

Capitola Theater plan stalls

BY JOHN WOOLFOLK
Mercury News Staff Writer

Buyer leaves project's fate to partners

With his troubled past bubbling to the surface, the buyer of the landmark Capitola Theater said Monday he is walking away from the deal and leaving his plans for a hotel up to his partners.

"I've decided I'm not going to

pursue the Capitola project," developer Bruce Tingey said. "It has such a high profile I just decided it would be better to focus on the project rather than on me."

Tingey entered a deal early this year to buy the theater from owner Audrey Jacobs for \$1.6 million, with escrow to close in October. But he was not identified as the buyer until this month, when he

floated plans for a 95-room hotel with shops and a theater on the 120 Monterey Ave. site and held a public meeting to discuss the idea July 10.

Soon after, skeletons began

tumbling from Tingey's closet. He was convicted in 1984 of criminally defrauding partners in his native Utah and was involved in a failed project on Bean Creek Road in Scotts Valley that made him the target of more than a dozen lawsuits.

See *DEVELOPER*, Page 2B

Capitola Theater plan's fate unknown

■ DEVELOPER from Page 1B

Now, Tingey laments, "all anybody wants to do is talk about Bean Creek and the Utah thing."

"It would have made it difficult to make (the Capitola Theater project) a success," he said.

Jacobs, who has turned the movie house her father built in 1948 into a cherished local institution, could not be reached for comment. She had put her kitschy theater up for sale this year, fearing competition from the new Santa Cruz Cinema 9.

Tingey's four other partners declined to comment, a spokesman said, referring questions to general partner Joe Earle, who was out of town and unavailable. It was unclear what, if any, effect Tingey's withdrawal would have on the purchase and development of the theater site.

Court records on file in Santa Cruz County show Tingey pleaded guilty to a felony charge in a

Utah federal court of fraudulently inducing interstate transportation by luring a business partner to Cupertino to see an office building he claimed he built and owned. The alleged sham duped his two partners into investing money with him, court records said, to buy and develop a Salt Lake City office building.

A judge suspended his three-year prison sentence, put him on five years' probation and ordered him to pay \$119,000 to his two partners.

"I made a mistake 15 years ago," Tingey said. "It's unfortunate and embarrassing."

In 1989, Tingey, who lives in Scotts Valley, entered a partnership to develop a 17-lot subdivision on 19 acres of Bean Creek Road property. His four original partners later sued in Santa Clara County Superior Court to dissolve the deal, alleging Tingey was misusing partnership funds.

In a March 1992 settlement, the partners gave Tingey an opportu-

nity to buy them out for \$1.37 million by June 11, 1992, with an agreement that if he couldn't come up with the money, he would lose his interest in the property. On that day, he entered a deal with a new partner who was to provide money to buy the land.

Tingey later accused his new partner of trying to take his land by changing the terms of the deal at the last minute, according to court records. His partner, meanwhile, accused Tingey of taking the money he had obtained through a loan and failing to live up to his end of the deal, the records said. The case ended last year with the lender foreclosing on the property.

Meanwhile, Tingey's investors sued for their money back, landlords sued for back rent and the county sued for unpaid taxes the Bean Creek property.

"It ended up being a big mess," said Tingey's former attorney Ron Packard.