

# Cooper House sale imminent

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\$2-million offer is accepted; lawsuit clouds transaction

By MARIA GAURA

Sentinel Staff Writer

SANTA CRUZ — An offer of "around \$2 million" has been accepted for the historic Cooper House, raising hopes that new owners for the troubled retail complex can reverse a downhill slide that has reduced the once-popular landmark to a half-empty state over the past several years.

The building has been on the market since August, for an asking price of \$2.5 million.

The offer was made by developer Jay Paul, whose proposed Pajaro Hills Commercial Center in Watsonville was approved recently. Paul has done numerous other retail developments in California and specializes in renovating downtown areas. He also has been involved in negotiations to renovate Watsonville's 200 block of Main Street.

The Cooper House sale is in escrow, awaiting the result of a construction analysis to investigate the soundness of the building, according to realtor Nance Lee McKendrick.

"So far the (construction analysis) reports are excellent; they should be finished this week," McKendrick said. "The deal can then move into the final escrow phase."

Paul has hired the architectural firm that renovated the Ghirardelli chocolate factory in San Francisco to work on the Cooper House, McKendrick said. In addition, Paul reportedly has expressed interest in renovating the old Front Street jail into a museum and retail center and linking the project with the Cooper House and the Octagon Park.

The proposed sale may be complicated by a lawsuit filed against Cooper House

owner Steve Sanchez by Aptos businessman Ray Roeder. Roeder agreed to buy the Cooper House earlier this year, but the sale fell out of escrow after a dispute over the liquor license for the building's bar and restaurant.

"We're pursuing a lawsuit," Roeder said. "As far as we're concerned we still have the right to purchase the building as agreed in the early part of this year. We're still pursuing the purchase."

"I wish the Cooper House the best, but I still have a considerable amount of money invested in the property — hard cash, not just construction money," he said. "I had a lot of dreams and aspirations for the Cooper House, and it would be fun to be in there right now giving the place the face lift it deserves. I hope that eventually comes to pass, whether it's us doing it or someone else."

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## Cooper House

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While some of the building's tenants are enthusiastic at the prospect of new owners, others are unwilling to wait and see if the building sells. Since the property was put back on the market in August, several shops have moved out, citing poor upkeep and erratic management of the building.

Only the ground floor of the building is occupied, and the owners of the Game-Allot toy store in the basement plan to move out by the end of January, when their lease expires.

"The owners want to raise the rent \$1,000 a month, and they won't provide any services or maintenance," said Anton Dovydaitis, a clerk at Game-Allot. "We were all enthused about the last offer (by Roeder), but that fell through. We're moving to a new spot at the Galleria which will be fantastic, gorgeous, like a set out of The Wizard of Oz."

But Kitty Schwartz, who recently purchased the Cooper House juice bar and has re-opened the candy counter with her husband Darrold, is enthusiastic at the news of the purchase. Schwartz said her two businesses are now just breaking even financially, but is confident that business will improve under new management.

"It would be wonderful for all of us," she said. "I hope and pray it does go through, because it certainly couldn't get much worse. The owners now aren't doing a thing."

Built in 1895, the Cooper House served as the city's courthouse until 1967. The building was slated for demolition in 1971, when it caught the attention of Max Walden, who developed Old Town shopping center in Los Gatos.

Walden purchased the building for \$70,000, then hired craftsmen to restore the Victorian woodwork and marble, and create stained-glass art for the building. The center prospered until 1979, when it was purchased by Stan Mattison and Russell DeLong of San Francisco.

The partnership traded the complex to current owner Steve Sanchez and family in March 1986, saying a local owner could give the building the attention and care it deserved. But business at the center deteriorated under the new ownership, culminating in the current high vacancy rate and the aborted sale to Roeder in July.

The Sanchez family also owns Anastacio's Restaurant on Ocean Street, which recently closed and is being offered for sale for \$900,000.