket of humanity weeded.

The quake resulted in the clear-cutting of the mall trees — the replanted mall is much less varied and dense.

The "garden" of the Pacific Garden Mall was omitted when the city held a grand reopening celebration. It became Pacific Avenue.

But, instead of disappearing, the collection of teens, homeless, panhandlers, vagrants who were mixed among the shoppers became more noticeable as they congregated on sidewalks in front of vacant lots where stores once stood.

Commercial space on the ground floor of El Centro has been difficult to rent because of "socially disruptive activities" on the southern end of Pacific Avenue, said John Stewart Co.'s Tustin.

Earlier this year, Andrew Duncan, whose family owns the lot where the quake-demolished Ford's department store stood, blamed the sidewalk-sitters for scaring away a Ross clothing store. Duncan said he had a deal with Ross to build a department store, until a Ross bigwig saw the people hanging around the lot.

Cirillo, of the city Redevelopment Agency, says Duncan didn't have the deal he thought he did, and speculated that Ross pulled back primarily because it didn't want a downtown store to raid its Capitola store customers.

Ordinances put in place

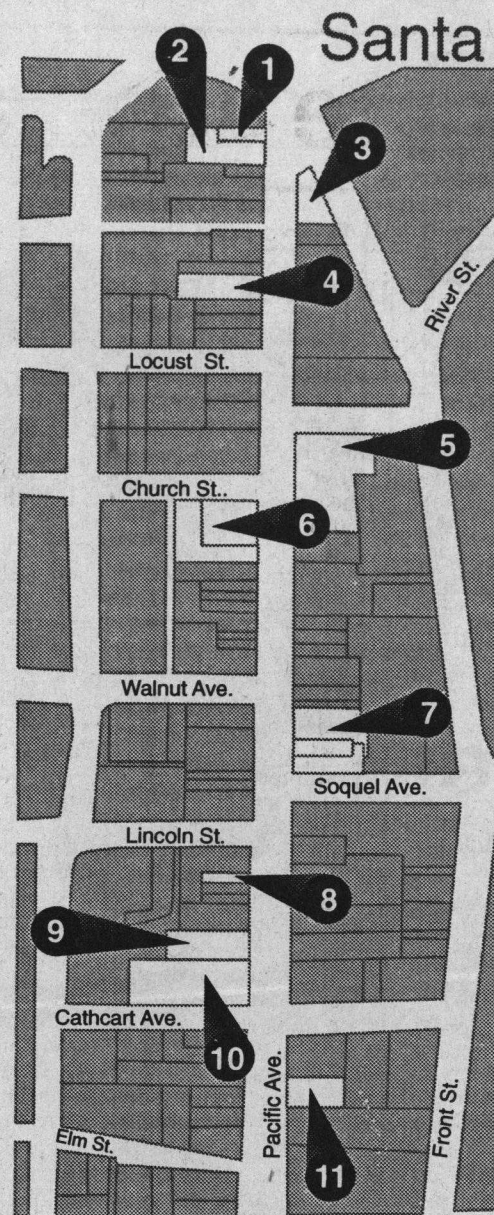
Earlier this year, the City Council enacted a package of conduct ordinances for the city's commercial district. They banned nighttime and aggressive panhandling; prohibited sitting on the sidewalk.

Protesters reacted by sitting on the cold concrete and challenging their citations in court. The sidewalk sitting ordinance was tossed out as unconstitutional and the city back-tracked with a version that generally allows sidewalk sitting.

The national retail chain stores the city has tried to lure downtown have continued to locate along 41st Avenue in Capitola, drawn by available parking and other chain stores, said Cirillo.

She's betting that the success of Noah's Bagels, which opened in late July, and the downtown theater,

Who owns the holes?



1. The former Santa Cruz Coffee Roasting building where two people were killed in the earthquake. Owned by Kay and Bernard Zwerling. Permits were issued in April 1990 for repair of the two-story building, but work stalled because lawsuits were pending. Lawsuits settled in 1993, but a viable tenant couldn't be found. The property is now for sale.

2. Site of the former Bookshop Santa Cruz. Owned by Ron Lau. A design permit for a five-story building has expired. No plans are pending.

3. Site of the razed Flatiron Building. Owned by Rittenhouse Investment Corp. Design permits for a four-story building have been issued, but construction is not scheduled.

4. Former offices of Zwerling Optometrist and Santa Cruz Hardware. Owned by Rittenhouse Investment Corp. Design permits have been issued for a two-story office and retail building. Construction will not begin until tenants are found. 5. Sites of the former Cooper House and IOOF, Odd Fellows Building. Owned by Jay Paul. A design permit for a five-story building was issued but has expired. No plans are pending.

6. Three parcels which housed five businesses. Owned by Rittenhouse Investment Corp. There are no plans or permits pending.

7. Three parcels where Pacific Cookie Company was located. Owned by the Stewart Kett estate. No plans are pending. Building permits have expired.

8. Former Athletic Shoe Factory. Being purchased by Barry Swenson Builders, which has preliminary drawings for a two-story building.

9. Former Plaza Books/Paper Vision building. Owned by Hal Morris. Property has design permit for three-story building with retail stores on the groundfloor and 16 units of rental housing on upper floors. Owner is waiting for tenants before building.

10. Former Ford's department store site. Owned by Andrew Duncan. Plans for a Ross's store fell through earlier this year. Property has recently been listed for sale.

11. The old Upper Crust Pizza owned by Bob Lockwood. Barry Swenson Builders has an option to buy, with adjacent corner property. No plans pending.

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which is scheduled to open Memorial Day weekend, will induce specialty chain stores to locate downtown.

The downtown will continue its turn to evening — for shopping and entertainment, she predicted.

Meanwhile, four of the downtown's lots sit vacant — three of them are on key corner lots — waiting for either a large retail tenant or a group of them.

Here's why. The city is requiring that those lots over 20,000 square feet have a minimum of two stories and a maximum of five. For a five-story building, that translates to about 100,000 square feet of tenant space, about 80 percent of which must be leased to get financing, said Cirillo.

Two buildings of comparable size have gone up — the theater under construction is owner financed and the St. George Hotel has a variety of lending sources, including owner Barry Swenson.

Owners in a Catch-22

Louis Rittenhouse, whose prominent Santa Cruz family owns three vacant lots on Pacific Avenue, complains that owners are caught in a Catch-22.

Under more restrictive lending rules that went into effect after the earthquake, the result of savings and

loan institutions failures, banks require that developers have committed tenants before they will lend on a project.

Even if ground-floor retail tenants are found, commitments from office tenants for upper-story space are difficult to get in advance of building, said Rittenhouse.

Rittenhouse said his family does not intend to build without having tenants first.

Often, the national chains locate only in malls, said Rittenhouse. "They won't even return my phone calls."

That's the Catch-22, says Cirillo. "These companies want office space today, not in two years."

Owners have been left with risky options: finance the upper floors themselves or, as builder Barry Swenson has done, build apartments instead of offices.

Rittenhouse contends that the vacant holes left to fill will someday become the downtown anchor stores.

"Anchors don't come first," he said. "They come at the end."