

# Capitola council may step into mall expansion deadlock

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CAPITOLA — Mayor Michael Routh has hinted that city money may go to breaking a deadlock in the land negotiation impasse which has, thus far, held up the planned future expansion of the Capitola Mall.

Routh told The Sentinel that he "wouldn't be surprised" to see the city get "economically involved" in land negotiations between the owners of the mall, Cypress Properties, and landowner Brown Bulb Ranch.

That economic involvement could possibly involve the city coming up with the difference between how much Cypress Properties is offering and what Brown Bulb Ranch wants for the acreage desired behind the existing mall on 41st Avenue.

Cypress and Brown Bulb, for more than a year, have been at impasse in land negotiations for the long-planned, multi-million-dollar mall expansion.

According to Cypress President Jay deBenedetti, his firm is "proceeding ahead with plans" that would nearly double the existing mall by adding nearly 300,000 square feet, which would include two major department stores. He said one of the stores is the long-discussed 90,000 to 100,000-square-foot J.C. Penney.

"We will be in position to submit a plan to the city in the next few weeks," deBenedetti told The Sentinel.

As for Cypress' impasse with Brown Bulb over the price of the land needed for expansion, deBenedetti said, "Our negotiations are continuing with Brown Bulb and we are optimistic the city will become directly involved in those negotiations."

He made it clear that "direct involvement" means the same as Routh's "economic involvement" statement.

Were the city to help out financially, deBenedetti said he was hopeful "the whole matter will be resolved."

At last report, that land negotiation impasse between Cypress and Brown Bulb was described as "immense" by real estate consultants hired by the city. Brown Bulb reportedly was asking for \$8 per square foot, while Cypress was willing to pay no more than \$4 per square foot. The parcel in question totals 20 acres located behind the Mervyn's portion of the mall.

While negotiations have been on-going for more than a

year, it is not known whether that "immense gap" has narrowed.

Routh described future mall expansion as being the "key" in the city's accomplishing goals of its Capitola Redevelopment Plan. That \$61 million plan is intertwined with mall expansion, with the city utilizing increased sales tax revenue from the expansion to pay for traffic and circulation improvements in the area.

"Without mall expansion, there really wouldn't be any need for the redevelopment plan," he said.

Cypress, meanwhile, is proceeding. DeBenedetti has already said Penny is "poised and ready" to expand into the mall, having already received preliminary approval from its real estate department.

A fourth major department store is also planned, although no specific tenant has been found. The City Council last year made it clear it would like a "Macy's-caliber" store there. Macy's, however, has also made it clear they presently have no interest in expanding to Santa Cruz County.