

Car dealers want space in SV plaza

Two firms pledge move from Santa Cruz, Capitola

By MARIA GAURA
Sentinel staff writer

3-8-89

SCOTTS VALLEY — Plans to build an auto plaza in Scotts Valley got a significant boost Tuesday when two local car lots announced intentions to relocate to Scotts Valley.

Both Bob Dee, who owns the Oldsmobile, Jeep and Renault dealerships in Capitola, and Paul and Steve John, who own Ocean Chevrolet in Santa Cruz, have written letters to Mayor Glennon Culwell of Scotts Valley announcing their intent to buy space in the city's new auto center.

The Johns also plan to open a ¼ acre "satellite sales center" for their new dealership at the entrance to the Kings Village Shopping Center on Mount Hermon Road. That center will be Chevrolet's first on the West Coast, and is slated to open by April 15, according to a letter signed by Paul John.

"Satellite sales centers" are part of a new Chevrolet marketing plan, Culwell said, and do not provide servicing or parts for cars.

In their letter to Culwell, the Johns called the city's plan to build an auto center near the abandoned Santa's Village amusement park "the kind of Christmas present the Santa Cruz County auto dealers need to compete with San Jose. ...

"With this letter Ocean Chevrolet is hoping to be the first franchised dealer requesting space in the Scotts Valley Auto Center. We will need five acres," the letter concludes.

The proposed auto plaza covers 32 acres.

"Big Hearted Bob" Dee, who now leases space in the Capitola Auto Plaza, said Tuesday that he's eager to buy his own location in Scotts Valley. Dee said he sells 700 to 800 cars yearly at his Capitola dealership.

"I like the (Scotts Valley) site, and that's the main thing," said Dee. "It couldn't be any better. ... The plans are just beautiful. The problem with Capitola is it's hard to get to. ... You can't see (the auto center) from the freeway, they let the trees build up and you can't even put a sign up to let people know you're there.

"In Scotts Valley you can look over, see it and drive right in," he said. "That really helps."

Dee also likes the expansive size of the proposed center, which will allow six or seven different dealerships to build around a common mall area.

Please see CAR — A12

Car/ Capitola, SC firms approach Scotts Valley

Continued from Page A1

"It's advantageous to everybody to get all the dealers in one area," he said. "An auto mall creates good business."

While the commitments of Dee and the Johns are a good sign for the future of the Scotts Valley project, several other dealers must commit themselves within two weeks to make the project a sure thing, according to Culwell.

"We are going to require positive commitments in the form of a deposit within two weeks," Culwell said. And if enough commitments are not in the bag at that point, the plan will have to be "re-evaluated," he said.

The two-week limit is not designed to rush local dealers into making a decision, Culwell said. It is intended to show that Scotts Valley is serious about moving the project along as fast as legally possible.

"In our negotiations, all of the 11 dealers we spoke with were very interested in the site," Culwell said. "The question was, could Scotts Valley move fast enough? We will move as fast as details will permit," he said.

But city officials are feeling secure of local dealers' interest, and have already chosen a consultant to

begin an environmental impact report on the project. The city Planning Department has begun subdivision proceedings for the project site, and the three owners of the property have said they are willing to sell. The city has also retained auto center consultant Michael D'Amico of Mill Valley to design portions of the project.

Scotts Valley is the latest, and most aggressive, entrant in the local competition for auto dealerships and their sales tax bounty. Presently, 12 of the 16 dealerships in the county are in Santa Cruz.

For the past several years, many dealers have complained about cramped conditions at their dealerships and agitated for development of a modern mall-type auto plaza. Despite several attempts, a suitable site was never found in Santa Cruz, and the dealers began shopping the rest of the county for a new location.

In 1986 three dealers left Santa Cruz for the brand new Capitola Auto Plaza, and now contribute some \$200,000 in tax revenue annually to that city's treasury. Another group of four dealers has been negotiating for more than a year to build an auto center at the 14-acre Skyview Drive In, just outside

the Santa Cruz city limits.

A plan was announced in 1987 to build an auto plaza near the Small Craft Harbor, but was quickly shot down by public outcry. Another plan to build an auto center on River Street in Santa Cruz was announced last year, but has not been heard from lately and may have died from neglect.

Losing more of its auto dealers will have a sharp impact on Santa Cruz's finances. But for the city or county that attracts the dealers, the new business could be a huge financial bonus.

Ironically, one of the first dealers to jump at a chance to move to Scotts Valley was Bob Dee, who already occupies one of the newest dealerships in the county.

"(Scotts Valley representatives) didn't think to come talk to us," Dee said. "They thought I had a new building and I was satisfied. My site's not outmoded ... but the new one will be better."

Capitola isn't too concerned about Dee's leaving its auto plaza, however. "(Dee) rents his site," said City Manager Steve Burrell. "I imagine someone else will fill in."