



DOWNTOWN HELD HOSTAGE

Earthquake-1989 - City of Santa Cruz Rebuilding

2.16.92

Avalanche of bad luck hurts effort to rebuild

By GUY LASNIER
Sentinel business editor

It was a lousy time for an earthquake. Not that there is a good time, of course, but as Santa Cruz struggles to rebuild its downtown it has run smack into a confluence of factors outside its control that limit what can be done and how fast.

The banking and savings-and-loan crisis, the recession, and an oversupply of vacant commercial space have put the dampers on what should be a period of big deals and big projects, according to lenders, developers and brokers.

The city has approved projects but money is tight, lenders demand pre-construction leases, and businesses are hunkering down, waiting to see what happens.

"Rebuilding has been held hostage due to the economy and the banking industry," said Ceil Cirillo, city redevelopment director.

The recent decision by Jack Bariteau and Chop Keenan to halt a planned multi-screen theater pro-



John Livingston of Logos Books & Records, upper left, is a success story, a businessman able to build downtown. At left, the 'coming soon' sign at Chestnut and Laurel streets advertises development that may come later than sooner.