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Page: 1

Topics:

Index Terms:

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Feuds With Everyone

Property owner facing lawsuits

Vacancies not seen as deterring potential tenants

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Article Text:

Lousy Landlord

CHAPEL HILL -- Much of The Courtyard of Chapel Hill appears to be vacant.

A map of the shopping center posted just inside an entrance from Franklin Street lists approximately 25 retail, office and restaurant spaces in The Courtyard; at least a dozen windows are adorned with yellow signs tempting someone to "Lease this space."

But a visitor to Chapel Hill's West End has to walk into the center to grasp the situation, and other business owners think that's a good thing. "The fact that they have vacancies has not been a big alarm for a lot of people," said Robert Poitras, owner of Carolina Brewery on Franklin Street.

Poitras is an organizer of the West End Merchants, an informal group that meets on the last Thursday of every month. He said that business owners on that side of town have long talked about "the parking woes," but to those outside The Courtyard, the property's dramas are just another local concern, like the vacant former University Chrysler lot nearby.

Fiscally Irresponsible

"They're a little bit isolated from the West End," Poitras said.

To that end, he wasn't even aware of the latest bad news from The Courtyard. Property owner Spencer Young is facing more than \$3 million in lawsuits from creditors that include Wachovia Bank, which is seeking \$2.6 million plus interest to settle a loan it says Young took out in 2005 to buy The Courtyard.

Benjamin Construction Inc. of Raleigh is suing for more than \$550,000 that the company claims has not

**Feuds With Everyone**

been paid for construction of Baba Ghannouj and other improvements on the property.

Young did not return a call seeking a response to the lawsuits. He has not returned calls from The Chapel Hill Herald in more than a year.

The lawsuits are the latest development in a tumultuous period for The Courtyard. Since Young bought the property, he has engaged in a feud with adjoining property owner P.H. Craig over the lease of parking spaces owned by Craig, who eventually barricaded more than 50 spaces.

**Lousy Landlord**

Tenants Lex Alexander, owner of 3 Cups coffee shop, and Hich and Janet Elbetri, owners of SandwHich, began paying their rent into an escrow account, claiming that Young had violated the terms of their lease by not providing enough parking. Young responded in April by chaining the doors of 3 Cups and SandwHich.

A judge issued an injunction against Young that allowed the businesses to resume operations, but the landlord filed eviction papers against both in late May and Alexander closed his coffee shop. He plans to open a new 3 Cups on Elliot Road in the fall. SandwHich is still in business, weathering the storm alongside other popular businesses like LocoPops, Penang and Bonne Soiree.

Liz Parham, executive director of the Chapel Hill Downtown Partnership, prefers to point out that there are still successful businesses in The Courtyard. Callers to her office expressing interest in vacant spaces are often aware of the bad press the place has received, but she said they don't ask many questions about it.

She couldn't say whether recent history has influenced the number of empty store fronts. It's a topic that most tenants shy away from as well. Alexander -- who was publicly threatened by Young at one point -- has said in the past that most tenants are afraid to speak out.

Poitras said if there are bad feelings directed at Young, some of them are related to a perceived unwillingness to compromise with Alexander. "If anything, that's been the biggest impact," Poitras said. "Losing a good neighbor and a good business."

Alexander was active in the West End business community, said Poitras, who has never met Young. "I think the resentment that I've heard is that he's caused so many headaches," Poitras said.

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