

# Old hotel built surprisingly well

By MARK BERGSTROM  
Sentinel staff writer

SANTA CRUZ — Replacing all of the room doors is not one of the biggest repairs that needs to be done before the downtown Palomar Hotel can reopen, but it serves as a reminder of the urgency of those first few minutes after the Oct. 17 earthquake.

Frantic to get the mostly elderly residents to safety, firefighters and police officers didn't even think of using passkeys. They just went room to room, kicking the green doors off their hinges and leading the shaken residents to safety.

Palomar Manager Ron Fredericks estimated Tuesday it will cost about \$50,000 to replace the doors to the 97 rooms. That's just a fraction of the total repair bill, which Fredericks expects to top \$1 million.

Most of that money is going to epoxy giant cracks and to reinforce the 61-year-old hotel with new, steel-reinforced walls.

Workers are erecting sheer walls on the south side of the hotel, where they have dug a 13-foot-deep hole into the foundation to anchor the walls. That hole is 5 feet wide and 54 feet long, Fredericks said.

Most of the damage to the hotel was done on the first two floors, where there were the fewest support walls.

Fredericks said engineers have been surprised just how well built the hotel was and that the steel reinforcement used is still done the same way.

Fredericks said he expects the major structural work to be completed by June 7. He said he hopes the hotel can re-open in September.

Many of the same retail shops have indicated that they plan to return, he said, including Riordan-Winnett Travel and El Palomar restaurant. Fredericks said the arcade, which links Pacific Avenue and Front Street, will be widened and will feature a row of small restaurants, including a new taqueria.

Storefronts on Pacific Avenue will take on new looks because those facades were so badly damaged in the quake. The lobby also will get an updated look. "It was not all that attractive," Fredericks said.

He said the Palomar management is keeping in touch with all of its former residents and hopes to get at least half of them back.

"Three months ago, 90 percent would have come back, but as time passes their temporary living conditions become more permanent," Fredericks said.

The Palomar offered 36 subsidized single-occupancy rooms, but even the market-rate rooms were only \$320 a month, and included weekly maid service, Fredericks said.

Getting those people back is important to the revitalization of downtown, said Fredericks, who managed the Palomar for 14 years. The senior citizen residents, he said, have a lot of disposable income to spend in downtown restaurants and shops.



Bill Lovejoy/Sentinel

Palomar Manager Ron Fredericks

## Palomar sale in the works

By GUY LASNIER  
Sentinel staff writer

SANTA CRUZ — Two non-profit housing developers have "agreed on general terms" to purchase the Palomar Inn.

San Jose-based Housing for Independent People and the Santa Cruz Community Housing Corp. would buy and operate the senior residency hotel as a joint venture, according to Al DiLudovico, executive director of Housing for Independent People. Ninety-seven seniors lived in the landmark downtown Santa Cruz hotel

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## Palomar sale

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before the earthquake.

DiLudovico said Tuesday that an agreement is close with hotel owner David Kimmel of Burlingame. Hotel Manager Ron Fredericks confirmed that HIP and the Community Housing Corp. have been negotiating with Kimmel to purchase the Pacific Avenue hotel.

No purchase price has been revealed.

DiLudovico said there are questions on how the state Housing and Community Development Department will view the purchase but that Kimmel and the two housing developers have "agreed on general terms." The deal is not in escrow yet. In a separate deal, HIP received state approval last week to buy the Resetar Hotel in Watsonville from two San Francisco investors, DiLudovico said. The 74-room single-occupancy hotel at Main Street and East Lake Avenue is owned by John McKenzie and Jeff Smith who also bought the Palomar in 1985.

In November of 1988, McKenzie and Smith sold the Palomar to investors who turned around and sold it to Kimmel for \$4.45 million. Kimmel has spent at least \$400,000 on repairs since the earthquake, Fredericks said. The city loaned him \$150,000 until state disaster housing funds were available.

The two non-profits would pursue state and federal housing funds, said Community Housing

Corp. Executive Director Arnie Fischman. He said \$32 million is available in the California Disaster Assistance Program.

Fischman said the refurbished hotel would provide housing "at the lowest rents possible." Previous tenants would have priority. Fischman said he expects the hotel will house primarily seniors as before the quake.

Fredericks said Kimmel has contracts with the city for senior housing and a sale wouldn't affect a thing.

Fischman acknowledged that housing downtown, particularly low-income housing, is a sensitive issue. Fischman said HIP and CHC will be able to offer classes, counseling, activities and expanded cultural facilities for residents "so people won't be on their own."

A "comprehensive package of social services would be provided so residents can lead independent lives and make a positive contribution to the downtown," Fischman said.

HIP was founded approximately 10 years ago by a group of San Jose parents who could not find decent housing for their adult children. Currently it is involved in several projects statewide, including 10 single-room occupancy hotels. The "SRO project" seeks to acquire and rehabilitate existing hotels to create permanently affordable housing.

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