

✓CF EARTHQUAKES - 1989 - Watsonville ^{RP p. 1} Quake recovery effort begins to bear fruit

By CHELA ZABIN
STAFF WRITER

Watsonville has not completely recovered from the Loma Prieta earthquake that struck three years ago, but city officials and business leaders say they think the town's done rather well, given the country's economic climate.

Christine Johnson-Lyons, the executive director of Community Action Board, Santa Cruz County's anti-poverty agency, put the city's challenge the most clearly.

The impact of the nationwide recession hit California in mid-1990,

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Mayor Oscar Rios

she said. "That was just right at the point when the dreams for earthquake recovery were being formed into some specific plans."

Local economy

Watsonville has also been uniquely affected by the troubles in the frozen food industry, which is losing ground here to plants

south of the border, where labor is cheaper and few restrictions exist.

With many people out of work and money tight for business ventures, Watsonville's economic recovery has slowed.

One victim of the recession, Ford's department store, which rebuilt its store from the ground up following the earthquake, recently

filed for bankruptcy. Ford's held its grand re-opening this time last year as part of the city's celebration of the second anniversary of the earthquake and had been looked to by many as an "anchor" that would encourage other business growth in the downtown.

But despite those blows, many in the community think the town

is on its way to recovery.

Ned Madonia, the city's housing and economic development director, compared the city's economy to a steam engine.

"The water doesn't boil right away," he said. "You've got to build up a head of steam...We're going to chug along slowly for a while, but as the water gets warm,

we'll start to roll along."

"We've made some good progress," said Gary Smith, the city's fire chief and assistant city manager. "In another couple of years, (the city) will be solidly in place."

"Watsonville is more aggressive than most cities in the county," said Carl Blanke, who is working with the city on finding business tenants for various downtown buildings. If it wasn't for the recession, "downtown would have grown even more quickly." Once

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Signs of recovery abundant downtown

Earthquake recovery is perhaps most apparent in the downtown area, where many buildings came down and others were posted unsafe to enter or roped off for weeks following the quakes. Now only a few parcels remain empty. Here's a block-by-block review of the rebuilding efforts.

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● On the 100 block of Main Street, work on the Community Housing Improvement Systems and Planning Association's 42-unit low-income rental project is about halfway through. It's a \$7.5 million project, to which the city contributed \$795,000 in Red Cross money and has committed \$200,000 in re-development funds.

● The 200 block has gained a new post office since the 1989 earthquake, but a parcel sold to developer Barry Swenson by the city's Redevelopment Agency some years ago has remained empty. Swenson's proposed project has changed from a purely commercial building to a mixed residential and commercial building back to commercial. The developer and his representatives have appeared before the council sev-

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Mike McCollum

The city's three-story parking structure, in the 300 block of Main Street, should be completed by mid-November.

Recovery effort bearing fruit

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the economy starts to improve, Watsonville will be well-positioned for growth, he said.

Mayor Oscar Rios also said he feels good about the city's progress. You can see the changes, "I think just by looking at it — you can see the buildings coming up," he said earlier this week. Rios ticked off the list of buildings in the downtown area that have gone back up or are currently being rebuilt. He said he was pleased with the progress, particularly in light of the fact that it happened in the middle of the "worst economic crisis California has seen."

That Watsonville's physical recovery is ongoing is evident to anyone strolling down Main Street. Several buildings are going up and others have received facelifts. There are only a few buildings that remain barricaded and a few lots that are still empty (see related story.)

But there are other steps the city and local business groups have taken this year that give them reason to hope.

One is the revitalization of the city's redevelopment project, which is expected to raise more than \$102 million over the next 45 years. The money will be used for business programs, schools and affordable housing in the downtown area and the industrial west side.

Another is the city's recent designation by the state as a Main Street Demonstration City. The program provides the city with technical assistance and information on how other cities have brought back their downtowns.

The program requires the establishment of a non-profit organization to manage and implement the Main Street program. That was achieved earlier this year by combining the Downtown Business Association and the Watsonville Development Committee into one group, Main Street Watsonville. An executive director for the Main Street group is expected to be hired by the end of the month.

Smith said that in an odd way, the earthquake gave the city, whose downtown had already been in decline, a number of opportunities it wouldn't have had other-

'I think that everyone became more united. It stimulated the business community to look at the big issues that affect them.

Bob Dwyer, executive director, Pajaro Valley Chamber of Commerce

Another committee has taken on the "Main Street Streetscape" plan, which lays out ideas for signs, landscaping, lighting and other cosmetic aspects of Main Street, from the Pajaro River bridge to Freedom Boulevard. An "administrative draft" (for review by staff) will be out next week.

In addition to the national recession and decline in the food-processing industry, there are other hurdles the city will need to get over in its economic revitalization plan. Those include the loss of local funds to the state, which took money from the city's General Fund and from the redevelopment project this year. As a consequence, the city has less money to put into infrastructure improvements and the local economy. Both Madonia and Salomon worry that the General Fund and the redevelopment project will take an even bigger hit next year, slowing various earthquake recovery projects further.

The state is taking from an already reduced pot of city money.

recommendations. Some of those, such as an ordinance requiring 25 percent of new developments to be "affordable," were put into effect, some, like rent control, were dropped.

City officials proudly point out that several affordable housing projects and temporary housing projects have been built or are being built, including a 42-unit low-income rental project on the 100 block of Main Street, a 18-unit rental project at Beck and Rogge streets and a remodel of the Resetar Hotel that increased the number of rooms for seniors and low-income people available there. But these projects haven't begun to put a dent in the problem, housing advocates say.

After reading the news stories last week about the Ford's bankruptcy and the \$24 million Small Business Administration loan the company received for its rebuild, Johnson-Lyons said she asked herself, "was there a comparable commitment to housing? I question that there was that much of

and thus, the lack of affordable housing. At 25 percent, it is among the strictest in the state.

Roads, sewers, public buildings

Damage to the city's infrastructure and to public buildings was worse than originally thought. It wasn't until the city sent a camera down into its sewer system, for example, that it realized the extensive amount of damage caused by the quake.

Among the damage was:

- Some \$433,000 to airport facilities.
- More than 64 water main breaks and over 200 service leaks.
- More than 4,000 sewer lines breaks and sags.
- \$420,000 in damage to the city's water filter plant in Corralitos.
- \$240,000 in damage to city streets.

Repairs to the filter plant are yet to be done. The airport work is complete. Repair work on the remaining 3,000 breaks in sewer lines, along some storm drain crack and smaller sidewalk repairs will go out to bid in February.

The Pajaro River Bridge was also damaged. It will be demolished and rebuilt in the summer of 1993. The cost is estimated to be \$5.5 million. The city will pay for half the cost; Monterey County will pick up the other half.

Watsonville Community Hospital was also severely damaged by the earthquake, and received \$42 million from FEMA when it was discovered that it would be less costly to build a new building than to repair the old. The hospital, which remains open, is still in the process of looking for a site for its new location.

Disaster-preparedness

Watsonville has been working on a disaster-preparedness plan to



Kurt Ellison

The rebuilding of the Santa Cruz Pacific Garden Mall is beginning to take shape, but just a few months ago the construction scene appeared to be one of hopeless chaos as this photo suggests.

Signs of recovery abound downtown

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eral times to discuss the difficulties they've had getting financing and to ask for extensions. In July, the City Council issued a "notice of default" to Swenson, charging that he had not lived up to certain agreements made when the city sold him the land. The city may try to take back the property, if it is not satisfied with Swenson's response. Madonia said the matter "should be resolved by the end of the month."

Across Main Street, the Porter Building, heavily damaged in the quake, remains closed while details of the funding get worked out

and rebuilt, respectively, and are back in business. The Fox has added a pizza parlor to its lobby.

Just down from Main Street, on East Beach, there are plans for a building that will house a "business incubator" for new businesses, on the site of the old Odd Fellows building and Bake-Rite bakery. The "incubator" arrangement allows start-up businesses to share costs of office equipment and some office help while they get off the ground.

● On the 400 block, the Lettunich Building has been reinforced and painted. The Resetar Hotel is also open, following exten-

in decline, a number of opportunities it wouldn't have had otherwise, including special funds, interest on the part of state and federal programs and a new local determination to get ahead.

Several people interviewed for this article said they are pleased by a new unity and sense of purpose in the business community and by a better working relationship between the city and local business.

"I think that everyone became more united," said Bob Dwyer, executive director of the Pajaro Valley Chamber of Commerce, "It stimulated the business community to look at the big issues that affect them."

Madonia has also put together a task force to work on a strategic plan for the city's economic recovery as a whole. A draft version of that plan should be available by the end of the year. Madonia said between 20 and 30 people have taken part in the meetings, a turnout he finds encouraging.

Program was established by the Community Action Board, and trailers belonging to FEMA were brought in and set up in Pajaro, at the Santa Cruz County Fairgrounds, and on Crestview Drive behind the county's health clinic, for interim housing.

Three years later, the trailers are gone, and the motel voucher program has closed down. Everyone, ostensibly, found a place to live.

But the true impact of the earthquake on local housing is hard to quantify. Watsonville had a shortage of housing affordable to low-income people before the earthquake, and a significant number of substandard and illegal units. Some of those dwellings came down in the earthquake. Some were repaired, some weren't. In some cases, landlords raised the rents after rebuilding or repairing, and the original tenants couldn't afford to move back in.

After the earthquake, the city set up a task force to examine the city's housing problems, and make

affordable housing — from Measure E, FEMA, the Red Cross and the city's own relief fund — was adequate.

Most of the city's relief fund — \$910,672 — was spent mostly to help homeowners who, for one reason or another, couldn't get help elsewhere. Another \$200,000 was used for seed money for a Santa Cruz Housing Authority project. The remaining \$140,000 was given to organizations that served earthquake victims, including the Pajaro Valley Affordable Housing Corporation and the Salvation Army. Most of the Red Cross funds allocated to Watsonville, \$1.7 million, went to an affordable rental housing project sponsored by CHISPA, for a farmworker housing project and to Pajaro Valley Shelter Services. Money received from a lawsuit brought by community groups against FEMA was distributed to various housing projects in Watsonville. None of the Measure E money is designated for housing.

The city's continuing housing problems are exacerbated by the economy as well. While local landlords are reporting a higher vacancy rate this year, many of the rental units available aren't affordable to residents who are unemployed, underemployed or working in low-paying jobs.

Building is down. Several projects approved by the city have stalled, unable to find financial backing. Loans for mixed residential and commercial buildings, recommended by consultants for the downtown area, are particularly hard to come by.

Some developers claim that the city's affordable housing ordinance is to blame for the lack of building,

Watsonville has been working on a disaster-preparedness plan to make sure that the city's response to the next disaster is more effective and more inclusive of the community. The first draft of the plan will be presented to the City Council next month.

Among the plan's features are: An agreement with Salud Para La Gente clinic and Watsonville Community Hospital to coordinate medical care and communications regarding medical needs; an agreement with the Salvation Army to handle clothing needs; an agreement with the Second Harvest Food Bank to deal with food donations; and a decision to allow people to live temporarily in tents, but "in a way that's safe and healthy, with management," said Fire Chief Smith. Many of the earthquake victims refused to go to shelters following the Loma Prieta quake, resulting in a protracted battle between political leaders, city staff and the tent city residents.

The plan also stresses public education and community involvement in disaster response through a program similar to Neighborhood Watch.

Building, heavily damaged in the quake, remains closed while details of the funding get worked out with FEMA. Madonia said construction was set to go on the building after the city got a final go-ahead and \$750,000 from FEMA, but FEMA recently said it wanted to take another look at it.

● On the 300 block, the Petroutas building is under construction, and should be finished by the end of the year. No plans have been submitted yet for the Kett building next door, but construction should start soon on the corner building, owned by the Romo family.

Also on that block, on the Beach Street side, the city is building a three-story parking structure, which should be completed by mid-November, according to Madonia. The structure contains 9,700 square feet of retail space. Madonia said the city has signed one tenant and that he's meeting with another potential tenant next week.

"There's not a week that goes by that I don't get an inquiry on it," he said.

Two other earthquake casualties, the Fox Theatre and the Herrera building, have been repaired

tunich Building has been reinforced and painted. The Resetar Hotel is also open, following extensive structure work and remodeling. Ford's department store rebuilt its building from the ground up, opening it this time last year.

● Work is going on in the Jefsen Hotel on the 500 block of Main Street. Progress on that building may not be visible to the public now, Madonia said, because it is mostly taking place inside the building. The second story of the hotel will be used for low-income housing and housing for people with disabilities, with shops on the ground floor.

● Salvage work on St. Patrick's Church, perhaps the largest visible reminder of the earthquake's devastation, is currently going on to prepare the building for demolition, scheduled for the end of the year. Because the cost of repairs was prohibitive, the church will be rebuilt from the ground up, using as many materials as possible from the old building. \$1.7 million of the total construction cost has been raised, the church is seeking another \$1.2 million. Construction should be completed by the end of 1993.

— Chela Zal