

Mercedes dealership headed for Capitola — temporarily

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CAPITOLA — Local automobile dealer Steve Bergstrom has paved the way to temporarily move his lucrative Mercedes-Benz dealership from Santa Cruz to Capitola.

At the same time, at least one member of the Capitola City Council — 17-year veteran Michael Routh — questioned whether Bergstrom will ever follow through on his approved development.

Council members Thursday night unanimously approved revised plans for Bergstrom's anticipated move to Capitola's Auto Plaza, located off 41st Avenue, adjacent to Highway 1.

The plans involve not only expanding Bergstrom's existing Porsche-Audi dealership at the plaza, but also developing the last remaining vacant parcel next door, which he also owns.

Bergstrom said in an earlier interview that the Porsche-Audi site will handle the bulk of his Mercedes dealership. He denied that he plans to move another dealership to Capitola, saying development of the parcel next door will be used only as "overflow" for his Mercedes dealership.

However, architect William Bagnall, who represented Bergstrom at the meeting, told the council that Bergstrom "is in the process of trying to move several dealerships out there."

In answer to a question by Councilman Bob Bucher, Bagnall said he believed Bergstrom planned to follow through on his approvals within six months. However, he added that development may be "phased."

Capitola Planning Director Susan Tupper said Bergstrom will automatically have one year to act on his approval.

The council's questioning posture was partly due to a previous application by Bergstrom to develop a parcel at the auto center. That approval was granted in September, 1986, but was never followed through.

Routh's doubt was prompted by numerous past plans by Bergstrom "to build dealerships in many parts of the county.

"I don't have any real feelings (on the application) because I don't think it's ever going to happen," he added.

The new approval calls for combining Bergstrom's two parcels and adding 12,250 square feet of show-

rooms and 41,472 square feet for service bays and offices. Thirty service bays would be added. The project will also add a second story to the existing Porsche-Audi showroom, connecting to the new showroom areas.

By comparison, Bergstrom's September 1986 approval was for 26,956 square feet. The new proposal is nearly twice as large, representing an increase of 26,766 square feet, said Tupper. She noted the new project "is designed to maximize the site."

Council members added nine new conditions to the project approval. Those conditions will be tacked on to 73 original project conditions.

Some of those latter conditions include mitigating exterior noise by prohibiting outside public-address speakers and orienting service bay openings away from the adjacent mobile-home park.

There was some concern regarding the elimination of landscaping in the front of the site, which will now be used for customer parking. Council members added landscaping requirements in other areas instead.

Bergstrom plans to temporarily move his Mercedes dealership to Capitola while he works on already-announced plans to move as many as 10 dealerships to a 12-acre site in Santa Cruz at the intersection of River Street and Highway 1. Santa Cruz city officials are prepared to condemn land to keep Bergstrom — and his \$500,000 to \$1 million a year in sales tax revenue.

At the same time, Scotts Valley has come into the picture, too, approaching Bergstrom on the possibility of an auto plaza on the site of the old Santa's Village amusement park near Highway 17. Bergstrom continues to maintain Santa Cruz is his first choice.

Meanwhile, Capitola will be glad if Bergstrom follows through and moves his Mercedes' dealership to Capitola even on a temporary basis. Bergstrom estimated it would bring \$225,000 a year in sales-tax revenue to Capitola.

The city currently gets about \$200,000 a year from the three other dealerships at its auto plaza. Those dealerships include Bergstrom Porsche-Audi, Bob Dee Motors and Marina Pontiac-Buick-Cadillac-GMC Trucks.