

**T**hose who have loved or lived in Santa Cruz for the last 20 years remember the drive down 41st Avenue, a two-lane road flanked on either side by cow pastures which ran south from the base of Soquel's foothills ending at the ocean cliffs. While the hills remain precariously intact and the cliffs still host their share of surfers, the cow fields have become nostalgic images of the rural past. Any regrets? "No," remarked one third-generation Capito-

ters presently under construction south of Capitola Road, and the possibility of more commercial development on 41st in the future.

Recognized as the environmentally conscientious representative of the five-member council, Harlan considers increased traffic from the expanded mall to be the largest single impact on the area, an impact which she believes could have been better mitigated had the council taken a regional rather than a piecemeal approach. By law, the city ordered an Environmental Impact Report, a full disclosure used as a basis to review, reject and/or amend aspects of the project. The County Transportation Commission criticized the

circulation. As the plan stands now, traffic improvements will include a \$1 million loop road around the mall's backside, a meridian strip on 41st, redoing the intersection of Clares and 41st and the installation of signals at Jade Street and Brommer, the mall entrance and the Loop Road where it comes out on Capitola Road.

From the point of view of business interests on 41st the expansion means better profits. Larry Marquez, is the owner of Tiny's Restaurant and president of the 41st Avenue Business Association, which endorsed the mall expansion. "We like to know what is coming in as far as competition and to prepare for any

when it was presented with an opportunity to annex valuable commercial land and reap the potential benefits of year-round shopping revenues. Up to that point Capitola's boundary stopped at the east side of 41st Avenue where Albertson's and Longs are located.

The west side, housing Sears and Bank of America, was still under the jurisdiction of the county. Opportunity knocked when Sutter Hill Limited came to town, bought up some of the commercially zoned property owned by the Brown Bulb Ranch and proposed building up the area into a regional shopping mall. The county board of supervisors turned the developers down. Frus-

By Robin Schirmer

# The Malling of Capitola



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report, commenting that it did not consider traffic impacts outside of the immediate project vicinity nor the cumulative impacts of the mall and new commercial developments south of Capitola Road. But the City of Capitola and the County of Santa Cruz don't see eye-to-eye on a lot of things, and the ball was in Capitola's court. "What we're doing is adequate," said Harlan. "But 41st should have been planned in its entirety. It would have taken extra time and a little extra money, but the result would have been better planning."

**S**ince the avenue was a two-lane country road, traffic engineers have forecast that development on 41st was doomed to bring traffic down to a "D" level of congestion, the worst acceptable level of urban flow just short of deadlock. But the elements of economics loomed above environmental concerns as rural heritage was traded in for what many refer to as a San Jose by-the-sea.

Criticism is par for the gauntlets of suburban creep, but even the mall's die-hard supporters concede that the melange of autos on 41st Avenue is bad now and doomed to become worse. "Our powers that be have never given much thought to traffic flow other than to make a loop from 41st Avenue to Capitola which goes right back into 41st," said Capitola realtor John MacDonald. "I would think they would want traffic circulation, but what we're going to have is one real long parking lot called 41st Avenue."

MacDonald feels the city should have considered improvements for the length of Capitola Road to its city limit and straight back to the freeway which would require another cloverleaf and result in better traffic

influx of people," explained Marquez. "From our point of view we see an increase of customers to the area."

Marquez, who lived in Los Angeles before moving to Santa Cruz, said he thinks the people of Santa Cruz are lucky. "Here you can drive five or 10 minutes out of town and be in some of the most beautiful country. But the city fathers have chosen to develop here and it's been extremely successful," said Marquez. "There is going to be an increase in traffic. Whether any inconvenience or convenience, there will be an increase in revenues when the mall expands."

To Capitola's benefit, revenues derived from the mall provide Capitola with high-quality services; to the benefit of the rest of us, they help preserve the village's distinctive historic quality. Once called Soquel Landing, the area between Depot Hill and Soquel Creek formed the village site's natural boundary. Since 1883 the landing had been a part of the Rancho de Soquel owned by Martina Castro. Castro sold the landing to the enterprising Frederick Hihn, a German immigrant who renamed the spot Camp Capitola in 1869.

Gradually Capitola built itself up as a watering spa and summer resort admired for its quaint architectural styles and esthetic charm. The village became incorporated in January 1949, opting for a tight-knit community government which has been effectively annexing property ever since.

**L**ike the rest of post-war Santa Cruz, Capitola did a one-step behind the hustle of growth in the Bay Area, and winters were lean for the tourist-oriented town. Capitola found a solution in the 1970s

trated by the red sea of bureaucratic tape, the beginning of efforts to curb growth and Santa Cruz business men and women concerned with the abandonment of their central city, Sutter Hill made a radical proposition to Capitola in an effort to change

lan. "You cannot eat nostalgia."

Since the 1970s, 41st Avenue has been transformed by in-county planners and out-of-county developers from a stretch of rural, seductively flat land to the increasingly congested regional shopping center of this county. Its most secure feature is the Capitola Mall, formerly the seat of a controversial annexation and currently the mainstay of revenues for the City of Capitola.

While celebrating the 10th anniversary of its first expansion, the mall is at the tag end of approving plans for another expansion on land bought by Cypress Properties from the Brown Bulb Ranch. Cypress Properties, a developing firm from Cupertino, will direct the new expansion which will consist of approximately 250,000 square feet of additional shopping in the form of a new Leask's and Penny's, doubling the size of the present mall. Even so, as Capitola City Councilmember Stephanie Harlan points out, "The expansion of the mall is only half of what's going on at 41st Avenue." The other half is made up of three more mini-shopping cen-



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**John MacDonald: "What we're going to have is one real long parking lot called 41st Avenue."**





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**Stephanie Harlan:**  
**"The land was already identified as a commercial area, and the only thing we can do now is see that the development is esthetically pleasing, that we have attractive buildings, adequate landscaping and bike paths, and encourage public transit."**

their time into promise of profit. They offered to annex to Capitola if Capitola would allow them to build the shopping mall. Capitola said yes.

As prescribed by law, they applied for annexation through the Local Agency Formation Committee (LAFCO), a neutral state agency which determines boundaries and districts between cities. Determining that Capitola's "sphere of influence" extended to Rodeo Gulch, LAFCO approved the annexation on one condition: The annexation was subject to two elections where the people of Capitola and the county would vote on whether or not to split the sales tax revenues derived from the new shopping center.

Sutter Hill developers grew alarmed that the revenue split, the annexation and even the development of the mall rested on the outcome of these two elections. LAFCO reconsidered and deleted the condition. Subsequently the City of Santa Cruz sued LAFCO, Capitola and Sutter Hill. The alliance of downtown business people, environmentalists who objected to a suburban shopping mall and the City of Santa Cruz,

whose intention to annex up to 41st was now thwarted, made for extensive court proceedings.

In the end the court upheld LAFCO's decision and, like the mouse that roared, Capitola succeeded in annexing the commercial property which was about to be developed and the land which would be developed in the future. They allowed the mall to be built and are now in the final stages of allowing it to be extended.

**W**hile the controversy over annexation is old news, the results of it still give cause for consternation. When a city, such as Capitola, chooses to annex land which will bring in the highest return for its investment, commercial land is gobbled up, leaving unincorporated residential areas as leftovers.

As a result of its 41st Avenue acquisition, Capitola is the tax-rich district of the county. According to figures from fiscal year 1984-85, it receives approximately six times more money per capita than the combined unincorporated areas in

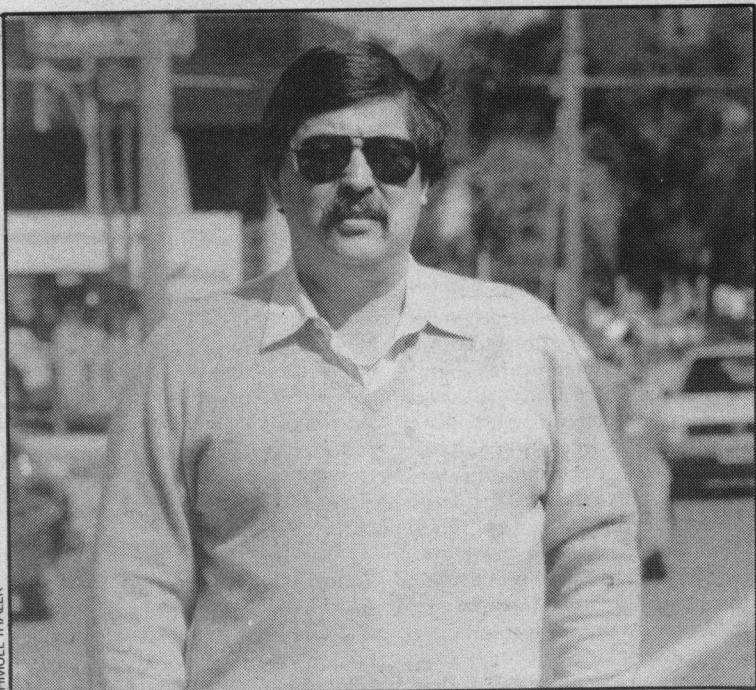
the county, a figure which shows up in comparative services such as police protection, street and sewer improvements and neighborhood amenities. It is these revenues that make it possible for Capitola to finance Jade Street Park, restore the Rispin Mansion, build a new gym, install underground utilities and buy the lease on the Capitola Wharf.

Capitola's prosperity also affords the city with the leverage to say "no," a prerogative which they have already exercised by sending Penny's back to the drawing board for a more esthetic architectural design and requiring developers to knock off one-third of the original square footage and improve the present shopping center landscape by planting some 3,000 trees. As a result, the mall is quite liable to end up looking better than it presently does. As Harlan pointed out, "The land was already identified as a commercial area, and the only thing we can do now is to see that the development is esthetically pleasing, that we have attractive buildings, adequate landscaping and bike paths, and encourage public transit."

While the strong revenue base afforded by 41st Avenue makes Capitola happy, the situation sticks in the craw of others such as the City of Santa Cruz, which is already pinched for dollars as it tries to provide services—a situation aggravated by the threat of losing more downtown shopping revenues due to the draw of Capitola's mall. As next door neighbors to the mall and targeted to carry the brunt of the county's high-density growth, Live Oak residents are suffering too, not only by losing their rural lifestyle but receiving the least in return.

"There are so many things you

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have to balance," said Capitola planning Director Susan Tupper. "And most people take a very narrow viewpoint. Most talk only of traffic and the money generated." According to Tupper, other factors need to be weighed, such as whether or not the county will benefit from having a regional place to shop, if people want a regional shopping mall in that location and whether the mall is providing a vehicle for growth as some perceive or if growth is already here.

"I think the mall is not going to be growth-inducive. A mall goes in after the growth has occurred," said Tupper. "The job opportunities of the mall appeal mainly to people already in the area and people are not going to move to Santa Cruz County in order to shop at the mall."

**S**herrie Gomes stands on the back porch of her home on Somerfeld Street, located behind the mall, and points to the weathered skeletons of the Brown Bulb Ranch which will be torn down to make way for Penny's department store. Beyond that is a view of the snow-capped peak of Loma Prieta, a view which will be blocked by the installation of a 10-foot sound wall to alleviate the coming noise and air pollution. Over the Gomes' back fence the last few cows stand in a last patch of grass, and beside that, as if protecting a last whisper of the landscape from indifferent eyes, an over-

grown patch of pine trees and brush hide the remains of the Brown family's post-war adobe.

All of the above are mere cogs in the big wheel of progress, and as Gomes explains, "It's not that people here don't care. It's just not evident when you're not organized." Gomes, an assistant secretary at Live Oak Elementary School, is one of a handful of Live Oak residents who have been monitoring the development of the mall since the 1970s. Her neighborhood is comprised mostly of working people unpracticed in the politics of land use, and theirs has been a rather passive voice. She remains concerned about how the development will affect other parts of the county and feels that Capitola ignored the full measure of impacts that congestion, noise and air pollution will have on her neighborhood.

She also fears that the loop road that will be built on the mall side of the sound wall to redirect shopping center traffic will end up being used to alleviate the congestion on 41st Avenue. What she sees now is a major traffic monster that increased development will not alleviate.

"What is it they say—when the going gets tough, the tough go shopping," said Gomes. "I really question what mentality we are dealing with by stressing mall amenities above the quality of life we moved here for."