

# Flea market vendors vow a fight

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SANTA CRUZ — A spokesman for Skyview Drive-In flea market vendors has vowed that vendors will not let a group of Santa Cruz car dealers, or anyone else, take over the drive-in property and shut down the flea market without a fight.

Skyview Drive-In Vendors Association Vice President Randy Cole said Friday that vendors and other flea market supporters would generate so much political heat over the drive-in property that it would become too hot to touch.

"The bottom line in the whole situation," said Cole, "is the people of this county want that flea market.

"If it comes down to it, the bottom line of defense for us will be a county vote. Community political pressure will save the flea market."

Referring to a ballot measure which last year killed Palo Alto developer Ryland Kelley's plans for a hotel-conference center at the Porter-Sesnon property in Aptos, Cole said: "We would go to a special election just like they did with Wingspread ... and shut down anything they (developers) want to try."

Cole's comments came on the heels of an assertion Thursday by car dealership owner and real estate developer Donald Starr that the flea market's days are numbered. Starr, who is one of the owners of Santa Cruz Motors, said that even if a group of car dealers decide to back out of a deal to lease and ultimately buy the drive-in — in order to build an auto center there — he or some other developers will still acquire the land and shut down the flea market.

Live Oak-Soquel Supervisor Jan Beautz charged Friday that Starr's statements were calculated to let the air out of auto center opponents' tires.

"It's my thought that this might well just be some kind of a tactic to defuse the flea market issue ... so (the board) can say: 'The flea market is going to go anyway, so we might as well put in the auto center,'" Beautz said.

The Skyview property is in the Live Oak-Soquel Redevelopment District, across the freeway from Live Oak. Beautz opposes a proposal to use redevelopment funds to lure four Santa Cruz auto dealerships — Santa Cruz Motors, North Bay Ford, Santa Cruz Nissan-Dodge and Toyota of Santa Cruz — to the drive-in site.

County Administrative Officer George Newell wants to use redevelopment funds to pay \$15 million of a \$16.8 million, 15-year lease-purchase deal the dealership owners negotiated last year with drive-in owners Evelyn and Marvin Martins.

The payoff — for the county general fund — is supposed to be tens of millions of dollars in sales tax revenues from the new auto center.

The proposal is currently on hold while Newell's staff tries to respond to questions raised by the Board of Supervisors at a hearing in late June.

Meanwhile, the dealership owners are continuing to pay the Martinses more than \$8,900 a month for an option to lease and, eventually, buy the drive-in. They must exercise their option by Dec. 20.

Last September, in expectation of cutting a deal with the county and developing an auto center on the Soquel Drive site, the dealers bought an adjacent 3.82-acre parcel for \$1.8 million.

After the Skyview proposal stalled in June, the dealers put down cash deposits for space in a rival auto center proposed for Scotts Valley.

Starr said last week that it was unlikely that the dealers would try to develop an auto center

at the Skyview without county support, because the land would be too costly for them. But he claimed the land could be profitably developed for other uses, such as housing, and said he had no intention of letting the lease-purchase option lapse. Starr said that other developers were waiting "in the wings" to develop the property if the auto dealers bowed out.

Starr said the Skyview flea market would be a "done thing" by Jan. 1, 1990.

Only Starr and his partners — Robert J. Lockwood, John P. Kiefer, Charles Canfield, Lee Courtright, William L. Winterhalder and Michael and Mark Elward — can actually pick up the drive-in lease-purchase option. But, under their agreement with the Martinses, they can reassign the lease to virtually anyone they choose.

However, in the absence of a redevelopment subsidy, it would be costly — and potentially risky — to develop the Skyview site under the terms of the lease-purchase arrangement.

The deal calls for the lessee to pay the Martinses \$600,000 annually for at least eight years before the first chance to actually buy the property — for \$7.7 million — comes up. Under that arrangement, it would cost a prospective developer \$12.5 million to acquire the drive-in site, which is currently zoned for low-density residential development.

Beautz asserted Friday that "the price is in excess of what (the land) is worth for residential development." Moreover, she noted, "You can't own the property for eight years, which makes it hard to develop."

The supervisor also predicted that anyone who tries to develop the Skyview property will have a tough time getting plans approved.

"There's going to be a tremendous community backlash if this goes forward," she said.