

Incentives approved for building Ross store

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In a major boost for earthquake recovery, downtown Santa Cruz moved a step closer Tuesday to getting its first retail anchor since the 1989 Loma Prieta earthquake, a two-story Ross clothing store at Pacific Avenue and Cathcart Street.

By a 6-0 vote, the Santa Cruz City Council gave preliminary approval of requests by a Palo Alto developer who is negotiating to bring Ross to the former site of Ford's department store, 1101 Pacific Ave.

"We're finally starting to deal in quantum leaps here," said Councilman Louis Rittenhouse. "We're filling in the pieces."

1995 opening forecast

Developer Andrew Duncan predicted the store could open by June 1995.

He outlined plans for a building of 30,800 square feet, with merchandise for sale on both levels and escalators linking floors.

City leaders said a new Ross store could bring more shoppers downtown, especially locals. Since the quake, many of the new stores that have opened on Pacific Avenue have been boutiques and eclectic gift shops, selling everything from Guatemalan clothing to Indonesian furniture. Locals wanting to buy mun-

dane items like underwear or socks have usually traveled to the Capitola Mall.

'Provides . . . basics'

"This provides some of the basics that have been missing since the earthquake," said Councilman Neal Coonerty.

Ross Stores Inc. is one of the nation's largest clothing chains.

Based in Newark, the company operates 251 discount clothing stores in 18 states. The company, which has been expanding into downtowns such as Palo Alto and San Francisco, is projecting sales of \$1.4 billion in 1994.

Santa Cruz County's only other Ross store, near Capitola Mall, is not expected to close if a new store opens on Pacific Avenue.

Duncan has said the store would have sales of \$8 million in its first year, which would bring in sales tax to the city treasury of about \$80,000.

Santa Cruz lost both its anchor department stores in the 1989 quake. Ford's went bankrupt. Gottschalks reopened at Capitola Mall.

Some local merchants grumbled Wednesday that they had hoped for a more upscale store. Others disagreed.

"We're really happy that there's going to be a new project on the south end of Pacific

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Santa Cruz council backs incentives for Ross store

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Avenue," said Kathleen McBurney, co-owner of Cat 'n' Canary, a clothing shop across the street from the proposed site.

Competition from Ross could hurt some sales at Cat 'n' Canary, she said. But two benefits will outweigh the loss: The increase in shoppers Ross is expected to bring downtown, and the fact that there no longer will be a vacant lot in town

for transients to congregate.

Council members told Ceil Cirillo, the city redevelopment director, to draw up an agreement to provide financial aid of about \$440,000 over 10 years that Duncan has requested to assist the project. The council will vote on the package April 12.

Duncan's request calls for:

■ The city's purchase of 5,000 square feet on the back of the Ford's lot that Ross says it does not need. Estimated

cost is about \$200,000. The land would likely be used to add about 12 spaces to an adjacent public parking lot.

■ Allowing the store to have ceilings only 12 feet high, instead of 18 feet as downtown zoning requires.

■ Dropping the requirement that Ross pay \$24,000 a year for 10 years in parking deficiency fees, which are used to pay for new parking lots and garages in downtown Santa Cruz.

Duncan's family has owned the property since the 1950s, when his great-grandmother financed construction of a J.C. Penney Co. store there. The family sold the building to Ford's in 1979.

Ford's was destroyed in the earthquake, and the company went bankrupt owing the Duncans \$500,000. Duncan's family, which held the first deed of trust on the property, foreclosed in December and has been looking for a new tenant ever since, he said.