

Capitola Mall options outlined

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CAPITOLA — Consultant Chris Carneghi, of the firm Mills-Carneghi, Inc., of San Jose, noting the gap in land costs for expansion of the Capitola Mall, said there are four possible courses of action open to for the City of Capitola.

Brown Bulb Ranch owners want close to \$8 per square foot for land needed to expand the mall whereas mall owners Cypress Properties are willing to pay only \$4 per square foot.

The options he suggests are as follows:

•1) The city can offer financial assistance to bridge the gap between the nearly \$4 per square foot disparity. This would cost the city about \$1.2 million, which is not only a major expenditure, but open the city to "community backlash," he said.

•2) The city condemn the ranch property. Carneghi

admits this approach would be a "risky proposition" and open the city to a lawsuit. Including legal fees, the cost of condemnation could well exceed the \$1.2 million needed to simply make up the difference, he said.

•3) The city step in as a mediator, making it clear it will not contribute funds for land acquisition.

•4) The city always has the option of doing nothing.

"Given the history of the situation, this may actually be the more prudent course of action for the near term," Carneghi says. "This could allow both parties to realize that the city will not act as a financial bridge and allow them to reassess their position in view of current market realities."

Capitola's Redevelopment Agency will meet to review the options Thursday at 7 p.m. in council chamber at City Hall.