

# Dispute erupts at Auto Plaza

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Auto Plaza - Capitola  
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CAPITOLA — Competition is the name of the game in the car sales business, but three of the auto dealers in Capitola's soon-to-open Auto Plaza are not pleased with the proposed Johnny-come-lately competition from fellow dealer Steve Bergstrom.

Bergstrom last month unveiled plans to open an auto brokerage firm on the last remaining lot of the new Auto Plaza off Highway 1 and 41st Avenue. He told The Sentinel this morning that he will limit his sales exclusively to the make and model cars that the other three dealers at the Auto Plaza will sell.

Those dealers include Marina Pontiac-Cadillac-Buick, Santa Cruz Porsche-Audi-Isuzu and Roy Baldwin Oldsmobile-AMC-Jeep. All

are nearly completed and will open sometime this month. Bergstrom said his brokerage business may be open by May.

Attorneys for Richard Stengl, Sal Puglisi and Roy Baldwin, owners of those respective auto dealerships moving to Capitola, have sent a letter to Capitola Mayor Michael Routh expressing their "extreme concern" about Bergstrom's plan. The item is scheduled to be discussed at Thursday night's council meeting.

Attorney Robert Mezzetti, in cooperation with attorney Robert Williams, are asking the City Council to intervene. In the letter to Routh, Mezzetti maintains the Auto Plaza was approved with written agreements that it be "utilized solely and exclusively for franchised automobile dealers and certainly not for

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either a used-car operation or a brokerage house for automobiles.

However, both City Manager Steve Burrell and City Attorney Richard Manning say that the city cannot intervene. In a letter to council members, Manning says the council's focus is limited to the building design of Bergstrom's proposed brokerage house.

As far as the issue of whether Bergstrom can be a broker at the Auto Plaza, Manning writes "that controversy needs to be resolved either amongst the lot owners or through court proceedings."

Burrell said that city approval of the Auto Plaza did not include any conditions as to what type of autos could be sold. He added, however, that such agreements could have been imposed as private deed restrictions among the dealers themselves.

Bergstrom told The Sentinel this morning that no such deed restrictions exist. He maintained, "The fact of the matter is they (the three other auto dealers at the Auto Plaza) are scared to death of the competition."

Fellow Auto Plaza dealer Stengl, contacted this morning, said he "preferred not getting into a running battle through the newspaper." He added, however, "We all made substantial investments with the understanding there would be four new-car dealerships. That's not what he (Bergstrom) is proposing."

Additionally, there are rumors that Bergstrom doesn't plan to open the brokerage business at all; that he is only interested in driving the price of the parcel up and selling out to fellow Auto Plaza dealers.

Bergstrom denied those rumors this morning, saying he isn't soliciting offers on the property and already has a contract with a local construction company to begin breaking ground on his business.

"Now, if someone wants to make me a ridiculous offer and pay me a lot of money for that parcel, I'll consider it," he added. "But, I have every intention to follow through on it."

Thursday night's council meeting will begin at 7 p.m. in the council chamber at City Hall.