



Mike Gay's Argus Co., on the corner of Water and Branciforte streets in Santa Cruz, offers luxury, classic, exotic and muscle cars. Bill Lovejoy/Sentinel photos

Won't you buy me a Mercedes-Benz?

Bus A *4.17.05*

Auto dealer Mike Gay's collection offers classy transportation

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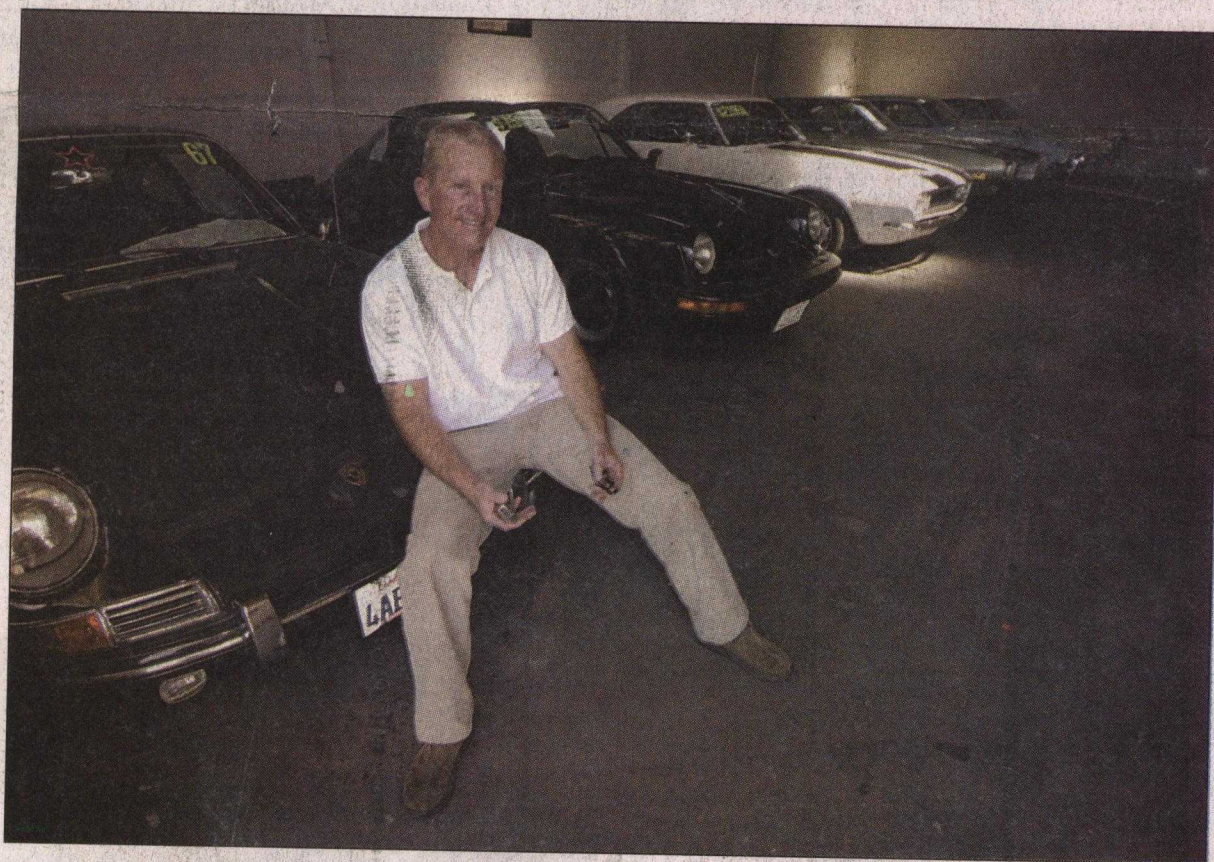
Mike Gay has been, in his words, a "motorhead" all his life.

So it made sense for Gay to open the Argus Co., an auto boutique and sales shop at what was once full-service Texaco station at Water and Branciforte streets. Gay uses the corner lot to display the pre-owned vehicles he acquires and re-sells, including luxury, classic, exotic and muscle cars, as well as basic transportation autos.

"If you had \$10,000 to spend, you could buy a used Toyota Corolla, or you could buy this," said Gay with a grin, pointing to a smoky gray 1967 Porsche 912 he had in his warehouse with a price tag of \$9,950. "The climate control is 'roll down the windows,' but for people who don't mind giving that stuff up for a little more character, it's a good investment."

Gay, 52, started his business in 2003, and this summer will mark the second anniversary of the venture opening its doors at the site of one of the last old Spanish mission-style gas stations in town. The gas pumps are long gone — the gas station last operated in the late 1960s or early 1970s, with body shops and other auto-related businesses filling the space since — but the lot retains its old California gas station flavor, with an office, the old body shop he uses as a car warehouse and detached restroom with red tile roofs and white stucco walls.

"People come by and talk about the gas station that used to be here,"



Porsches, Camaros and other muscle cars are part and parcel of Mike Gay's car dealership.

Gay said. "There's a lot of ghosts and history in it."

Get your motor running

About 30 million people nationwide are part of the classic car collector hobby, according to Mark Perleberg, lead automotive expert for NADAGuides.com, the Costa Mesa-based consumer face Web site for the National

Automobile Dealers Association, based in McLean, Va.

"About 10 percent of the population has this very odd gene that gravitates them toward old cars," Perleberg said.

The market for pre-owned classic cars has grown dramatically in the past five to six years, according to Perleberg, who cited growing idle wealth, an uncertain stock market, a real estate bubble and low interest

rates as incentives for people to put their money into collectible cars.

But some people just want to drive a nice car without the hefty price tag.

Jeff Lionz of Santa Cruz recently bought a 1999 Jaguar XK8 convertible at Argus for \$18,500. New, the car cost about \$75,000.

"It had 125,000 miles on it, but so

Cars

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what?" said Lionz. "The previous owner had all the paperwork and documentation and had maintained it perfectly."

Gay's sincere passion for cars and nonaggressive sales approach won Lionz over, he said.

"There's a lot of people who sells used cars around here, but Mike really loves cars," said Lionz, "so he looks for the things if he owned the car he would care about."

Other customers with pragmatic concerns buy basic transportation vehicles from Gay.

"The price was better than what we found elsewhere," said Steve Sande of Santa Cruz. Sande and his wife, Arlene, recently bought a 1995 Jeep Grand Cherokee for \$5,900 for their 18-year-old daughter, Whitney.

"It was a vehicle that was well taken care of, the inside looked new, and the Jeep is the most expensive car they make," said Steve Sande. "It's a good car in terms of a young lady because it's heavy, so if someone hits her she's probably going to be OK."

Both customers said they were impressed with Gay's laid-back style, nonconfrontational

approach, automotive knowledge and full disclosure about the condition of the cars on his lot.

Honesty, Gay said, is the best policy.

"That way, when I'm walking downtown and I see someone I sold a car to, I don't have to cross the street," he said with a laugh.

King of the road

Always involved in some way with the automotive industry, Gay started selling cars in 1979 but always struggled with the ingrained, high-pressure car sales culture.

He got his dealer's license in 2000, with the thought of eventually starting his own shop. When the corner spot opened up and he obtained the space, Gay said, it was like being pushed over a cliff.

"I wasn't really ready when I got the spot, but I had to jump," he said. "But it helps to have been in the car business in town for a long time."

The Argus Co.

WHAT: Used auto boutique and sales shop.

OWNER: Mike Gay.

LOCATION: 905 Water St., Santa Cruz.

PRODUCTS: Used vehicles, including starter cars, muscle cars such as Camaros and Pontiac Firebirds from the '60s and '70s, exotic cars such as Jaguars and Porsches and luxury autos including Mercedes and BMWs.

HOURS: 'Noonish to 6-ish,' seven days a week.

INFORMATION: 457-1900.

Many of Gay's former colleagues help supply his inventory.

He self-financed the business to start and later got a Small Business Administration loan through Santa Cruz Community Credit Union.

His goal, he said, is to offer a "spread of different things you're less likely to find somewhere else." His main offerings are \$4,000-\$5,000 starter cars, muscle cars such as Camaros and Pontiac Firebirds from the '60s and '70s, used exotic cars such as Jaguars and Porsches and used luxury cars

including Mercedes and BMWs.

The cars Argus acquires get smogged and put through a safety check at Fidelity Automotive in Santa Cruz, then sent to the Executive Detail Shop in Santa Cruz for a cleaning.

Gay looks at the market and tries to set a fair and attractive price for the cars.

Business has taken gradual steps forward, said Gay, with February coming in as the best month he's had so far. Inventory has increased, and business is slowly getting better.

"If you look at gross sales over the years, we're walking slowly,

not running," said Gay.

He aims to sell 10-15 cars per month, and sales are getting to be more consistently in that range as consumer awareness of his shop increases.

On weekends, Gay rolls the "toys" — old Porsches, Camaros, Challengers and other cars — out of the warehouse to entice customers. Sometimes he acquires eye-catching vehicles such as the 1930 Model A pickup he had a few months ago.

Going forward, he would like to expand and start a rental shop and showroom of used luxury cars.

But for now, the main plan is to have fun and run his business until he can't do it anymore.

"That little planter?" said Gay, gesturing to a small landscaped area outside his window. "They're going to find me keeled over in it one day, and then I'm retired. The plan is to make that planter look really good for when I fall into it."

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