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Capitola Mall expansion heads for completion

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The Capitola Mall expansion may be completed next spring if all goes well with the largest proposed store.

Construction on the Gottschalks 98,120-square-foot department store — second in size to the existing Sears store — is expected to start in September and could be completed as early as April 1990, said Steve Borasi, local manager for Gottschalks stores.

Capitola Mall Manager Julia Walker said 90 to 92 percent of the space in the mall is committed to stores that have agreed to locate there, and that most should be in operation by Christmas. The Gottschalks store would complete the expansion, bringing to about 100 the number of stores operating in the mall. That compares to around 70 stores open now and 40 in operation when the expansion broke ground in August 1987.

"We're still in a very transitional time with all the construction going on," Walker said, "but it's exciting."

The addition of skylights has made the mall much lighter and airier than before the expansion, she said, and the look "is such an improvement over what it was before."

Santa Cruz County's only indoor shopping mall, the Capitola Mall has a big advantage over other malls, Walker said, in terms of inducing merchants to locate there.

"We're in such a captive market here in Santa Cruz County," she said. "Most malls have another mall at every corner."

Borasi said Gottschalks was

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forecast

Clear with overnights lows in the mid-50s. Tomorrow sunny and hot.

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excited about locating in the Capitola Mall.

"We want to be in Capitola real bad," Borasi said, "and they want us; and we think it'll be good for everybody."

The Gottschalks department store will be considered tonight by the Capitola Planning Commission. The meeting is at 7 at City Hall.

The proposal calls for a two-level store located behind the mall near Sears, with a second-level parking structure and an elevator tower in the middle of the building. Planning staff is recommending some design changes, such as increasing the width of a sidewalk and adding more landscaping around a loading area.

Borasi called changes yet to be worked out "minor," and said the planning process for the store could not have gone more smoothly. The store could be completed by April 1990, he said.

Two Gottschalk's satellite stores — Petites West and Expressions — have already opened in the mall. When the large department store is completed, Expressions will be a part of that store, but Petites West is a specialty women's clothing store that will remain separate, Borasi said.

The completion of the Gottschalks store and, with it, the Capitola Mall expansion, will just about double the size of the mall, increasing it about 300,000 square feet, to 640,228 square feet.

The expansion will mean more sales-tax dollars for Capitola, but according to City Manager Steve Burrell, the mall is not quite the gold mine some people perceive it as being, and the expansion will not make the city rich.

He estimated it would mean a 5 to 8 percent annual increase in sales-tax revenues, or \$300,000 to \$400,000. That translates into around 7 percent of Capitola's \$4.5 million General Fund budget, he said.

The city has never known how much sales tax it gets from the mall, Burrell said, because the state does not separate that out from revenues from other retail outlets that contribute to the city's share of sales-tax revenues.

So, he said, "In terms of what this means to the city, it's difficult to tell."

Capitola does have some money invested in the mall expansion; \$1.5 million in Redevelopment Agency money was spent for construction of the Clares Street Loop Road behind the Capitola Mall, Burrell said.

The mall expansion will also cost the city in other ways, he said.

"You don't just get the money," Burrell said. "You've still got to provide the services."

Meanwhile, the developers will spend somewhat more than the \$35 million the expansion was projected to cost. Like most projects, the expansion has reportedly gone over budget.