Capitola Mall plans OK'd, but with 'impossible' terms

By JENNIFER KOSS STAFF WRITER

A proposed 304,575-squarefoot Capitola Mall expansion was approved last night by the Capitola City Council, but the list of conditions attached to the estimated \$35 million project angered the developers.

John Gatto, one of the developers, said later that the list of conditions "puts the entire project in question."

He told council members that fulfilling the conditions would probably cost \$500,000, on top of the value of land the developers have agreed to donate to the city for a 7,000-square-foot library.

"That is a significant amount of money," he said, "and I'd like to state for the record that the library site that is being donated is probably worth onehalf million dollars."

Developer Jay DeBenedetti, who estimated the cost of the project following the public hearing, called the conditions "major cost items that we couldn't possibly afford."

DeBenedetti and Gatto are members of Cypress Properties, the Menlo Park-based management and development arm of Capitola Mall Associates, the limited partnership that owns the mall.

A mall expansion would bring a stream of revenue into the city, DeBenedetti said after the hearing.

"One item the city never seems to acknowledge," he said, "is the fact that they will generate about \$300,000 a year in property-tax increments, plus \$600,000 in additional sales-tax revenue.

"And yet they continue to try to get additional non-project donations."

As a result of the conditions, DeBenedetti said, it appeared that the progress he thought the expansion plans were making through city channels had been wiped out.

"After two years of agonizing over all the choices we've made ... I don't know how we can go any further." The most expensive item in the conditions would be installation of outdoor lights at a height lower than those on the existing 40-foot poles, Gatto said. That alone would cost "\$300,000 minimum."

The developers proposed placing non-glare lights on the existing poles and installing 30-foot poles in areas of new development.

Council members were concerned that the 40-foot poles might shine light on neighboring residents. They told the

developers to return instead with a detailed design for a lighting system using only 30-foot poles.

Another condition has to do with the size and number of trees on the site. The number proposed by the developers was 1,160 — 167 existing trees, 495 new trees in 15-gallon containers and 498 in 24-inch boxes.

The council requested that all trees be 24-inch-box size and shrubs be five-gallon size. In addition, about 300 trees in five-

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ement of the 41st n Guidelines. who had earlier bed the mall proposal's tudded parking lot as dere like the Capitola forest than the Capitola Mall," **chiect**ed that the design guidewere intended for smaller pments. ey were not written for a al shopping center."

Concilman Michael Routh

ded him of the old saying want of a nail the shoe **B**st ...'' ybe you can transfer that r want of 300 trees, the vas lost,' "Routh said. payback agreement with Brown Bulb Ranch was ed in a condition aimed ing money for a library th suggested the developet, an agreement from the who plan to develop rty adjacent to the mall. half the cost of improvemade to the Clares Street oad.

> of that money, which sestimated could total as

> as \$200,000, would then go city to establish a library

council also requested a

re-foot J.C. Penney a 54,000-square-foot design plan for a fo es Street loop roa

street meets Chaitolas

work in connection

requested as well. The strip would be landscar the developers, council bers said, and a traffic should be installed where

light the city wins to 38th Avenue. Despite the condition imposed by the council and residents' continued contern about noise, traffic and pollution, council members and

posal. Scott Galloway, general ager of the Santa Cruz politan Transit District the district was neari agreement with the dev for a transit center at the He objected to the plan

mall neighbors commended the developers for coming up will

an improved expansion are-

month's Planning Com

meeting, but said last ni district's board of dir

was looking on it fav

Directors are about a we

a half away from " something in concrete." The plan calls for cars and pedestrians ar transit center located b the Sears store and t