

Capitola Marie Callender's Falls Victim to Bankruptcy Restructuring

City Officials Report Early Interest in Location

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✓ The Marie Callender's restaurant adjacent to the Capitola Mall was one of 31 locations closed as part of a corporate bankruptcy restructuring filed June 13. A week later, city officials said outreach efforts to potential new tenants have generated interest.

"We're actively engaged and working to find a good fit ... We're talking to some of these [regional and national] chains and some locals to see if there's interest," said Derek Johnson, the city's community development director.

Two separate brokers, one from the San Jose area and

one from Fresno, who work with chain restaurant companies have already said they have clients that would like to look at the location, he added.

"It's very promising and we're excited," Johnson said. "We don't want empty store fronts."

He declined to identify any potential tenants at this early stage of discussions.

In-N-Out Burger is always among the names suggested for a Santa Cruz County location, but Capitola's current ordinances do not permit a drive-through windows. Some older locations such as the

Burger King just down Clares Street from the Marie Callender's site have "grandfathered" permits to allow for drive-throughs.

Both Johnson and Capitola Vice Mayor Mike Termini suggested that the city could consider granting an exception under certain circumstances at the site.

No Closure Notice

The well-established Capitola Marie Callender's store first opened in 1994 and added breakfast to its meal options in fall 2009.

In addition to onsite dining, the restaurant offered a



wide array of its signature pies to go as well as heat-at-home meals especially popular during holidays.

A number of local groups used its banquet facilities for meetings, and reportedly were not notified of the closing.

Neither was the local staff notified in advance of the

closing. Some of the employees had nearly two decades logged with the company.

On June 11, at 3 p.m., a corporate representative arrived in Capitola and notified employees that their jobs were terminated and closed the store.

The restaurant is part of the Perkins and Marie Callender's company, which operates about 600 locations under both names across the country. The company also closed 34 Perkins sites.

The Capitola restaurant listing has already been removed from the corporate website. ■