

# Redevelopment set back by closure of restaurants

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Two downtown Watsonville restaurants that attracted a lot of attention as leaders in the redevelopment effort have closed.

The Mansion House closed Monday and La Manzana closed last Friday.

Both restaurants were part of larger private redevelopment projects that gained attention as much for their colorful decor as for the investment their developers put into them.

Both also experienced their share of troubles before finally calling it quits.

The Mansion House Restaurant was in the historic Mansion House hotel, which was renovated by Roger and Jeff Hoffman in 1979. The newly refurbished building had offices on the second and third floors and the restaurant on the street floor.

The Hoffmans owned and operated the restaurant until August of last year, when they ran into financial problems. Lewis Associates took over as general partners of the building, and Raul Nunez of Newport

Beach bought the restaurant.

"My opinion is the restaurant itself was viable, but (Nunez) had serious financial problems elsewhere," said Mike Lewis of Lewis Associates. "It's just unfortunate we had an owner down there who wasn't the best businessman."

The restaurant, which includes a spacious and comfortable bar, may have also been hurt because the new owner gave up the liquor license and sold only beer and wine, Lewis said.

Lewis said he is working on renting the restaurant, and hopes that the new tenant will be able to get a liquor license. He is hopeful the restaurant will be reopened within two months, and said the man who managed the Mansion House for Nunez may stay on as manager of the new restaurant.

La Manzana Restaurant was the biggest tenant in the La Manzana complex, which has entrances on the 500 block of Main Street and on West Lake Avenue. The complex, including the restaurant, bar, a delicatessen, bakery and several other small businesses and offices, was developed by Alice and Manuel Santana and E.T. "Bud" Kretschmer two years ago.

The restaurant and several of the businesses struggled to make a go of it, but some of the

tenants began to fall behind in their rent, Kretschmer said. That made it next to impossible to make the mortgage payments, and County Bank and Trust foreclosed on the property last year.

The Santanas continued to operate La Manzana Restaurant, the Ojo Rojo bar and Alicia's Delicia's delicatessen until last week. The Santanas closed all three businesses and took all their equipment and furniture with them.

"Business is business. If you make it, you make it," Santana said today. "This one didn't make it."

Santana said he's not bitter — he took his chances on his Watsonville restaurant and it just didn't succeed. He said he will probably get involved in other restaurants, but not in Watsonville. (His restaurants in San Juan Bautista and Aptos have been in business for years.)

Santana and Kretschmer both said the downtown has problems, and that the city hasn't made a commitment to redevelopment.

"The future would have been fairly good had not the two new big shopping centers been built," Kretschmer said, referring to Watsonville Square and the Lucky shopping center.

Kretschmer said that when he and Santana began La Manzana, they expected the city to put more effort into the downtown. Instead, the city concentrated on one block.

"When the 200 block came into being, that seemed to take all their interest and all of their money," Kretschmer said. "The rest was put on the back burner."

Another problem for La Manzana, Kretschmer said, is that the Pajaro Valley Bakery, which sits in front of La Manzana, went out of business just as the new shopping center opened up. The bakery has

remained vacant and has fallen into disrepair, he said, adding that "it looked like a war zone."

The La Manzana complex may soon see a brighter future if Cabrillo College goes ahead with its plan to make it a South County campus of sorts. The Cabrillo governing board decided this week to seek the necessary permits from the city and to work out a deal with the La Manzana owners.

La Manzana is now owned by Pacific Western Bank, the new name for County Bank following its merger last month with Pacific Valley Bank.

Kretschmer thinks that if the college moves in, it will boost business for the bakery and perhaps other businesses in La Manzana.

Kretschmer said he had shown La Manzana to Cabrillo officials a year and a half ago, when he and Santana still owned the property. The college wasn't ready to make a move into Watsonville at that time, he said. He speculated that because the chairman of the Cabrillo board (George Couch) has a business in Watsonville, he may have been pushing harder to bring Cabrillo to South County.

Robert Bixby, Pacific Western's vice president of corporate facilities, also sees Cabrillo as a boon to the shopping center. The foot traffic generated by students and staff will bring a lot of business to the shops in La Manzana, Bixby said.

"The center's going to be successful when it's full," he said. "We need to have more businesses in there."

Bixby said the bank will try to get another restaurant in La Manzana, or perhaps divide the space used by Santana to make two restaurants.

Watsonville Mayor Betty Murphy was distressed to learn of the closure of the restaurants.

"I'm disappointed as heck," she said. "I think they were two of the prettiest places, the most unique."

Murphy hasn't made up her mind about Cabrillo's proposal to move into La Manzana, but said she thinks the center is really best suited for retail stores.

Regarding the Mansion House, Murphy also said the loss of the liquor license probably didn't help.

"Watsonville is a family-oriented restaurant crowd," she said. "I don't know why. It has been difficult to establish a really snazzy restaurant."

Despite the problems experienced by some of Watsonville's fancier restaurants, some observers are more optimistic.

Willey Yee, who opened Seashell Restaurant in the former Shells Restaurant on Green Valley Road, thinks Watsonville can support upscale restaurants.

So does Mike Lewis, of Lewis Associates. Lewis is confident a well-managed restaurant can do well in the Mansion House, and he hopes to find the right tenant to do just that.

## REFERENCE