



Shmuel Thaler/Sentinel

Shoppers leave the Capitola Mall after shopping. The mall's merchants reported a rise in sales after the Memorial Day holiday.

# On the rebound

Capitola Mall weathers flailing economy, joblessness

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## CAPITOLA

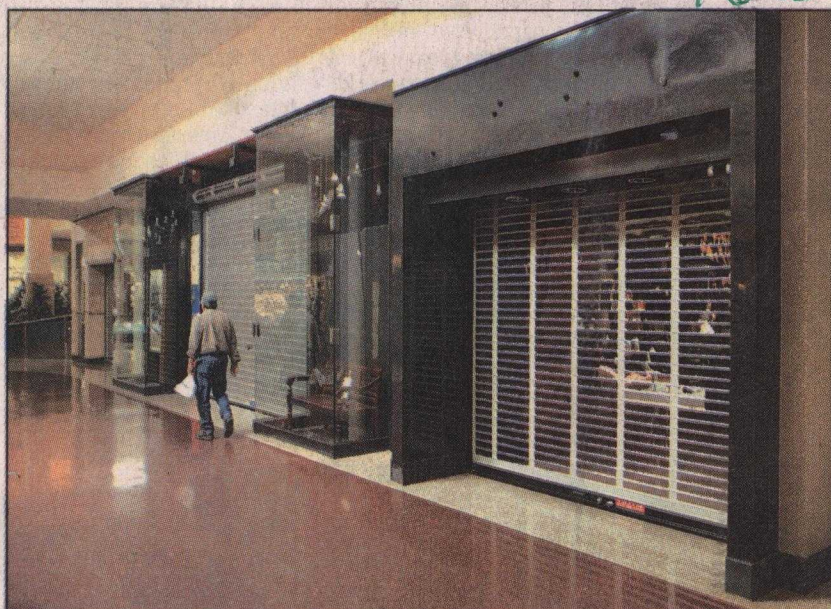
**B**usiness is on the rebound this summer at the Capitola Mall though a flailing economy, high joblessness and unstable world events have shoppers holding their money close.

"The national economy is struggling, and I would say we are no different or immune from the national trend here," said Tod Strain, property manager for mall owner Macerich Co. "The fall of the dot-com industries impacted our people here. People are more careful of how they spend their money."

Santa Monica-based Macerich is the largest mall owner/operator on the West Coast with 56 malls and 21 community centers in 21 states.

Capitola Mall merchants struggled with low foot traffic until the Memorial Day weekend. Merchants reported their sales off 10 percent to 30 percent before the holiday. Things started picking up afterward.

"People look more positive right now as long as nothing happens worldwide," said Ken Tanimoto, manager of Patrick James Clothiers, one of 15 retail outlets run by the Fresno-based men's apparel chain.



Dan Coyro/Sentinel

Capitola Mall's merchants struggled with low foot traffic until Memorial Day weekend, when it picked up considerably.

"I think people generally feel better about the economy. There's still high unemployment (7.1 percent in the county) but people who have jobs feel better," Tanimoto said. "They are traveling more and need more travel clothes. People from out of town are coming in, too."

Tanimoto said sales at his store are

off slightly but are improving.

"That's better than stores over the hill," he added.

"We have other stores around California and those in the Silicon Valley are having a difficult time," he said. "But stores in Central, Northern

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Shmuel Thaler/Sentinel

Shoppers leave the Capitola Mall after shopping. Foot traffic in the mall is up 4 percent over last year.

## Mall

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and Southern California are doing fine."

Mechanical counters installed at every mall entrance say foot traffic is up 4 percent compared to this time last year, Strain said, adding that the mall sees about 4.9 million visitors annually.

The addition of Macy's, which moved into the mall in April 2002, has helped mall traffic and increase sales, Strain said.

Part of those numbers include people going to the mall for various events its hosts throughout the year, including sidewalk sales.

The mall also tries to enlist shoppers to help generate funds for local elementary schools through a its "School Cents" program. The program encourages shoppers to take their purchase receipts to guest services and name the school they would like to support. Schools receive a point for each time they are mentioned. Schools in the program have a shot to collect between \$200 and \$2,200.

But the mall does not advertise for any one store nor does it try to tell the stores how to advertise, Strain said.

One store owner, who wished to remain anonymous, said sales had gotten so bad, she stopped taking home a paycheck to be able to keep paying her employees and her bills.

"Things are looking better," she said. "We're still way down. At least I'm paying the bills, I'm hiring to replace employees that

### Capitola Mall

**OWNER:** Macerich Co., Santa Monica.

**STOCK:** Listed on the NYSE under the symbol MAC. Closed Thursday at \$36.48, up 13 cents. 52-week range: \$25.25 - 36.52.

**FINANCIALS:** At the culmination of its fiscal year in December of 2002, the company reported \$418.2 million in sales, representing a one-year sales growth of \$6.7 percent compared to the previous year.

**BACKGROUND:** Macerich is the largest mall owner/operator on the West Coast with 56 malls and 21 community centers in 21 states.

**ABOUT CAPITOLA MALL:** 100 spaces; about 5 vacancies.

**TRAFFIC:** Foot traffic is up 4 percent compared to this time last year. About 4.9 million people visit the mall annually. Merchants report sales off 10 percent to 30 percent during the first quarter of this year.

leave, and I can't afford to advertise."

Customers acknowledge that are being more careful with their money, saying they are trying to make every dollar count as they spend money on what they need and not necessarily want.

One woman said the mall could do more to help shoppers loosen their wallets by filling vacant spots as soon as possible with more diverse stores.

"I've been looking for a simple linen dress," said Poppy DeGarmo of Ben Lomond. She was headed to the East Coast and needed a simple, conservative dress.

"But all the stores here have the same thing," she said, noting the popular floral patterns that are abundant nowadays. "I'm thinking about going to Stanford Shopping Center to find what I'm looking for."

DeGarmo echoed other shoppers in saying the Capitola Mall needs more boutique-styled shops that offer original products.

The mall has several vacant storefronts, including three in a row that once housed chain stores,

Wicks N' Sticks, Mr. Rags and After Thoughts. The stores went out of business for personal or financial reasons, officials said.

Strain said the mall is working to fill empty spots as soon as possible, with Clique Photo Studios setting up shop where the arcade used to be in the food court. It promises to reach out to teens, Strain said.

Also in the works for the food court is the Sorabol Korean cuisine. Meanwhile, the Capitola Police Department is hoping to open its community and outreach center this month near Gottschalks to help address the 1,300 calls for help it receives from the mall each year as well as educate the public about crime prevention.

"With 100 stores, the mall will always have vacancies," Strain said, noting that anyone interested in setting up shop can call 476-9616 or 624-0137.

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