

# Auto center *AUTO PLAZA - S.C.* may receive county funds

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SANTA CRUZ — County officials have offered to help a quartet of Santa Cruz automobile dealers lease the Skyview Drive-In property in Live Oak.

The 14-acre parcel, which would be developed into a new auto center, is in the Live Oak-Soquel Redevelopment District, and the county's share of the lease payments would be made out of redevelopment revenues.

The dealers — Santa Cruz Motors, Toyota of Santa Cruz, North Bay Ford and Santa Cruz Nissan-Dodge — have been dicker-ing with county officials for more than a year over how the county might use redevelopment revenues to help them move to Live Oak. It was estimated a year ago that the county could expect to reap at least \$500,000 in additional annual sales-tax revenues if the four dealers moved to the Skyview site.

The disposition of those revenues could become an issue in the long-running auto center saga. The redevelopment money which would be used to help the dealers make their lease payments is derived from property taxes collected within the redevelopment district. But the sales tax revenues from the new auto center would go into the county's general fund, and could be spent for programs throughout the county.

Likely to become an issue is the question of whether Live Oak and Soquel will derive any direct benefits from the auto center.

News of the lease arrangement — which has been the subject of secretive negotiations between the dealers and officials in the County Administrator's Office — leaked out after a local real-estate broker filed a suit against the dealers, claiming that they had short-changed him on a commission.

Real-estate agent Ad Schaumer said he was retained by the dealers in September, 1987, to help them find property for an auto center in Live Oak. Schaumer's attorney, Robert K. Johnson of Watsonville, confirmed Friday that the drive-in property was at the center of the dispute. He would not say any more about the lawsuit.

## Patton seeks to minimize city's losses

SANTA CRUZ — Third District Supervisor Gary Patton said Monday that he's determined to see that Santa Cruz County's gain will not become the city of Santa Cruz' loss if four city auto dealers take their businesses to the Skyview Drive-In property in Live Oak.

The financially troubled county government stands to gain at least \$500,000 in annual sales-tax revenues — at the city's expense — if the dealers move to the county. Patton, who represents the city on the Board of Supervisors, said he wants the county to share its new-found wealth.

"I'm talking about sharing the economic benefits in various ways," he said. "We need to explore how to do that.

"It's important, if we are getting new revenues and the city is losing revenues, to ... see that the city isn't devastated by this move the auto dealers are going to make.

"There are various ways of sharing," said Patton, who noted that the county would reap increased property tax revenues from improvements to the Skyview site, as well as increased sales tax receipts.

The Skyview property is in the Live Oak-Soquel Redevelopment District, and increases in property-tax revenues there are already legally reserved for the redevelopment agency.

Schaumer said in his complaint that the dealers had agreed, among other things, to pay him a 5-percent commission if they acquired an option to buy the Skyview. The dealers were to pay Schaumer 5 percent of their option payment and another 5 percent of the full purchase price of the drive-in when they actually acquired the property.

The dealers also agreed that if they leased the site instead of buy-

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## Dealers/ Auto center discussed

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ing it, Schaumer's commission would be 3 percent of up to 20 years rent. The lease-based commission was to be paid to Schaumer at the start of the lease, according to his complaint.

Schaumer complained in his suit that the dealers had offered him

"only 3 percent of rents for 15 years," indicating that the dealers intended to lease the Skyview property, rather than buy it.

Attorney Robert Bosso, who represents the dealers, said Monday that his clients and Schaumer had resolved their dispute. "The case has been settled," said Bosso, who

refused to elaborate.

The new auto center, if it comes to pass, will likely cover about 17 acres. In addition to leasing the 14-acre drive-in, the dealers will also most likely develop an adjoining 3.82 acres, which they acquired from an estate last September for \$1.8 million.