

# Zanotto's changes hands

Scotts Valley store sold to SLV family;  
Santa Cruz store's future uncertain



Dan Coyro/Sentinel photos

The Scotts Valley Zanotto's is mostly empty Monday afternoon. The family that owns the market is selling it, saying slow sales have hurt the small chain of grocery stores and that older family members are retiring.

## Zanotto family to focus on San Jose stores

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SCOTTS VALLEY — The Clements family, owner of Ben Lomond Market, has bought Zanotto's Family Market in Scotts Valley for an undisclosed sum in a deal that both sides say is victory for independent, family-owned businesses.

It's the right time to expand, according to Ron Clements Jr., general manager of the Ben Lomond Market.

"We have the staffing in place," Clements said. "We liked the community. It's a family-oriented community. There's room in Scotts Valley for a new, independent market."

The Clements promise more than \$2 million in store improvements to return the store to "the traditional family-style grocery store that Scotts Valley wants and needs."

The deal for the 22,000-square-foot store on Scotts Valley Drive near Granite Creek Road is expected to close May 17. The new name will be

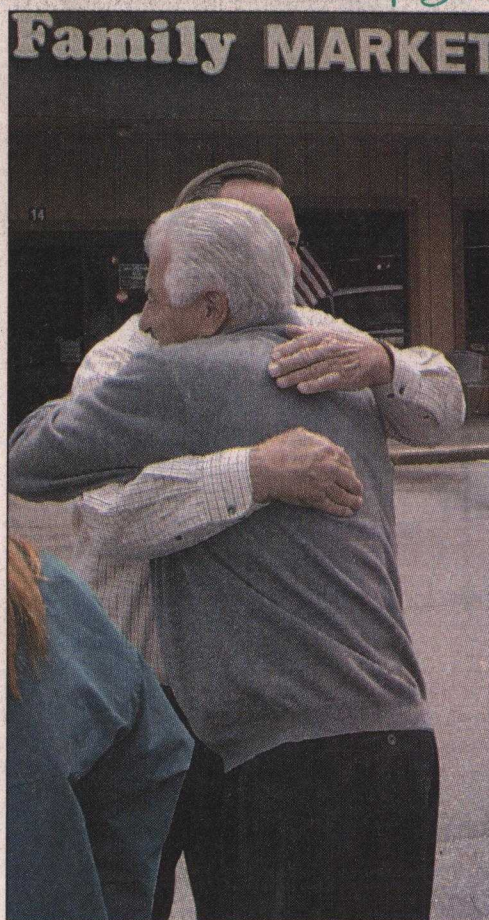
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FRED ZANOTTO

Scotts Valley Market.

Fred Zanotto, co-owner and vice president of operations, said the sales price is "nobody's business," but that the deal "made both families extremely happy." He said the families have known each other for more than 20 years, and that he is pleased a local, independently owned store would take over the business, invest in improvements and support community events.

Last year, the Zanottos asked the Clements family to consider buying the store. Sever-



Tony Zanotto, of Zanotto Family Market, right, gives Ron Clements Sr. a hug. The Zanotto family is selling the market to the Clements family, which runs the Ben Lomond Market. The two families have a combined 100 years in the grocery business.

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# Zanotto's

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al key executives in the Zanotto family business have retired recently, including Tony, Paulette and Conrad Zanotto, and at least one more retirement is coming soon. In general, family members want to downsize.

"We're tired of working 65-hour weeks," Fred Zanotto said. "It gives us more time to focus on our family and focus on the (existing) San Jose store and the new San Jose store."

The Zanotto family first opened a market in San Jose's Rose Garden neighborhood in 1962. The Scott Valley store opened in 1982. The family also owns a downtown Santa Cruz store and is scheduled to reopen a downtown San Jose store in August, which was shuttered last summer in the poor economy.

The Clements history in the grocery business is even longer. Lester Clements started a small market in Watsonville 58 years ago. After selling that enterprise, he bought a Salinas market in 1965, and his son, Ron Clements Sr., soon became a partner. Clements Sr. opened the Ben Lomond Market in 1978 and it now employs 75 people. It is owned by Ron Sr. and his wife, Marlo Clements. Son Ron Clements Jr. is general manager and daughter Christy Clements will serve as Scotts Valley store director.

Clements Jr. said the community will benefit from having another locally owned market. He said plans are under way to recreate the same store format that exists in the 19,000-square-foot Ben Lomond



Dan Coyro/Sentinel

The Zanotto and Clements families, from left: Tony, Paulette and Fred Zanotto, Christy Clements, Marlo Clements and husband Ron Clements Sr., and Natalie Clements and husband Ron Clements Jr.

store. That means several new departments, including a florist, a bakery, a Chinese food takeout service, a full-service deli, a natural body care department and some organic foods. The service-oriented format is expected to add jobs to the store.

Zanotto's employees in Scotts Valley learned of the deal at a storewide meeting Monday afternoon. The 40-employee work force is invited to submit applications to the new owners. Clements Jr. said interviews will start Wednesday.

At lunchtime Monday, the Scotts Valley store was relatively quiet. The company has struggled in recent years with the poor economy, said Fred Zanotto, but he attributed some of the problem to a poor business decision to try to upgrade the Scotts Valley store format from a family market to an upscale,

gourmet market. It didn't work.

"We had some misguided direction," Zanotto said recently. "There were some benefits but in the long term it didn't work out for us."

Sales suffered, and the store has been working to move back toward a more midrange family product line with a deli.

Despite endless rumors about potential buyers for the downtown Santa Cruz store, Fred Zanotto said no deals have been made. There has been an "unacceptable" offer extended by Trader Joe's, but otherwise, nothing, he said.

"I'm an entrepreneur," Zanotto said. "Everything I own is for sale."

The Zanotto family has seven years remaining on a lease for the downtown store.

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