

Borders bookstore in Santa Cruz set to close

Chain declares Chapter 11 bankruptcy, announces plans to shutter superstores

By TODD GUILD

OF THE REGISTER-PAJARONIAN

Borders Books, the nationwide chain that once ruled the roost of "big box" bookstores, announced Wednesday that it has filed for bankruptcy and has plans to close 200 stores across the U.S., including the Santa Cruz branch.

Left untouched was the Sand City branch, as well as the Borders Express store in the Capitola Mall.

Borders spokesman Jeremy Field-

ing said the Santa Cruz store employs 30 people.

The loss of the business will leave a giant gap in the Pacific Avenue retail corridor.

Bonnie Lipscomb, executive director of the Santa Cruz Economic Development and Redevelopment Department, said that the announcement did not come as a surprise to city officials, and that the agency has been in talks with the property owner.

"We'll be working very actively in

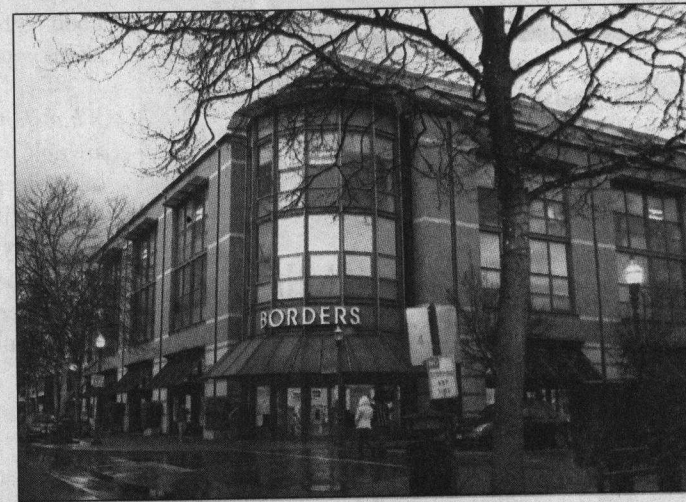
the coming months to fill the space," she said.

Lipscomb said that there have not been any businesses that have expressed interest in the site as of yet.

The Santa Cruz store joins 35 other superstores in California, including 12 in the Bay Area, that will be shuttered, most likely by the end of April.

In explaining the decision to file for Chapter 11 bankruptcy, Borders

See BORDERS, page A8



Borders bookstore in downtown Santa Cruz on Pacific Avenue is slated for closure as the chain closes 200 superstores nationwide.

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BORDERS

From page A1

Group President Mike Edwards pointed to "curtailed customer spending," as well as the company's lack of liquidity. When the dust settles, the company hopes to remain in business with its remaining stores, Edwards stated in a press release.

"This decisive action will give Borders the opportunity to achieve a proper infusion of capital in order to have the opportunity to have the time to reorganize in order to reposition itself to be a successful business for the long term," he stated.

The press release also said that the remaining stores will be "business as usual," and that the company's website, borders.com, will also continue to operate.

Borders officials also pointed to the "rapidly changing retailing environment for books and related products," a reference to a growing number of readers who have made the switch from traditional paper books to those downloaded from online

sources and read on handheld computers.

According to a study by Santa Cruz County Public Library officials, the online bookseller Amazon has said that its sales of e-books are nearly double those of paperbacks.

While the closure could send more customers to Bookshop Santa Cruz down the street, Santa Cruz County Supervisor Neal Coonerty, whose family has operated the independent store for 45 years, said the announcement was anything but good news.

"Any time a bookstore closes its doors is a sad time," he said. "We're just grateful that the community has continued to support us. We've been here since 1966 and we hope to be around for a long time to come."

"The whole industry is changing tremendously, from e-books to the information that's available on the Internet," Coonerty said. "These are difficult waters to navigate. We just try to make sure we have what the community needs."

The good news, Coonerty said, is that Bookshop Santa

Cruz caters to a population of customers who lean toward more traditional methods of shopping.

"Browsing is a way of life here," Coonerty said. "People want to come in and feel the books and see what they're buying."

Casey Coonerty, who oversees the day-to-day operations of Bookshop Santa Cruz, said Borders took away business when it came to town about 10 years ago.

She said she expects to see an uptick in business as the customers who were lured away seek another venue for their literature.

Coonerty said she attributes the ability of her family's store to stay afloat despite competition from Borders and the economic recession to her patrons.

"We're just so grateful to our customers for their loyalty," she said. "They showed they cared about independent bookstores."

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For information, including a complete list of closures, visit bordersreorganization.com.