

J.C. Penney eager for Capitola store

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CAPITOLA — J.C. Penney is "poised and ready" to expand to the Capitola Mall, having already received preliminary approval from its real estate board, which has Capitola on its expansion list.

Macy's, on the other hand, has already advised mall owners they are not interested in locating a store either in Capitola or anywhere in Santa Cruz County. Macy's has, however, agreed to take another look pending completion of the city of Capitola's on-going demographic study.

So explained Jay deBenedetti, president of Cypress Properties, owner of the mall. DeBenedetti spoke before the Chamber of Commerce this morning, with the chamber taking no stand.

The issue involves the City Council's stand in support of a Macy's

quality store at the mall rather than a Penney. The mall currently has two Penney-quality stores in Mervyn's and Sears.

Councilmen, two months ago, directed a demographic study be done to see if the area could support a store like Macy's. That study is expected to be completed in a few weeks.

DeBenedetti told the chamber that a Penney store could open in the mall by fall of 1985. He warned, however, that "if something cannot be put together within the next few months, I'm afraid it might not happen at all."

He told The Sentinel afterward that Penney is "poised and ready" to expand to Capitola.

"But they're not going to wait forever," he added. "The mall location is a priority, but they've gone as far as they could until the city decides that it wants it."

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He conceded another problem was his company's inability to come to terms with the landowner, Brown Bulb Ranch. A real estate consultant hired by the city reported an "immense gap," saying Brown Bulb was asking close to \$8 per square foot and Cypress offering no more than \$4 per square foot for land behind the existing mall — the site of the proposed store.

DeBenedetti said it was "very likely" the city would have to become involved in future negotiations. The council, up to now, has refused if expansion means a Penney.

DeBenedetti maintained that were a Penney to expand here, it might persuade Macy's to follow suit.

"A Penney would add to the strength of the mall and help generate interest for a fourth major department store," he said. "We would like to get Macy's, but who knows?"

A spokesman for Macy's in San Francisco told The Sentinel this morning that there are currently no plans to expand to Santa Cruz County.

DeBenedetti also contended that Penney "is going to try to take on Macy's" in terms of store quality. "Penney has committed \$1 billion in the next five years to remodel most of their stores. They are targeting merchandise to the medium and upper-grade level."

Cypress Properties — like the city — is now waiting for the results of that demographic study. DeBenedetti said they would like the city to endorse the concept of two additional major department stores as the next step.