

# SV auto-plaza deal still simmering

By JOHN McNICHOLAS  
Assistant city editor

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SCOTTS VALLEY — The proposed deal for an auto center in Scotts Valley is still cooking, the city administrator said Thursday.

Administrator August Caires said that the deal is still at a simmer, even though auto dealers have failed to deliver what the city wanted in the way of pre-contract commitments on the proposed auto plaza, and were late in delivering what assurances were offered.

But the dealers have "shown interest, and we're not going to turn our backs on them," Caires said. "We have less than what we asked for, but we have enough to continue negotiations, and we are very anxious to do that."

Scotts Valley is competing with the county to woo auto dealerships to locate in prospective auto centers. The potential prize is millions in sales-tax revenues.

The county hopes to lure four dealerships from the city of Santa Cruz to the Skyview Drive-In property near Live Oak, which it would help the dealers buy with \$15 million in redevelopment money. But at a June 27 meeting, the county Board of Supervisors indefinitely postponed deciding on that deal and asked for more and detailed information on it.

Scotts Valley, meanwhile, had set a June 26 deadline for the dealers to deposit \$10,000 for each acre desired, and to submit information on sales taxes and other things, Caires said.

Only one dealer — Steve Bergstrom, who owns several dealerships in Santa Cruz — had met the

deadline with a \$100,000 check for 10 acres, said Scotts Valley Mayor Glennon Culwell. But he failed to provide sales-tax data, said Caires.

But after the county meeting, the owners of five other dealerships came through with "correspondence," Caires said, and what Culwell said Thursday was half the money — \$25,000 each instead of \$50,000.

Caires said four of those dealers — who own Santa Cruz Motors, North Bay Ford, Santa Cruz Nissan-Dodge and Toyota of Santa Cruz — have been negotiating with the county on the Skyview deal. The other dealership is Ocean Chevrolet, Culwell said.

Culwell said the checks have not been cashed or "officially received," since they fell short of the city's demands.

He said of the off-again, on-again deal: "We still have interest expressed on the part of the auto dealers, and are willing to hear what they have to offer. We have nothing acceptable on the table yet, and they know what the concessions are. The city's consultant on the matter ... was told to return to the dealers and tell them to conform to our conditions if they were interested."

Caires said the city must have the cash and "predevelopment agreements" in hand before it will decide to bid on the 33-acre parcel.

And he said the City Council met in closed session Wednesday night and "chose not to go forward with the acquisition of the land at this point."

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"The council, I think, needs to have assurances that the auto center projected is a viable project, and is a 'doable' project. If it was going to collapse, or if there was a likelihood that it was going to collapse, the council would not want to acquire the land for that purpose."

"The council, I think, is making a prudent decision on waiting ... until the right time, whenever that may be."

Culwell said the council had put no deadline on the renewed negotiations.

Caires not would discuss the price of the land, saying it only is a "substantial cost." Nor would he say on what terms the dealers would get to use the land, 11 acres of which is on the Santa's Village property, with the adjoining acreage all fronting Highway 17.

He said the details of the negotiations are confidential, and would remain so until a deal might be struck.

Culwell said recently that the Scotts Valley proposal "is not in competition with the county of Santa Cruz and never has been."

But Caires said, "We are in friendly competition, we want to think, with the county."

And, he said, "The biggest thing for the city is that we remain in the negotiation process, and for the City Council, the biggest thing is to whether or not to acquire the land for an auto center."

"And the City Council will not make that decision until they have a greater level of commitment from the dealerships."