

City ponders \$3.8 million for auto plaza - S.C.

by Richard Stone

A \$6.7 million auto plaza slated for River St. near Highway 1 may be the first step in the long-awaited and much-debated redevelopment of the North Pacific area.

The auto plaza represents a complex attempt to keep Santa Cruz car dealers — and the sizable sales tax revenues they generate — inside the city and to prevent erosion of the city's fragile tax base.

Some of those dealers have hinted before they might move out of town because present locations leave no room for expansion.

The plaza is at least two years down the road from construction, even assuming it receives all the approval it will need from the city's redevelopment agency and a series of other groups.

That timetable is courtesy of the Santa Cruz Auto Plaza Study, prepared by a team of consultants, city staff and interested auto dealers.

The study suggests the city consider acquiring approximately 30 acres of land along River Street near Highway 1, clear and rough-grade the land, and then break it down into seven parcels that would be sold back to the car dealers.

In addition, plaza planners called for the reconstruction, realignment and re-landscaping of River Street, along with the beautification of the western bank of the San Lorenzo River bordering on the project.

Progress does not come cheaply these days — the public cost of the plaza is projected to fall between \$3.1 million and \$3.8 million, not including approximately \$1.2 million for the River St. reconstruction and another \$600,000 for the riverbank park.

The rest of the financing is supposed to come from the dealers themselves, primarily when they buy the seven parcels back from the city at an estimated cost of \$2.1 million.

Plaza consultants also mention the possibility of the dealers kicking back to the city the annual property tax windfall created by the passage of the Jarvis initiative, estimated to be in the neighborhood of \$120,000.

However, the study also points out the public benefits. Increases in sales volume at the proposed plaza would net the city an estimated additional \$200,000 in sales tax per year, jumping as high as \$500,000 in future years due to inflation.

An additional 80 jobs within the city would probably be created, while dealer relocation from their current sites in the South Pacific Avenue area would also open up that section for redevelopment, possibly in the form of some badly needed housing.

The concept of the auto plaza has also received generally enthusiastic support from the dealers themselves, especially since earlier auto plazas in the cities of Seaside and Riverside have proven to be commercially successful.

The project has received very little negative comment so far from the community at large, according to Larry Pearson of the city planning department.

Pearson attributed the absence of criticism so far to the "good sense" of the project, adding that planners had designed the plaza to minimize disruption for the residents and businesses of the area.

While construction of the plaza would involve relocation of 21 businesses, two homeowners and nine renters, the project does not touch either the Sash Mill complex or the El Rio Mobile Home Park.

Pearson also stressed, however, that it might take a minor economic miracle to get the auto plaza underway since the "project has severe funding difficulties" in a post-Jarvis world. □