

Capitola Mall on sale

By DAN WHITE
Sentinel staff writer

CAPITOLA — The Capitola Mall is on the verge of being sold. But the people who are selling it say the staff and stores will remain the same.

A group of investors, most recently under the name Capitola Mall Associates, has owned Capitola Mall throughout its nearly 20-year history. Now the associates are in the process of selling it to Santa Monica-based MaceRich for an undisclosed amount of money.

But Frank Pokigo, a spokesman for Capitola Mall Associates, said there will be no changes in the makeup of stores, employees or management. He said shoppers, workers and administration shouldn't notice a difference.

Santa Monica-based firm is close to finishing deal

"We were concerned that people who had worked there for many years would continue to work there," Pokigo said. "We didn't want them to be displaced ... This company (MaceRich) runs like a family. It is not just a financial transaction."

The sale doesn't affect certain portions of the mall. Sears, JC Penney, Mervyn's and Gottschalks all own their own buildings. Capitola Mall Associates, a limited partnership made up of

75 people, sold the roughly 100 store spaces inside the enclosed mall, the land surrounding that section of the mall and the parking area. The businesses themselves were not sold.

MaceRich is a real estate investment trust that owns 15 malls throughout the U.S., most of them on the West Coast but none in the Santa Cruz area. Some of their other properties are the Broadway Plaza in Walnut Creek, the County East Mall in Antioch, the Northgate

Mall in San Rafael, the North Valley Plaza Mall in Chico and the Lakewood Mall in southern California. They also have malls in Virginia, Colorado, Montana, Indiana, Nevada and North Dakota.

The three properties owned by Capitola Mall Associates are currently valued at \$21.4 million, according to the Santa Cruz County Assessor's office. That includes \$4.9 million in land value and \$16.6 million worth of improvements. Current taxes on the property are \$288,283.

Depending on how the sale is structured, the change could prove a windfall for city and county governments. Under Proposition 13, property is reas-

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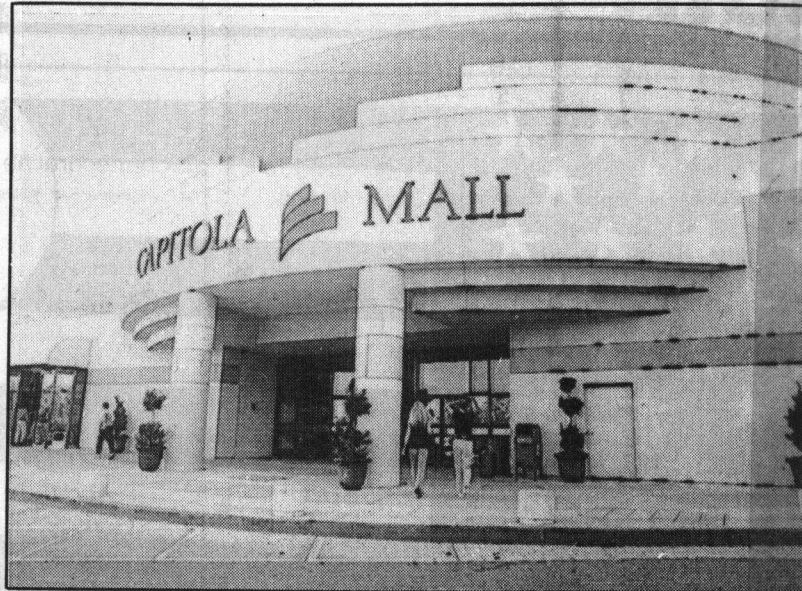
essed for tax purposes whenever it changes hands.

Capitola City Manager Susan Westman hadn't heard about the sale. And Westman wasn't inclined to count her chickens before they've hatched.

"There are ways to sell it so it does not trigger a reassessment," Westman said. "It might just be a different owner. ... It may have absolutely no impact on us at all."

Julia Walker, the mall's general manager, estimated there are 40 people employed directly by the Capitola Mall Associates. This includes maintenance, security and management. Pokigo said they would all be transferred directly to the other company.

Pokigo said the mall was consistently profitable — he would not release specific figures — but the group decided it would be more profitable to pull out of the mall and invest in MaceRich. In doing so, the Capitola Mall Associates will soon be investors in several malls across the nation, including the Capitola Mall.



Dan Coyro/Sentinel

Capitola Mall has graced 41st Avenue for nearly 20 years.

But their interest in the mall will only be a fraction of what it is now.

MaceRich representatives were

not available Wednesday.

Sentinel staff writer Kathy Kreiger contributed to this report.