

# New stores indicate shift in economic outlook

City officials, merchants say Pacific Avenue mood, security have improved

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SANTA CRUZ — Mike and Susan Pappas fell in love with a specialty olive oil store in San Mateo County and wondered whether a similar enterprise would work in Santa Cruz.

The newlyweds walked the downtown area and confirmed there was nothing like it. They got hooked up with an Oakland distributor, wrestled up quotes on a few spaces available for lease, and four months later, the True Olive Oil Connection was born on Lincoln Street.

"You always worry about the economy, but you've got to go with what feels right," Mike Pappas said before offering a sample of a chipotle-infused oil, among 24 varieties at the store. "This is a retirement fund at the same time. Get rich? Not really. Having fun? You bet."

Just a couple of weeks before the holiday shopping season officially kicks off, the True Olive Oil Connection and several other new locally owned small businesses have opened downtown amid signs that the economic slump may be easing. The olive oil store, which the couple co-own with partners Guillermo and

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Kathy Cowan samples olive oil at the grand opening of True Olive Oil Connection.



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Mona Silva and Susan Pappas celebrate the grand opening of their olive oil store downtown.

## DOWNTOWN

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Mona Silva, and Legs, a new hosiery store, welcomed hundreds of curious new customers during grand opening celebrations Friday.

In March, sales tax revenue stemming from downtown businesses was flat compared with the same quarter in 2009. But city officials and merchants say, anecdotally at least, business has been picking up in the last few months, which new quarterly figures are to be released Wednesday are expected to show.

"We're starting to see people with bags in their hands," said Chip, the executive director of the Downtown Association who goes by just one name. "People are starting to feel more comfortable in spending money."

Ellen and Eric Gil, who have owned the Sockshop and

sells tights, leggings, hose and a small selection of women's undergarments in a sophisticated setting inspired by the 1940s.

Ellen Gil said she jumped on the chance to expand her leg wear collection when Scout, the clothing retailer next door to Sockshop, closed. The couple felt confident, based on recent steady sales at Sockshop, that they could make the new venture work.

"We've been back up for months," she said of sales that had dipped after the national recession began three years ago.

Chip said the crop of new businesses and increased sales also demonstrate that residents feel better about downtown safety, which merchants and city officials have been trying to address for years. Coupled with toughened rules about panhandling and camping, the city hired First Alarm security

make an announcement today about extending First Alarm's evening hours for the holiday season.

"The culture of downtown is changing," Chip said. "The tricky part is, there existed a certain culture for so long, that once the culture does change, the perception will follow years later."

Councilman Ryan Coonerty, who co-owns NextSpace on Cooper Street, agreed that the opening of new small businesses indicates shoppers and owners alike feel more confident about spending and security.

"I do think people are seeing an uptick, if not in terms of the economy itself, in terms of optimism for the future of the economy," Coonerty said. "Everyone you talk to says the atmosphere downtown is better than it was five years ago and that it gets better every year."

A walk along Pacific Avenue on Monday showed that

markedly less panhandling and loitering. Still, Ellen Gil said she hopes the increased security, which she appreciates, won't discourage some of the eccentricities that have long-defined Santa Cruz.

"I love the fact that we're a unique environment downtown," she said. "I love that we're not everyone else."

Other new businesses that have opened recently include Flying Lizard Jewelry, 1530 Pacific Ave., and a Mediterranean fusion restaurant, Laili, at 101B Cooper St.

Flying Lizard Jewelry, which moved into the space previously held by Body Options, also has stores in Capitola and San Jose's Santana Row. Designer Vallora Sabourin's work has gotten the attention of Hollywood celebrities and been featured at Anthropologie and other high-profile chain stores. Laili offers a menu inspired by the ancient silk trading routes that traveled through Mediter-

Student walks in the late afternoon shadows on campus at UC Santa Cruz, where University of California President Mark Yudof wants fees 8 percent.