

✓ Scotts Valley-1990 Scotts Valley courting factory outlet center

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SCOTTS VALLEY — The company that built the Gilroy outlet center is moving ahead with plans for an outlet here, officials said Tuesday.

Glen Loma Group has agreed to buy a parcel of land on Mount Hermon Road at Highway 17 in hopes of building an outlet about one-fifth the size of Gilroy's, said Craig Filice, a partner in Glen Loma, which built the Gilroy shopping center.

Filice said Tuesday the "lukewarm reception" he got from city officials in May has warmed considerably in the past few weeks.

"They've contacted me recently and expressed more interest," he said.

Filice would not say how much the company will pay for the land, which includes 12 usable acres on a hillside near La Madrona Drive.

He emphasized that buying the property is contingent on several factors, including additional market research of how successful an outlet center would be in Santa Cruz County. The sale would not go through, he added, if city officials refuse to approve an outlet center for the site.

"This deal has a long way to go in terms of attracting tenants and working out details with the city," said Filice. "But the demographics around Scotts Valley are very strong, not only in terms of income levels and age, but also

'The demographics around Scotts Valley are very strong, not only in terms of income levels and age, but also traffic volume.'

— Developer Craig Filice

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Outlet center may be in store

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traffic volume."

Filice said early research shows an "abnormally high number of resort-bound commuters (on Highway 17), which are the typical outlet shoppers."

"We try to make our centers unique," said Filice. "That's what nice about these outlet centers, they're not just a large box. ... There's an opportunity for us to create something there that everyone can get excited about."

City officials initially had reservations about an outlet center near the intersection of Highway 17 and Mount Hermon Road, a location they call Gateway South, because they feared it could hurt another commercial project being negotiated with Pacific Grove developer

Don Orosco.

But Friday, city officials mailed a letter to Orosco breaking off negotiations because of differing opinions on the appearance and tenant mix of his proposed shopping center at Skypark, the former Santa Cruz airport located about a mile up, Mount Hermon Road from Highway 17.

"We mutually terminated it and gave him his money back (\$50,000 for exclusive negotiating rights to the site)," said Vice Mayor Joe Miller. "We always said if we didn't get exactly what we wanted we'd leave it in dirt, and I don't think people believed us."

Miller was among those who thought the city shouldn't undercut Orosco by negotiating with an outlet-center developer while try-

ing to build a commercial center at Skypark in the heart of Scotts Valley.

"I had some reservations, and part of my reservations had to do with what it would do to the Skypark area," said Miller, who, like the rest of the City Council, envisions a unique shopping center at Skypark that would become the "downtown" that Scotts Valley has sought for years.

Orosco offered a plan made public last month that would have included a huge supermarket as the anchor to the center, with "a very unimaginative list" of other tenants, Miller said. Others in the community were equally unimpressed with Orosco's plan.

Orosco was not available to comment.