

Mall owner's goal: Luxury shopping

Capitola Mall

Capitola Mall makeover stalls as Macerich prioritizes creating 'trophy assets'

By Jondi Gumz

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CAPITOLA » Macerich, which owns more than 50 shopping centers, is pushing ahead with its vision to create "trophy assets" and offer "luxury shopping."

Among its ambitious redevelop-

ment projects are: a \$525 million project with residential and office towers at Tyson's Corner near the Capital Beltway, expansion of Walnut Creek's upscale Broadway Plaza, where shoppers' household income tops \$122,000, and adding a 1,500-seat movie theater at Santa Monica Place.

Conspicuously absent from the to-do list is Capitola Mall, where

Capitola officials committed up to \$1.03 million for public improvements as part of a multi-million makeover of the aging shopping center.

City Manager Jamie Goldstein signed an agreement in April 2011 with Macerich general counsel Stephen Spector to reconstruct the Metro transit

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Metro Santa Cruz is willing to move the location of its Capitola Mall transit center to the back of the Mall between Kohl's and Macy's.

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center, moving it from the front of the mall, widening sidewalks, installing landscaping and trees and improving bicycle access.

These changes were to complement development planned by Macerich; the public improvements were expected to cost less if undertaken by Macerich rather than bid and built by the city separately.

The two who negotiated the agreement, Derek Johnson as Capitola's community development director and Chuck Davis as Macerich vice president for development, have since moved to jobs elsewhere.

Little progress has been made though Macerich agreed to start the public project three years after the general plan update was approved, which occurred in June, or six years



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This area behind Capitola Mall between Kohl's and Macy's where trees are growing in the medians has been identified as a potential site for a new Metro Santa Cruz transit center accommodating six buses.

after the agreement date, whichever is earlier — in other words, April 2017.

Goldstein will update the City Council at 7 p.m. Thursday at City Hall, 420 Capitola Ave.

One hang-up was where to move the transit center.

Metro officials want the transit center to accommo-

date six buses simultaneously, a designated restroom nearby for bus drivers, modern shelters and lighting and an aesthetically pleasing entrance.

A site in the parking lot behind the mall between Kohl's and Macy's was identified as having the most potential. Engineer-

ing firm Bowman & Williams drafted design plans, which were reviewed by the Metro board Oct. 24, showing how trees and parking could be removed to accommodate buses.

After that date, Macerich contacted the city to say the project is on hold because the estimated costs to relocate the transit center and improve the mall's 41st Avenue frontage exceed their budget, according to Goldstein.

Neither Goldstein nor Metro board president Dene Bustichi has seen a cost estimate.

Because the mall is a key sales-tax revenue generator for the city, Goldstein does not want to give up on the project. He suggests working with Macerich on financing options or project modifications.

"I'm sorry to hear the mall saying it exceeds their costs," said Ron Graves, Capitola's representative on the Metro board.