

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

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A proposed 304,575-square-foot 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 one-half 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-

See MALL page 2 ▶

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