

SV urged to act soon on auto plaza

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SCOTTS VALLEY — It's only been a few months since Scotts Valley entered the local car wars with its proposal to build a deluxe auto plaza in the north end of the city.

But the city's aggressive push to get its project off the ground has made the project a serious competitor to similar projects being promoted by the city and county of Santa Cruz. In fact, three auto dealers who have been negotiating for locations in Santa Cruz and Live Oak may now be considering switching their attention to Scotts

Valley, according to a report issued by auto center consultant Michael D'Amico.

The stakes for winning over the dealerships is high — Scotts Valley could add more than \$1 million per year in sales and property tax revenue to its general fund if it builds an auto plaza on the site of the abandoned Santa's Village amusement park, according to D'Amico's report.

But the city must move swiftly to develop the site or risk losing the best auto dealerships to another location, the report said.

The report, a preliminary feasibility study of the proposed center, will be considered by the

city council at its regular meeting at 8:45 tonight.

Mayor Glennon Culwell and councilman Phil Liberty, members of the council's Economic Development Committee, are recommending that the city act quickly to move the auto plaza project along.

Culwell and Liberty have recommended that city staff be directed to begin environmental processing of the proposal, formulate a financing plan and begin subdividing the property right away. The two also recommend that the council direct D'Amico to begin designing portions of the project. The full council will vote on

those recommendations tonight.

According to D'Amico, eight businessmen owning 10 local auto dealerships have expressed interest in the Scotts Valley center, and five of those owners have requested individual meetings to further discuss their needs with city representatives.

The auto dealers on D'Amico's priority list include Steve Bergstrom, Lee Courtright, John Keifer and Robert Lockwood, Paul and Steve John, Brian Meikle and Bill Winterhalder. Several of the dealerships are under pressure from their factories to move at the

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soonest possible time, D'Amico said.

Courtright, who owns Santa Cruz Nissan and Dodge and Toyota of Santa Cruz, and Winterhalder, who owns North Bay Ford and Lincoln Mercury, have been negotiating with the county of Santa Cruz since last spring on a proposal to develop the Skyview Drive-In theater into an auto plaza.

Pat Busch, assistant to County Administrative Officer George Newell, has been involved in the Skyview negotiations but refused to comment on them Tuesday. According to Busch, any public an-

nouncement about the negotiations must be approved by all parties to the discussions. Busch was unable to say if a joint announcement is planned soon, or even to reveal the names of the dealers he is negotiating with.

Bergstrom, who owns Acura, Honda and Mercedes dealerships in addition to several others in Santa Cruz and Capitola, has also been contacted by D'Amico.

Bergstrom has been involved in negotiations with the city of Santa Cruz to develop a new auto plaza on River Street since July. Santa Cruz officials said last month that negotiations with Bergstrom have

been in limbo since November, and that chances for the River Street project may be fading.

According to D'Amico's report, the city could benefit from building either of two projects — one that would encompass 19 acres and provide room for five small dealerships and another that would cover 32 acres and comfortably hold six or more larger dealerships.

But D'Amico highly recommends the larger project, which would provide more than double the financial boost to the city's general fund than the smaller project, he said.

According to D'Amico's proposal,

the city would purchase the project site and develop the common areas of the project. The individual dealers would build their own facilities within the complex.

The larger project would cost the city approximately \$12.5 million, \$6.8 million of which could be recouped by selling parcels to car dealers, according to the report. The remaining \$5.6 million could be financed by redevelopment bonds issued by the city.

The city must include the Santa's Village site within the boundaries of a redevelopment district before it can implement redevelopment financing.