

# Agreement reported near on mall expansion

By BOB SMITH

Sutter Hill has filed preliminary plans with the Capitola Planning Department for the long-awaited third major tenant of the Capitola Mall regional shopping center.

Reportedly, Sutter Hill, which developed the mall and sold it to Cypress Properties, is in final negotiations with the J.C. Penney Co. to move their Santa Cruz store into a new 90,000-square-foot, two-story midcounty facility on the west side of the existing mall.

The store is shown on site plans filed with the city Friday, and would be connected to the present 100,000-square-foot mall with 50,000 square feet of new shopping area.

City Planning Director Richard Steele told the Capitola Planning Commission Monday night he now believes Sutter Hill is close to an agreement on the third major department store for the mall.

In urging that the Planning Commission delay action on a proposal to change the general plan designations on the south side of the Capitola Road from

residential to commercial, Steele told the commissioners "it appears that plans for the third major department store are continuing, and the developer is close to signing a tenant."

"But the final design for the building has not been drawn, and there are a lot of problematic questions for this area," Steele said, referring to the mall traffic circulation plans and its relationship with the property on the other side of Capitola Road.

Steele said the new department store could be built by the end of 1982. Then, referring to the general plan change request that would change the designation for 270 feet of frontage west of the Pacific Telephone building from residential to commercial, Steele told the commissioners he believes that they should wait until then. "At the end of the process, it is appropriate to re-evaluate this proposal, but now would be premature, too soon and too early because we can not take into account what might be happening two years from now."

Steele thinks the shopping center expansion plans will be formally considered by the Planning Commission and City Council within the next year.

"The earliest would be later this Fall."

Sutter Hill has been talking with Penney's and other major department store operators off and on for the last decade, and it seemed likely several years ago that an agreement would be reached. It fell through, sources reported then, when Sutter Hill could not reach a satisfactory agreement with members of the Brown family on selling a portion of the Brown Bulb Ranch needed for the expansion.

But, reportedly, agreement has now been reached with family members, and Sutter Hill is again negotiating with the Penney's management.

The general plan change, on which action was continued by the Planning Commission Monday night, had been requested by Beverly Brown and two other owners of land on the south side of Capitola Road, but was opposed by the planning staff.

The commission delayed a decision for at least three weeks.

Mrs. Brown (no relation to the Bulb Ranch family) said the property was annexed to the city in 1975 with a strong recommendation from the Local Agency Formation Commission that the property be zoned commercial.

The City's general plan, however, shows it in the lowest possible residential category, something that Mrs. Brown says isn't compatible with the 30,000 cars a day on Capitola Road, the round-the-clock activity at the adjacent telephone company building, and development across the street in the regional shopping center.

She and her partners want to build a 15,000-square-foot, 15 unit commercial shopping center with 69 parking spaces.

Commissioner Howard Dysle said he basically agreed with Mrs. Brown's arguments, but asked for a delay, saying he didn't want to make a decision Monday night.

Dennis Norton, another commissioner, said he now believes Capitola has more

commercially-zoned land than it needs. "Capitola has picked up more than its share of commercial," Norton said, "and I'm not in favor of any more commercial."

Commissioner Terre Thomas agreed, saying she "has a real problem with commercial. I'm also very much opposed to diverting traffic off Capitola Road onto Thompson Avenue (where one shopping center would be.)"

"I would also like to direct the telephone company to mitigate some of the noise and light there," Mrs. Thomas added.

But newly-appointed commissioner Craig Rowell seemed to lean towards commercial zoning for the Capitola Road frontage. "I'm very much opposed to the kind of R-1 (single family homes) you see by 49th Avenue on Capitola Road, with cars backing into Capitola."

Rowell said he concurred with Dysle that professional offices might be an acceptable compromise, however, Mrs. Thomas wants a new application filed.