

Capitola Mall expansion opens Wednesday

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THE EXPANSION OF Capitola Mall, the largest retail project in Santa Cruz County's history, will open at 9:30 a.m. Wednesday.

The 95,000-square-foot J.C. Penney Co. and 20 other stores will open at 9:30 a.m. Wednesday; eight more will open by Thanksgiving and another eight are scheduled to open by March.

Gottschalk's, the Fresno-based department store chain which recently purchased the Leask's stores in Santa Cruz County, won't open until 1989 or 1990.

The 300,000-square-foot expansion (including 50,000 square feet for Gottschalk's), will make the mall slightly more than double its present size. Gottschalk's is applying to expand the present site to more than 80,000 square feet.

The \$30 million project includes some improvements to the existing mall and a move toward a more upscale image, said mall manager Julia Walker.

There's new landscaping inside and out, a new facade on the main building, and almost all the stores are going to "pop-

out" storefronts, which extend a few feet from the main entrance in an effort to attract the attention of those walking by.

The move toward upscaling the mall began last year when the leases of several tenants weren't renewed. Walker said the mall has succeeded in its goal of "a blend of upscale and medium market stores."

In 1987, she said, the mall's mix of stores leaned too much toward the younger customers. There are still stores appealing to the younger crowd, but there are also shops such as Golden Hanger, a clothing store geared for older women.

By being larger and having a better mix of stores, Walker feels Capitola Mall can stop what's known in the trade as "leakage" — local residents going elsewhere to shop, primarily to San Jose.

Mall management considers "all of Santa Cruz County" its territory, Walker said. Except for tourists, she doesn't expect significant business from outside the county.

As work has progressed on the mall expansion, other retail stores have been built within the last two years on 41st Avenue, including two small shopping centers, Begonia Plaza and Four Star Center.

The lineup of stores

New stores in the expanded mall:

Opening Wednesday: J.C. Penney Co., 5,7,9 (women's clothing, smaller sizes); A. Hirsch and Son jewelers; Etce-tera, women's clothing; Gold Hanger, clothing for older women; Jay Jacobs, clothing; J.W., clothing; Leeds, shoes; Merksamer Jewelers; Sabarro's, pizza; Sports Stuff, sports paraphernalia such as jackets, shirts and caps; Track and Trail, walking and hiking equipment; Wild Pair, shoes; Wet Seal, clothing. Miller's Outpost, a casual-clothing store, Software, Etc., computer software; and Things Remembered, gifts have already opened at the entrance to the new wing.

These businesses are sched-

uled to open by Thanksgiving:

Triple Treat, food; Taco Time; Everything Yogurt; Kit's Camera; Lechter's, housewares; Connie's Shoes; and Launch Pad, a game center.

These shops are scheduled to open before March 1:

Naturalizer Shoes; Sam Goody, compact disks and other music items; Best Jewelry; Site for Sore Eyes, which makes eyeglasses; and five clothing stores for women — Petites West, Expressions, Lerner's, Lane Bryant and Limited Express.

Several other stores have been added or moved to new quarters in the existing mall in the last few months, including Ali Clares, women's clothing; and Crescent Jewelers.



Kurt Ellison

Penney's features the first escalator in Santa Cruz County.

REFERENCE

The mall and the surrounding businesses complement each other, Walker said. "We can all sort of help each other."

The mall's expansion comes at a time when "retailers are in a conservative growth cycle," said Jay De Benedetti, president of Cypress Properties in Menlo Park, owners of the mall.

De Benedetti said the stock market crash in October 1987 is a major reason for the conservative growth.

He admitted that the crash "had some effect" on his firm's ability to sign tenants as quickly as he would have liked, but said he's pleased with the way things stand now — Cypress has commitments for 75 percent of the new mall.

The mall's expansion hasn't gone unnoticed by other merchants around the county.

Rick Kuhn, executive director of the Santa Cruz Downtown Association, said some downtown merchants feel the expanded Capitola Mall will hurt their business, while others feel it will bring a general boost to the economy that will help their stores.

"It would be silly for us not be concerned," Kuhn said. For two years, the association's advertising has stressed the unique character of downtown, partly in response to the Capitola Mall expansion. The ads say downtown is "more than a mall." The ads note the outdoor character of the Pacific Garden Mall, and also push the mixture of shops, landscaping and other facilities such as museums and the city and county government centers.

Doug Kaplan, a partner in Lomak Property Group, which owns Watsonville Square Shopping Center, said he didn't think his center would be hurt by the mall expansion.

Kaplan said the push toward new businesses on 41st Avenue will initially make it tougher, but not impossible, for shopping centers in other parts of the county to attract stores from nationwide chains.

The mall expansion "is going to be positive" for the merchants in the Capitola Village, believes Carin Mudgett, owner of the Craft Gallery and a former City Council member.

The shops in the mall and the village "complement each

other. Together we offer everything." She said she'd like to see some cooperative advertising among the village merchants in an effort to get people who shop at the mall to make the short trip to the village.

The mall expects more customers, and that means more cars using already-busy 41st Avenue.

The traffic is inevitable, Walker acknowledged, but she said the widening of the 41st Avenue freeway overpass this year has helped keep traffic moving at a reasonable flow.

Steve Burrell, Capitola City Manager, agrees with her. It's amazing how well it moves, he said, adding that a "loop" road behind the mall should alleviate congestion from added traffic. The loop, which was required of the developers, extends Clares Street to Capitola Road.

Burrell sees the mall expansion and renovation as helping surrounding businesses as well as those in the mall.

"I think the mall looks better already," he said several weeks ago.