

# 1996: A year of Big Boxes

## Losses, renewal set tone

By ROBIN MUSITELLI  
Sentinel staff writer

**I**T WAS a year of business, not as usual. Big box chains, following the success of Costco, eyed Santa Cruz County with renewed appreciation and found a county very willing to be courted. On the flip side, old standbys in the frozen food industry saw the end of their times.

### GOODBYES

It was curtains for Capitola Theater, which ended a 40-year run with a showing of *The Three Musketeers*.

Her Co gas, where photographer/gas attendant Gena Foucek had presided for years, closed. The Mission Street station was a long-time gathering spot for the Westside, and Foucek was the proprietor. Foucek will pursue a career in photography.

Stapleton's in Capitola closed, and the Santa Cruz Store on River Street ended the year on thin ice.

Renee Shepherd, founder of Shepherd's Garden Seeds in Felton, also closed shop to pursue other interests — writing a cookbook or garden book. Shepherd founded the \$7 million company, known for its unusual and very tasty produce and flower seeds that Shepherd collected from around the world.

### RENEWAL

Downtown Santa Cruz continued its comeback. Redtree Properties bought three vacant parcels on Soquel and Pacific Avenues for an undetermined development.

San Jose Developer Barry Swenson finished a \$2.6 million remodel of the old Bank of America building on Pacific Avenue, which be-

came home for a New Leaf Market.

Swenson also purchased the Ford's Lot and Felice Gold properties on the south end of Pacific Avenue.

Cisco Systems Inc. continued to fly high, even among the dizzying world of high tech. The San Jose-based firm gobbled up TGV Software of Santa Cruz in a stock swap worth \$115 million, and then started expanding locally. The company

has been negotiating to be the major tenant of a rebuilt Cooper House, the linchpin of downtown.

Software maker Santa Cruz Operation posted record revenues.

Costco, the big box success, also had a phenomenal year — with \$92 million in sales and \$4 million in profits.

### TOUGH TIMES

Dean Foods, which bought the former Norcal-Crosetti frozen food

plant in November 1995, closed it down three months later, throwing about 700 employees out of work. About 100 angry food workers, carrying placards denouncing the company in Spanish and English, marched in protest as their union negotiated severance packages.

The company agreed to hire about 150 workers for new positions at its Harvest Drive facility. A \$650,000 federal grant to retrain

and provide readjustment services for 250 workers was approved in May, and in August the U.S. Department of Labor determined that the workers who lost their jobs were eligible to apply for unemployment benefits.

Seagate Technology Inc., after taking over rival Conner Peripherals Inc., announced in April it

Please see YEAR-END —D3



Shmuel Thaler/Sentinel file

Toys R Us opened in November to waiting crowds.



Dan Coyro/Sentinel file

Shoppers loaded up at Costco in 1996, pushing the store to record profits.

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# Year-end

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would cut 500 jobs, 25 percent of its workforce, and transferred several operations out of Scotts Valley. When the realignment was complete, 260 employees were laid off — half of the original estimate.

Borland had a year of continued losses and layoffs. The one-time giant of the software industry lost a relatively new CEO, Gary Wetsel, laid off 125 workers in October, 15 percent of its workforce, hired a new CEO, Delbert Yocum, and then reported further losses.

Sonic Cable Television, the much maligned cable company that serves Watsonville and parts of Capitola, announced the company is for sale.

Bay Federal Credit Union was among those nationwide set back by new rules limiting who can join.

The Seaside Co.'s Space Shot got shot down. The owners of the Beach Boardwalk were considering a new 190-foot high ride, but dropped it after a hue and cry against the towering ride. The Seaside Co. fared better with "Terror on Beach Street," a Halloween haunted house.

## BETTER OFF

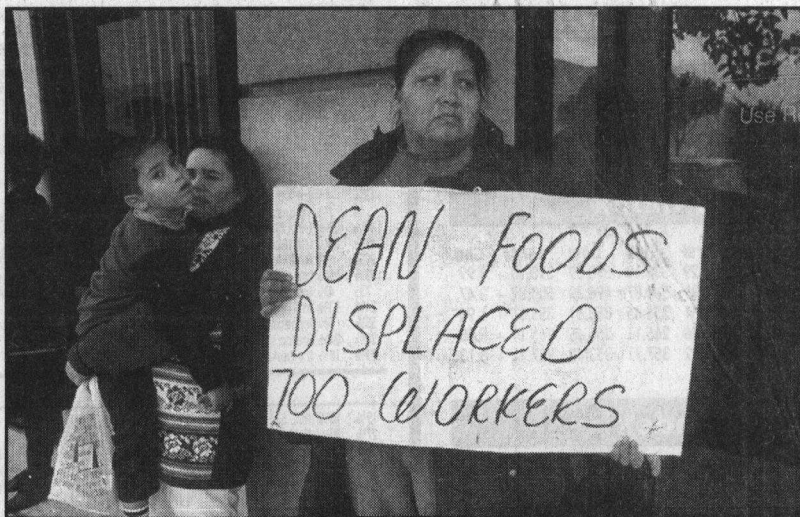
Santa Cruz kept beating the drums, many of which were Ashiko drums manufactured by West Cliff Percussion, under the wing of drumming evangelist Arthur Hull. The company's brightly colored drums are turning up in drumming circles across the nation.

Petroglyphs Ceramics was at the fore of another nationwide movement — ceramic lounges. The Santa Cruz store relocated from Soquel Avenue into larger quarters on Walnut Avenue.

Sears bought Orchard Supply, including two stores in Santa Cruz County.

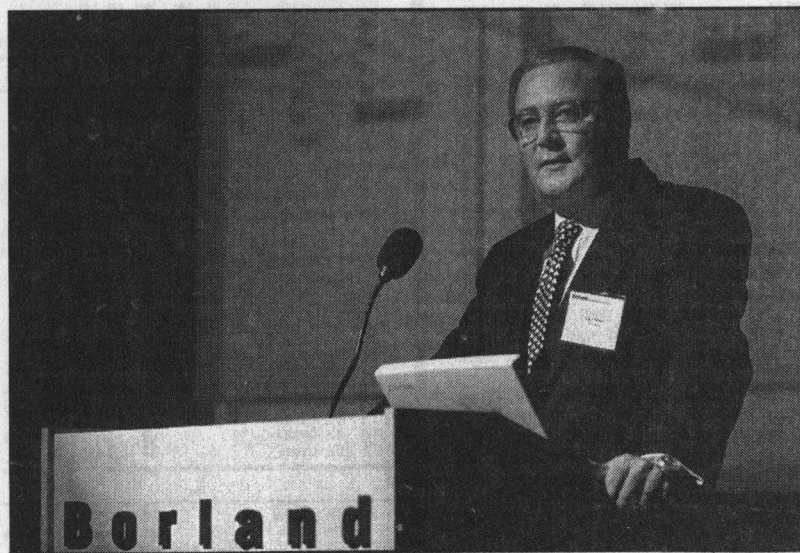
Gizdich Farms, producers of unpasteurized apple juice, got cut to the core in the Odwalla contaminated juice disaster, as distributors were scared by E. coli reports and Odwalla officials' statements that all unpasteurized apple juices were at risk. Safeway yanked the juices and then later restocked them.

## NEW TO THE NEIGHBORHOOD



Dan Coyro/Sentinel file

Dean Foods workers protested the plant's closing.



Dan Coyro/Sentinel file

Borland CEO Gary Wetsel announced new plans, which didn't include his ouster and continued losses for the company.

Toys R Us opened a new Santa Cruz store in November, packed with shoppers and toys for the holiday season. Next, a new Circuit City store is under construction.

"13," a "magick" store opened in September, on Friday, the 13th, of course.

"Pacific Rim," a glossy magazine for Pacific Rim travelers and businesses, printed its premier issue. The magazine publisher is Das Smyth.

Scotts Valley got a Blockbuster

Video store, and Abouche, a new coffee store.

## COMING ATTRACTIONS

The Dakota Club, a nightclub that will cater primarily to gays and lesbians, got the nod from Santa Cruz city officials to open on Pacific Avenue.

Networking giant Cisco Systems signed a tentative deal with Jay Paul to move into the Cooper House when it's rebuilt. Construction has not started.