

Capitola Mall developer says project in jeopardy

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CAPITOLA — The developer of a \$35-million Capitola Mall expansion plan approved last week by the City Council says the project is in jeopardy because of an estimated \$500,000 worth of conditions required by the city.

After a weekend to think about it, Jay DeBenedetti of mall developer Cypress Properties of Menlo Park, told The Sentinel Monday that were the city to hold firm on its conditions of approval, the mall expansion would be in "jeopardy."

Fellow Cypress spokesman John Gatto had warned the council immediately after last Thursday's action, "We have approval, but we don't have approval." He told them that the added conditions could cost the company \$500,000 on top of the \$500,000 parcel Cypress is dedicating to the city as the possible future site of a library.

The expansion plan would nearly double the only covered shopping mall in the county — adding 304,575 square feet to the existing 381,098-square-foot mall. The plan features two new anchor stores — a 91,805-square-foot J.C. Penney and a 54,000-square-foot Leask's. By comparison,

the existing Mervyn's is 75,000 square feet.

Remaining in question are precisely what the conditions of approval are.

DeBenedetti said they are waiting for the staff report to spell out the conditions. Once received, "We will be analyzing the conditions to see whether or not we can live with them. Although we're very happy the approval was given, it was given in such a manner that makes the expansion questionable. It seems that at every step of the process we learn about new requirements."

Cypress will be returning to the council — probably in January — in hopes of clarifying and/or easing those conditions.

The single most expensive condition would be one requiring developers to lower existing parking-lot light standards 10 feet. DeBenedetti maintained new poles would cost at least \$300,000.

Cypress had proposed 30-foot-high standards in new areas of development, but council members required all standards to be lowered because of concern about "lights shining in neighboring homes."

"The lighting issue alone could possibly loom to be an insurmountable problem," said DeBenedetti.

"Lowering all the standards could increase the number of poles needed by four times."

DeBenedetti is upset about continuing suggestions from council members concerning monetary dedications to the possible future library.

A payback agreement was included by the city. It suggests Cypress gain an agreement with land-owner Brown Bulb Ranch, which plans to develop land adjacent to the mall, to pay half the cost of improvements to be made to the Clares Street Loop Road. In return, half of that money (which was estimated at \$200,000) could be dedicated by Cypress to establish a library fund.

"The land we're dedicating, based on square-footage, is equivalent to \$500,000," said DeBenedetti. "We feel that is more than sufficient to satisfy this non-development requirement."

There was also debate Thursday over the number and size of trees on the site. Cypress proposed to plant 1,000 trees, compared to 167 existing ones.

Other conditions cited by the city that must return to them for final approval included a design plan for the four-lane Clares Street Loop Road and the building elevation of the proposed Leask's.