

# Mervyns closing for good

Store will sell off goods  
over holidays as all  
outlets shut their doors

*Capitola mall*  
By GENEVIEVE BOOKWALTER

SENTINEL STAFF WRITER

101808

CAPITOLA — Mervyns department store, a mainstay of the Capitola Mall since the shopping center opened in 1977, will close its doors permanently after the holidays, store officials announced Friday.

The store is one of 149 remaining outlets of the Hayward-based chain, which filed for Chapter 11 bankruptcy protection in July. Officials with the chain on Friday said they would liquidate their inventory over the holiday season. The position was an about-face from plans announced over the summer, when officials said they would keep the Capitola branch and others open during reorganization.

Instead, all Mervyns stores will close.

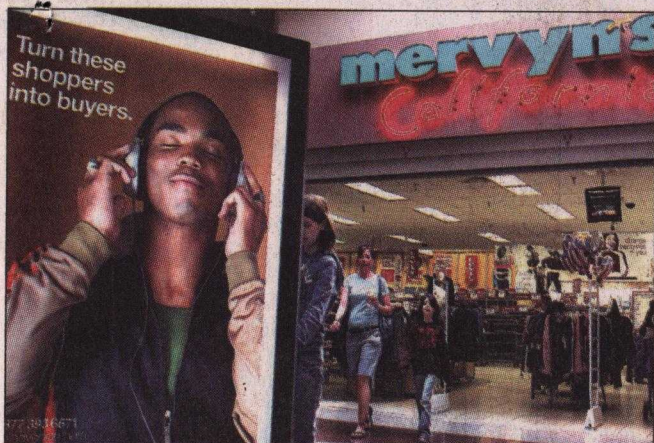
Managers of Capitola Mall and its Mervyns store declined to comment on Friday. But shoppers said they will be disappointed to see the low-cost retailer go.

"I get all my clothes there," said Sam Cowley, 46, of Scotts Valley, as he left the store. "They have good quality at a reasonable price."

Mervyns corporate leaders cited a fierce retail environment and declining liquidity as factors forcing the stores' closures.

"We are disappointed with this outcome, but the company's declining

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Shmuel Thaler/Sentinel

Mervyns in the Capitola Mall will try to liquidate all of its inventory during the upcoming holiday shopping season.



Shmuel Thaler/Sentinel

A shopper leaves the Mervyns store at the Capitola Mall on Friday. Mervyns announced that it will close the store after the upcoming holiday shopping season.

## Mervyn's

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liquidity position and the extremely challenging retail environment, together with the fact that we have exhausted all other possibilities, requires that we take this action," said John Goodman, chief executive of Mervyns, in a statement.

The company's decision wasn't a shock to everyone. Anita Walker, spokeswoman for Capitola Mall's parent company Macerich, which is based in Arizona, said its leaders began looking at options for the space occupied by all Mervyns stores in their malls after the company declared bankruptcy over the summer.

While Macerich owns the Capitola Mall, it does not own the Mervyns property, and Walker said Macerich will work with that landlord to attract a new tenant. Walker said she could not elaborate on any stores that

are eyeing the spot.

"If it's a quality fit for them, we're going to make it work," she said.

According to county records, the Mervyns property is owned by Nickel and Co. LLC of Tulsa, Okla.

Capitola council members on Friday looked at the Mervyns closing through rose-colored glasses.

"I see this as an opportunity to bring in a more successful retailer to Capitola Mall. Target would be an excellent choice, or perhaps Macy's would like to expand?" Councilman Michael Termini wrote in an e-mail.

Cowley wasn't so optimistic though. He said he will probably shop online after Mervyns shuts its doors, as he considers Macy's too expensive and doesn't like Target or Ross Dress for Less.

"I've always shopped at Mervyns, since I was a kid," he said.

Contact G. Bookwalter at 706-3286 or gbookwalter@santacruzsentinel.com