

# Macy's closes deal to open at Capitola Mall

4-17-01

## Renovation of former JC Penney site to be completed by next spring

Capitola mall  
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CAPITOLA — The parent company of Macy's has bought the former J.C. Penney store in Capitola Mall and plans to open next spring.

The sale was confirmed Monday by officials with Texas-based J.C. Penney Co. and Cincinnati-based Federated Department Stores, which owns Macy's.

"Construction should begin sometime this summer," said Federated spokeswoman Jean Coggan, predicting the in-store renovations would be

done by April.

Macerich, the company that owns the mall, plans to move three smaller stores — Payless Shoes, Beck's Shoes and the Nail Works salon — to other spots in the mall so Macy's can have 100,000 square feet.

The Penney's building, at 92,000 square feet, is larger than Mervyn's but smaller than mall tenants Sears or Gottschalks.

Mall manager Marc Letendre said the three small stores will move at the end of this month.

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Shmuel Thaler/Sentinel

The owner of the Capitola Mall plans to move three stores — Payless Shoes, Beck's Shoes and the Nail Works Salon — to make room for Macy's, which will take up 100,000 square feet at the mall.

## Macy's: New store to open at Capitola Mall

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"Everybody's going to be pretty happy with Macy's," he said, adding that he hopes the new store will keep shoppers — and their dollars — in Santa Cruz County.

The nearest Macy's is in the Salinas Northridge Mall or Valley Fair in San Jose.

Neither the buyer nor seller would reveal the Penney's building sale price. County Assessor Gary Hazelton said a deed had been recorded April 3 for two properties, the store and adjacent parking lot, but that he didn't have a confirmed price.

Macerich had been negotiating with the city to help pay for construction costs and parking lot improvements to lure Macy's to the mall. The Penney's spot has been vacant

since June.

Thursday, the Capitola City Council considered hiring a law firm to write up an agreement giving Macerich \$230,000 in redevelopment money. But the deal was nixed on a 4-1 vote, with Mayor Dennis Norton in the minority.

"I was under the impression the council was in agreement to go ahead with the deal," Norton said.

What changed their minds was learning escrow had closed on the building the previous week.

"We were going to use this money to entice Macy's," Norton said. "Who knows, maybe it did."

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