

# Cooper House project stirring

*Cooper House*  
Developer seeks city help again

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SANTA CRUZ — Developer Jay Paul has returned to the city hat in hand, asking for the financial help he forfeited in January after failing to start his ill-fated Cooper House project.

Paul has told City Council members that he finally has the financial backing to start construction as early as August. But he needs the \$1.3 million redevelopment package originally approved by the city in 1996.

The council is expected to discuss Paul's request at its meeting next Tuesday, and the reception may be lukewarm.

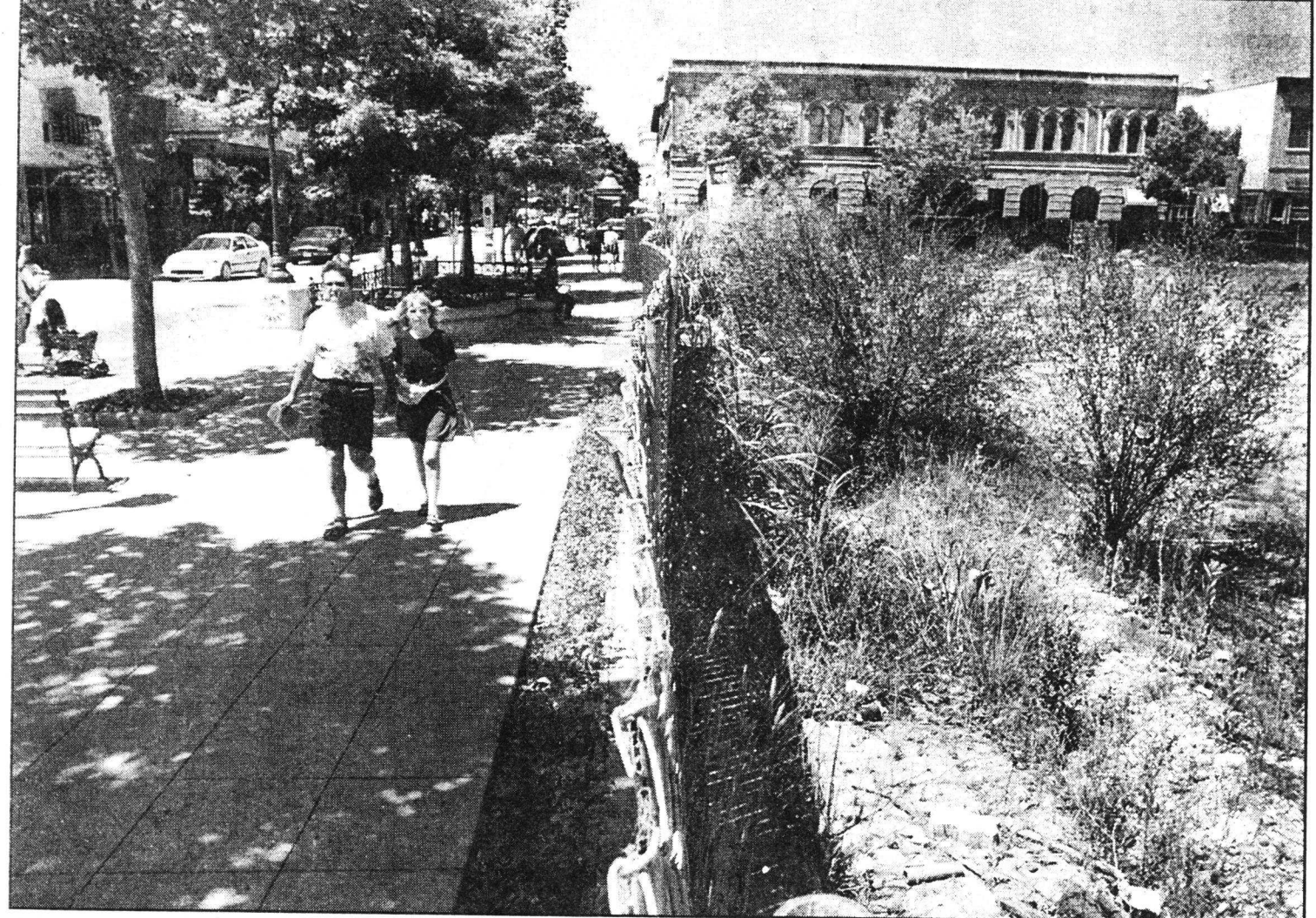
"The circumstances are really substantially different than they were when we first made this offer," said Councilwoman Cynthia Mathews. "The feeling then was that this was a key to rebuilding downtown. Now ... it's just one of the last projects."

Paul was not available for comment on Tuesday.

Paul has been trying to rebuild Cooper House since 1991, when the council enthusiastically approved design plans for the building that would replace the beloved downtown landmark that crumbled in the Loma Prieta earthquake.

For many years, however, Paul could not get financial backing without having signed leases in hand.

The city's Redevelopment Agency stepped in, earmarking \$1.3 million to pay city-mandated parking fees over 10 years to



Shmuel Thaler/Sentinel

Replacing the Cooper House, once downtown's heart, is no longer key to the area's rebirth, officials say.

help Paul attract tenants who complained that downtown office space was too expensive.

City officials believed it was important to help get Cooper House off the ground because it not only was a key site downtown, but would serve as a catalyst for other development.

But even with the city's contribution, Paul could not sign office tenants for his five-story building on Cooper Street and Pacific Avenue.

Promised start dates came and went, and city officials became jaded about Paul's ability to get moving on the project.

"Because he hasn't had tenants, it hasn't been a priority project for him," said Ceil Cirillo, executive director of the city's Redevelopment Agency. "He was doing devel-

opment projects over the hill that had tenants."

As a result, the Redevelopment Agency allowed its \$1.3 million offer to expire in January, believing the money could be better spent helping downtown projects more likely to get off the ground in a timely fashion.

What's changed now is Paul's announcement that he has financial backing from a bank willing to front the money without signed tenant leases.

Paul also faces a costly deadline. On Sept. 30, his city building permit lapses, and at that point Paul would have to begin the approval process anew. That means he not only would have to pay new building-permit fees, but also the design fees he originally paid some seven years ago.

City officials said Paul could face tens of thousands of dollars in new fees.

Cirillo is expected to recommend the City Council approve a financial package for Paul, although it may not be as lucrative as the \$1.3 million originally offered.

"He has gone the extra measure in his design of the building," said Cirillo, adding that Paul also has incurred heavy holding costs over the years by not developing that site. "That all affects what he can charge for rent ... and we want to see that project occupied."

Vice Mayor Scott Kennedy said he believes it's still important for the city help get that key downtown site rebuilt.

"It's a commitment we made to him years ago," said Kennedy. "He has paid big bucks to keep this project alive."