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Chip Scheuer

Popular Cooper House restaurant patio stands empty over a business dispute.

Mall landmark embroiled in bitter business dispute

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The bar and restaurant at the trouble-plagued Cooper House, a historic and economic landmark on the Pacific Garden Mall, has closed down because of a business dispute.

The Cooper House, which was the Santa Cruz County Courthouse when it was built in 1894, was redeveloped for retail shops in 1967 and became a bustling commercial center in the 1970s.

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During the 1980s, however, the Cooper House began a downward slide. Ownership changed rapidly, and vacancies went unfilled.

The Sanchez Family Trust was negotiating the sale of the building to Aptos businessman Ray Roeder, but bitter differences arose, forcing the bar and restaurant to be closed down.

Litigation is now pending on the dispute, but spokesmen for both sides were willing to divulge some of the details of the dispute.

Brian Roeder, son of Ray Roeder, said he took over management of the bar and restaurant

in late March and by April 10, the business was in full operation.

"In those 10 days," he said, "we rebuilt that bar from scratch. There was nothing

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— Cooper House tenant

there — no furniture, nothing. We supplied everything to operate a business."

But Roeder didn't have a liquor license and ownership of the bar and restaurant. Those belonged to Jerome Jason and Steve Sanchez.

Roeder operated under the previous liquor license held by Jason and Sanchez, a common business practice, Roeder said, as his family was negotiating to buy the business and the Cooper House building.

Neither party would comment on why negotiations for the sale of the property went sour, but the result was that the Sanchez Family Trust pulled the liquor license from the escrow agreement.

Roeder said he was unable to apply for a new liquor license and unable to operate a business without a license. Therefore, Roeder said, he closed the business and had all of his property removed from the Cooper House.

Jason, however, had a different interpretation.

He said Roeder removed everything from the Cooper House bar and restaurant — including items that did not belong to him — in an effort to make it impossible for the business to operate.

He said Roeder had put down a deposit on the purchase of the business. Because of difficulties in negotiations, Jason said Roeder wanted to secure his deposit by taking all of the furnishings in the bar and restaurant.

"I've gone through one week of hell," Jason said. "Nobody

wanted to see the bar and restaurant closed down. I'd be operating the business right now if I had anything to operate with. Believe me, I'm losing more money than any of them."

Jason said he happened to come by the Cooper House Thursday to see "eight trucks" being used to move out the furnishings.

"I was so shocked I called the police," he said. "They came by and told me it was a civil matter. So that's where we are — headed for court."

A July 30 court date has been set to determine what property belongs to whom.

But the reopening of the Cooper House will probably take a lot longer.

"It always takes quite a while when things get in the hands of lawyers," Roeder said.

"The biggest thing is that if it wasn't the Cooper House, it might not mean as much," Roeder said. "Our goal was to recreate an energetic, vivacious Cooper House, and I think we did that. We went in with an agreement, and I think we lived up to the terms of the agreement. It's just a shame it had to end this way."

Also hurt in the tangled transactions are the remaining retail tenants.

The building appears to be empty — so frustrated Cooper House merchants erected homemade signs on Pacific and Cooper streets telling customers that there are still shops open for business inside.

Stephanie Kaehler, co-owner of Game-Allot in the Cooper House, said the closure of the bar and restaurant last week has been "devastating."

Longtime customers told her that they almost didn't stop in the shop because they thought it was closed, Kaehler said.

She added that she has become so frustrated with the Cooper House that she is thinking of moving to another location.

"We've been looking, but then we heard the building was for sale and there would be new owners. We thought we would stick it out to see if the new owners were interested in running the building," she said.

Kaehler said the current owners have not seemed to be able to get tenants for the Cooper House.

"I've had people tell me they were interested in renting," Kaehler said. "So I've tried to help, but their requests seem to meet with deaf ears."

Some of the prospective tenants were not even contacted by the current owners, Kaehler said.

"We've really been trying hard to make a go of it here, but it's really hard," she added.

Jacqueline Capra, co-owner of Collage, said fate of the bar and restaurant is linked to that of the small retail shops inside the Cooper House.

"The music from the restaurant really brings people in," she said. "It's the middle of the summer now, a very bad time to close it."

Sue Winters, owner of Act V, has been in the Cooper House for the past seven years. "When we moved in, it was full of tenants and a real thriving place," she said. "Now we feel very vulnerable, but we're going to stick it out."

The Cooper House has survived plenty of trouble in its 93-year history.

In fact, the building was embroiled in a scandal before it was ever opened in 1894 when it was discovered that the architect, N.A. Comstock, was embezzling funds.

Then, in 1906, a tall tower on Cooper Street collapsed during an earthquake. A shorter tower was rebuilt to replace it.

The building operated as the county courthouse until 1967 when developer Max Walden readapted the building to commercial activities.

Edna Kimbro, of the city's Historic Preservation Commission, said the owners have so far been able to preserve the historic integrity of the building.

"But we're very concerned about the future of the Cooper House," she said. "The present owner has come in with some major, major changes to make the building more economically viable. We approved the changes, but they never came about. I'm just as glad they never did happen as far as preservation is concerned."

One such proposed change would be to cut a door in the building on Cooper Street so that waiters could go directly through to the kitchen instead of through the public entrance.

"We approved that because it seemed to make sense and would make the building more economically viable," she said. "Now it looks like someone is going to have to come in, hopefully with lots of money, and bail it out. If not, it's going to become a blight rather than a blessing to the mall."