

Santa Cruz unsure about its auto plaza

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SANTA CRUZ — A much-publicized plan to build an auto plaza on River Street is becoming increasingly unlikely, city officials said Friday.

"We're at a decision point," said City Councilman Joe Ghio, one of three council members on a subcommittee handling negotiations for the auto center.

The city was negotiating with auto dealer Steve Bergstrom, who had agreed in concept last July to develop an auto plaza at River Street and Highway 1 for his multiple car dealerships.

But after Bergstrom's wife died in an auto accident in November, those negotiations ended, Ghio said, leaving the city to fend off the worried inquiries of property and business owners in the River Street area who would have been displaced by the auto plaza.

Ghio said that if the city doesn't get a response from Bergstrom in the "next few weeks," the auto plaza idea is history.

"We (still) want to work with Bergstrom," Ghio added.

Bergstrom declined comment on his negotiations with the city.

Santa Cruz Mayor Mardi Wormhoudt said that "people need to know" what's happening on the auto center deal.

But, she said, "It's not clear if we're not hearing from Steve Bergstrom because of his personal tragedy or if he's dealing with Scotts Valley."

The city of Scotts Valley wants to build an auto plaza near an abandoned amusement park along Highway 17. The city has hired a consultant who has drawn up two preliminary designs for a center. That city has held two public meetings on the designs, and is awaiting an economic analysis of the plan before deciding whether to go through with it.

The consultant's report says that 10 of 16 auto dealers in the county are likely prospects to move to a new auto plaza.

While the city's River Street pro-

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ject is apparently going nowhere, the county's plan to turn the Skyview Drive-In on Soquel Drive into an auto center is still on track. County officials say negotiations are continuing between the county and a group of at least four Santa Cruz auto dealers who want to relocate in Live Oak.

The talks have been going on since last spring.

The drive-in is in a Live Oak-Soquel Redevelopment District, and the county is considering using the district's financial muscle — derived from the sale of redevelopment bonds — to help the dealers buy and develop the site. The dealers and county officials are still dickering over the extent and terms of the county's assistance.

In Capitola, a city that lured three auto dealers from Santa Cruz in 1986, Bergstrom has approval to expand his existing Porsche-Audi dealership, which will handle the bulk of his Mercedes dealership that he has said he will temporarily move from Santa Cruz while awaiting the new auto plaza.

At the same time, he has approval to develop the last remaining vacant parcel on Capitola's Auto Plaza. He has not named what dealership he will move there.

Capitola Planning Director Susan Tupper reported that Bergstrom has not yet applied for a building permit, which is needed before any work can actually break ground.

"My expectation is he will be coming in shortly" to follow up, Tupper said, adding, "It's not unusual for someone to take several months to apply for building permits. That's why we give applicants one year to follow through. It's not unusual for someone to take almost the entire year."

Bergstrom failed to develop a previous application to develop a parcel at the auto center. That approval was granted in September of 1986.

If the city of Santa Cruz's deal with Bergstrom doesn't come off, and if the city loses other auto dealers to Live Oak, it stands to lose up to \$1 million in sales-tax revenue.

Wormhoudt said that if the River Street auto plaza is not going to happen, the news will be a "great relief" to people who would have had to sell their land and businesses to the city to make room for the development. Opposition to the auto center also came from groups working to restore the San Lorenzo River. The city planned to use river redevelopment money to finance the auto plaza, a plan that restoration proponents said went against the grain of what the money was supposed to be used for.

But city officials responded that if the auto plaza were not built, and if Bergstrom didn't keep his dealerships in Santa Cruz, the city wouldn't have any money to put into the river project.

Wormhoudt noted that the idea for a River Street auto center has been around for a while, but that other auto dealers besides Bergstrom didn't "pick up on it at all."

She said the city, mostly built out, cannot compete with Scotts Valley and mid-county areas where land is more plentiful and cheaper.

But, she noted, if an auto plaza is not in Santa Cruz's future, then city officials are going to have to find a way to make up for the lost revenue.

Staff writers Keith Muraoka and Steve Shender contributed to this story.