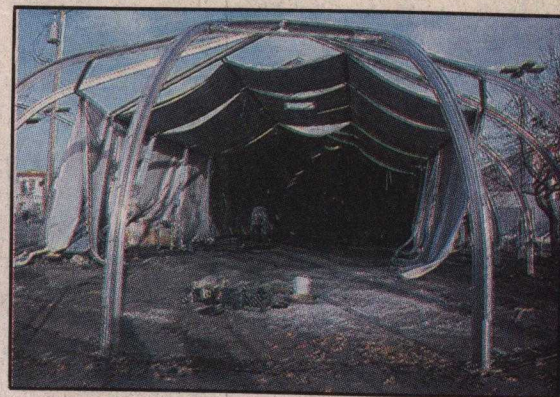


✓ *Earthquake 1989*  
**Folding up the**

# pavilion saga



## Only vestiges remain of 'symbols of survival'

By GUY LASNIER  
Sentinel business editor

1-11-93

SANTA CRUZ — One year was the longest term allowed when downtown merchants lined up to sign leases for the pavilions in November 1989.

"We expected to be in them for six months," said Harriet Deck, a real-estate broker who helped with much of the early leasing.

Today, more than three years later, only a few vestiges remain of the grand improvisation of aluminum and vinyl on blacktop that is widely credited with saving downtown Santa Cruz business.

The final pavilion at Lincoln and Cedar streets, most recently used as a warehouse for surplus

gear, was dismantled last week and shipped back to its Canadian owners.

■ *Pavilions' patron saint out of a job* — A3

In the intervening 38 months, shopkeepers learned to live with each other and put up with cold and heat, portable toilets and little privacy. In the process, they made some money, kept up the momentum of the downtown business district and were in a better position to move into permanent buildings.

"We feel like we saved the downtown," said accountant Tom Davis, who started as a volunteer to set up the books for the triumvirate Phoenix Pavilions Partnership. Davis stayed on as the group's accountant.

"'Temporary' lasted a lot longer than we anticipated," he said.

The Santa Cruz Area Chamber of Commerce, the Downtown Association and the Cultural Council of Santa Cruz County formed the partnership to lease seven pavilions and about 9,000 square feet in the former Bank of America building. The group subleased to individual tenants, eventually numbering about 50.

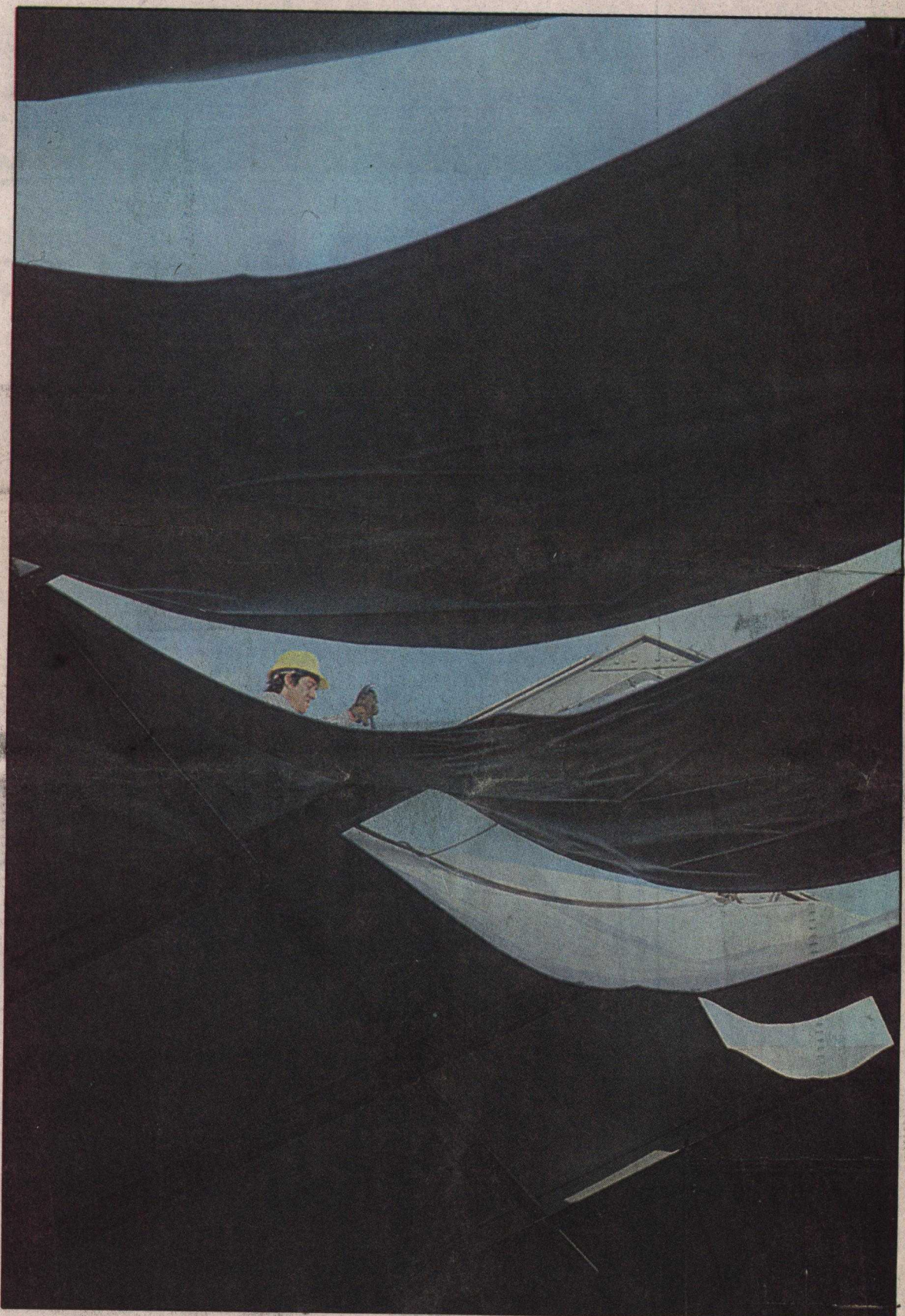
"It was an experiment, an amazing example of what happens in Santa Cruz," said William Rubel, credited by many as coming up with the idea. "It is a shining example of the creativity of Santa Cruz — we can get things done, and Santa Cruz supports business."

A lot of people have taken credit for the tents, said bookstore owner Neal Coonerty, the current mayor who believes the three years of pavilion commerce did indeed save the downtown.

"I'm not sure where it first emerged but it was an idea that caught on fast and got going."

Rubel, of the Children's Art Foundation, remembers it started in his back yard on the warm afternoon of Oct. 18, 24 hours after the 7.1 magnitude Loma Prieta earthquake devastated the Pacific Avenue business corridor.

Rubel was eating with his tenants, employees of Bookshop Santa Cruz. "They were out of work and realized they would have no work if there was no Bookshop," he said.



Please see PAVILIONS — A3

Burr Guthrie unbolts coverings as the last of the pavilions came down last week.

Shmuel Thaler/Sentinel



Continued from Page A1

Rubel was also chairman of the Downtown Commission, the city commission of merchants that oversaw the downtown parking district. "It occurred to me the parking district had lots of land that wouldn't be used if there were no businesses," Rubel said last week.

He called an emergency meeting and floated the idea.

That was Friday. By Saturday, representatives from Sprung Instant Structures were in town. By Monday the City Council had a proposal in front of it.

Sue Groff and her husband Denver found Sprung. Groff owns Groff's Luggage and at the time had recently run unsuccessfully for City Council. Denver Groff had seen the pavilions at high-tech trade shows. Sue Groff called Calgary, Alberta and talked to the company president. She also arranged with the California Highway Patrol to escort the company's San Francisco representative over Highway 17, still closed by slides.

"I said, 'William if we don't open the day after Thanksgiving we're all out of business.'"

"They were really a symbol of survival," said Groff, who ran a pavilion store and later opened another in Aptos. She closed the pavilion store after her husband died two years ago.

Merchants paid 78 cents a square foot plus 30 cents a square foot for utilities and maintenance. Utility costs were much higher than anticipated, accountant Davis said, so the triple net fees were later raised to 40 cents. "We didn't think we could raise them higher," he said.

When the final lease payment is made, about \$400,000 will have been spent on the pavilions, according to Matt Farrell, the city Public Works staffer who worked on the project since the beginning.

In many cases the cost was higher than merchants paid on the Pacific Garden Mall. Subsidies from the state, the city and volunteer donations, made it work and kept costs manageable.

"Basically, there was a level of subsidy all around," Deck said.

Volunteer labor abounded, from Deck and fellow real-estate agent Lee Slaff who handled initial leasing and served on the pavilion

board from the beginning, lawyers who drafted partnership agreements and leases, architects who laid out the interior and designed the food tent interior.

The seven pavilions plus a smaller addition on Bookshop Santa Cruz rose over a period of two days through the efforts of union workers who volunteered their services.

"I just went to business agents at different unions and explained," said Jon Boutelle, president of Carpenters Union Local No. 829. "The trades really came through."

The pavilions went up Nov. 11 and 12, 1989. Two weeks later, after nearly around-the-clock work inside, 44 businesses opened the day after Thanksgiving. Most saw their best Christmas season to date.

Crowds, drawn by publicity, flocked to see and spend.

"They gave a gift of patronage," Coonerty said.

Businesses were up 10 to 50 percent over the previous year, said John Lisher, then Chamber of Commerce president and chief executive.

Conducting business beneath vinyl walls was a challenge at best. Entrepreneurs, who are by nature individualists, had to learn give and take. The business community before the earthquake was not the most harmonious.

One outcome of the pavilion experience is that downtown business people now know each other, said Joe Ferrara, owner of Atlantis Fantasyworld. Ferrara was a late comer to the tent experience but he became captain of all the tent captains as the merchant representative on the partnership board.

"We overcame the isolationist inertia," he said. "Now we know how to work with each other. ... We have a little more tolerance and humility for the other person's situation," he said.

For the first time, businesses had common hours. They were forced to because they shared front and back doors.

"It was really a lesson in communal living," said Kathy McDaniel, whose property-management business the Landlady was hired as property manager. She collected rents and arbitrated "misunderstandings," as she delicately puts it.

"I considered getting my counseling license," she said.

Temperature and music were the great dividers. At first it was too cold everywhere, but when heaters were installed, thermostat wars ensued in some tents. Finally, Jeremy Granick, the operations manager, made them inaccessible.

"I really admired the way most of them stuck it out," McDaniel said. "Some were like oil and water."

Ferrara believes the experience sharpened individual business skills. Merchants had to learn how to make do with less space.

"Better business management is one of the positive outcomes," he said.

The tents also proved to be good incubators for new businesses, said A.C. Smith, co-owner of Bento Baki, which was in the food tent. Smith is president of the Downtown Association.

The partnership's goal was to get people to move out eventually. It did not want new businesses moving in. But as space opened up in a tent still occupied by several others, a business such as Rhythm Fusion could get a toehold.

Smith said the food tent was one of the big successes, something that had not been tried before.

The partnership will wind down over the next month. Granick is trying to sell or otherwise get rid of equipment. The books will undergo an audit and then it will be done.

"I would say it was the saving grace of lots of small businesses," said Rodney Hoffer, owner of San-

ta Cruz Hardware, who signed the first lease.

Mardi Wormhoudt, mayor at the time, called the event "a miracle." "They were a lifesaver ... not only the economic salvation of the downtown but in some ways the psychic salvation of the community."

"I think it showed a hell of a can-do attitude," said Lisher, a key participant as chamber of commerce president.