



City of Capitola

NEWS RELEASE

Attention: Editors

For Immediate Release
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CITY OF CAPITOLA AND CAPITOLA MALL TO IMPROVE 41ST AVENUE AND CAPITOLA MALL

CAPITOLA— The City of Capitola and Macerich Partnership, the owner and operator of the Capitola Mall reached an agreement today to fund public improvements associated with redeveloping the Mall. Under the agreement, the City will provide approximately \$1,000,000 in Redevelopment Funding. Those funds will be used to: widen sidewalks, install landscaping, street trees, and street furniture within public right-of-way; assist with the reconstruction of the existing public transit center currently located within the Capitola Mall to improve public access and circulation; and improve bicycle access. This type of Redevelopment Funding is restricted and can only be used for redevelopment in the 41st Avenue area. These funds are not available for flood relief efforts or other City programs.

The City's funding is predicated on Macerich commencing Mall redevelopment, which includes construction of frontage improvements along the 41st Avenue frontage and updating existing architectural features, and various other site improvements. The Agreement stipulates construction will be completed within three years of the City's adoption of its General Plan update, with two potential one-year extensions. The redevelopment project details will be developed consistent with the General Plan update. The General Plan update is anticipated to be completed in 2013.

If the Mall redevelopment does not occur, the City is under no obligation to fund public improvements under this Agreement. Design details and actual construction will be reviewed by the City with appropriate performance and surety bonds required to ensure completion.

Pursuant to the agreement, Macerich will develop plans and specs for the project, which the City must consider and approve prior to project initiation. Should Agency funds be unavailable, the City is under no obligation to provide these funds. However, in that unlikely event, other creative financing options for this important project could be identified.

Please contact Derek Johnson at 831-475-7300 for additional information.

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