

Pizza shop makes way for Chinese auto sales

Dealership to sell China Motors' wares

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4-25-04

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CAPITOLA

A once popular Straw Hat Pizza restaurant is slowly becoming the gateway for Capitola's Auto Plaza Drive, as it promises to offer competition for existing automobile dealers.

Ron Mortenson and John Mandella, owners of several local Straw Hat Pizza eateries, say the idea came about after they were approached repeatedly by members of the automobile industry to convert the restaurant into a dealership. After years of saying no, the pair finally said yes — to China Motors I & E Inc. of Scottsdale, Ariz.

"We went to the (Capitola) city about two years ago with the idea and they embraced it," said Mortenson, adding that the property is zoned as a used car lot. "The city has been quite helpful. Of course, it means more tax revenue for the city."

Mortenson said the decision to pursue an automobile dealership miffed some soccer moms.

"There wasn't a weekend where we didn't have a party here," he said, noting that the pizzeria had been at the site since the early 1970s.

But he said he's been in the pizza business all his life, and he's looking forward to new opportunities. He and Mandella still own Straw Hat Pizza parlors in Aptos and Felton. The latter is formerly known as Mort's Pizza.

Meanwhile, Mandella separately owns 64 laundry facilities in the county.

Now, the pair is looking to get into the car selling business. Their Chinese wares may include the Solo, which looks like a mini Mercedes; the Sailor, a four-door pickup that resembles a Chevy Avalanche; and the Sing and Safe, both sport utility vehicles. The lot also could carry electric bicycles and Vespa-style motor scooters.

While the China Motors vehicles share slight resemblances to other vehicles on the market, they promise their high quality merchandise will not share similar prices. For example, the Solo's estimated starting price is just under \$11,000, compared to \$26,570 for the least expensive car offered by Mercedes — the C230 Kompressor Sport Coupe.

"Chinese labor is very cheap," said David Shelburg, chief executive officer of China Motors I & E Inc., which is bringing the cars to the U.S. market. "Not just for myself, but I saw in the news where General Motors signed a \$4 billion contract with China because labor is so feasible."

Steve John of Ocean Chevrolet-Honda is looking forward to the new dealership.

"I'm really excited," he said. "They're good



Dan Coyro/Sentinel

John Mandella, left, and Ron Mortenson, right, have turned the former Straw Hat Pizza on Auto Plaza Drive into an auto showroom that will sell cars manufactured in China. Len Houston, center, is the sales manager.

China Motors

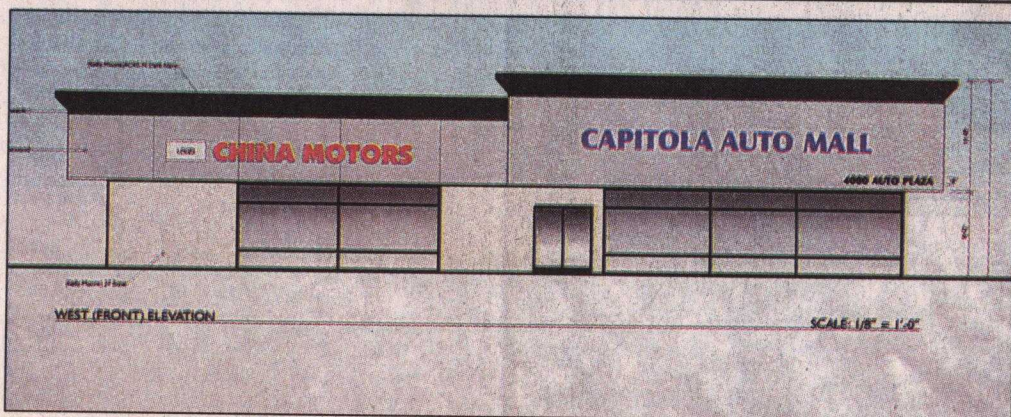
PRODUCTS: Automobiles, motor scooters and electric bicycles from three Chinese automobile manufacturers.

OWNERS: Ron Mortenson and John Mandella.

HEADQUARTERS: 4000 Auto Plaza Drive, Capitola.

EMPLOYEES: Ten.

INTERESTING FACT: While many of the vehicles resemble others already on the market, they'll boast less expensive prices. For example, the Solo, which looks like a Mercedes from the front, could sell for just under \$11,000. The car dealership replaces a 30-year-old Straw Hat Pizza parlor in an attempt to become the Auto Plaza's gateway and create more diversity among the dealerships.



Submitted drawing

See **CARS** on **PAGE D6**

The plans for the new China Motors dealership in Capitola need City Council approval.



The China Motors lineup includes, from left, the Sailor, the Sing and the Solo.

Submitted photos

Cars

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businessmen. They will attract different kinds of buyers to the plaza. The more the merrier. It'll be great to have an automobile-related business at the end of the plaza, which is how it should have been from the beginning."

China Motors is made up of a partnership between three long-time Chinese automakers: Great Wall Automobile Holding Company Ltd., China Zhejiang Geely Group Ltd. and Hebei Zhongxing Automobile Manufacturing Co. Ltd.

About 30 China Motors dealerships are being set up nationwide, including several in California. But the automobiles aren't here yet. Shelburg has a few models on display at his Scottsdale dealership, but says he's awaiting feder-

al approval before selling the vehicles in the United States.

Approval could take another 60-90 days.

Until their merchandise arrive, Mortenson and Mandella are focusing on having their project pass City Council muster. Last week, the project went before the council for input on the look of the facade, signage and landscaping. In rejecting a proposal to make the China Motors building resemble neighboring auto dealerships, the council urged Mortenson and Mandella to think big, saying the dealership is going to be the gateway to the city and the Auto Plaza — make it shine.

The China Motors facade design is to go back to the council next month. If approved, the dealership could open in June or July.

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