

Dealers threaten to sue SV

Auto Plaza-
Scotts Valley

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SANTA CRUZ — Five Santa Cruz car dealers have threatened to sue the city of Scotts Valley to regain a \$240,000 deposit the group placed in escrow while negotiating plans for a proposed auto plaza.

Scotts Valley's auto plaza plans fell apart three weeks ago when the county unveiled an auto plaza plan of its own on the Nigh Lumber property along Highway 1 with the same group of car dealers.

City officials promptly announced plans to sue the car dealers for breach of contract, fraud and conspiracy. Scotts Valley Mayor Glennon Culwell said the dealers never revealed their negotiations with the county, and encouraged the city to spend millions on land, studies, consultants and staff time in the meantime.

'We've been characterized as manipulators, fraudulent operators, conspirators...'

— Auto dealers attorney Bob Bosso

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But the car dealers now say city officials *did* know they were looking to build elsewhere, and they can prove it. Several dealers and attorney Bob Bosso produced a tape recording Friday on which Culwell says, "We keep hearing rumors that the county, the city of Santa Cruz and (others) are in the picture. So we really want to know."

Bosso responds, telling the Scotts Valley negotiating team that his clients have "major concerns" with the city's plan.

"The dealers have not been so unwise as not to keep their other options open as well," Bosso says on the tape. "We do not have a concrete deal with you, as we did not have a concrete deal with the county (on a previous development deal at the Skyview Theater), and until we do, we're not suggesting to you ... that we have absolutely closed all other doors and you are the only store in town."

Bosso said the tape was made at a Jan. 11 negotiation meeting. Other meetings were taped as well, he said.

On tape, Culwell responded that the city needed a commitment from the dealers within three weeks or it would feel obliged to look into other development proposals.

Bosso said Friday that he believes the recording proves the city officials knew that the dealers were looking elsewhere, but Culwell does not agree.

"The fact that they said they were keeping their options open did not indicate that they were actively pursuing negotiations with the county of Santa Cruz," Culwell said. "Rumors had been circulating, but at no time did they indicate to us that they were negotiating a deal that could potentially supplant their arrangements with Scotts Valley."

"They encouraged the city to spend large sums of money throughout the negotiations," Culwell said. "As far as I'm concerned, they are welcome to sue for their deposit. We absolutely intend to follow through with our lawsuit."

Several of the car dealers said Friday that Culwell's allegations are damaging their reputation in the community.

"You walk into a party, and people come up and ask if you're really doing these things," said Bob Lockwood, a partner in Santa Cruz Motors.

"Our image has been pretty damaged," said Bosso. "We've been characterized as manipulators, fraudulent operators, conspirators — all of these wonderful terms have been bandied about."