

Auto dealers poised to move out of city

By STEVE SHENDER
and DONALD MILLER
Sentinel staff writers

7-20-88

"It's getting more secure every day," said Forbus, "but it's still precarious."

Forbus said the county is vying with the city to see who can offer the car salesmen the best deal. He indicated that the county will likely try to arrange low-interest, tax-exempt financing to make the drive-in deal attractive to the dealerships.

"The car dealers are shopping us; they need us — they need us bad," Forbus said. "They ran this by me a long time ago."

If the dealers do leave Santa Cruz, the city stands to lose as much as \$1 million

annually in sales-tax revenues, according to the city's finance director.

City Manager Richard Wilson said Tuesday the city has done all it can to keep the auto dealers.

Santa Cruz has spent \$70,000 in an effort to lure the auto dealers to a proposed River Street site, he said.

"We have done and are doing all that can be done — it's an economic decision for the dealers," said Wilson.

Forbus said Tuesday that if the county gets the dealerships, "It could take up the

Wingspread slack."

According to county officials, the county lost a potential \$1 million annually in revenues when voters overwhelmingly rejected Palo Alto developer Ryland Kelley's controversial Wingspread Beach hotel, conference center, and performing arts complex in June.

Forbus said North Bay Ford, the Santa Cruz Motors BMW and Mazda dealership, Santa Cruz Nissan-Dodge, Toyota of Santa Cruz and Acura of Santa Cruz will all

move to the drive-in site "if the thing goes."

The owners of the Skyview Drive-In, Marvin and Evelyn Martins, have signed an option agreement to lease the site to a group called "Soquel Drive Investors," according to documents on file at the county Recorder's Office. Under the option agreement, which was signed in May and recorded July 1, the group would be able to buy the property, if it chose.

Please see AUTOS — A14

Autos/ Drive-in deal close

Continued from Page A1

The documents on file at the county do not reveal the identities of the group's investors. The group, which is identified in county documents as a "California corporation," is not currently registered with the state.

Santa Cruz attorney Bob Bosso signed the option agreement for the group.

Lee Courtright, owner of the Nissan/Dodge dealership and a co-owner of the Toyota dealership, said he could not comment on reports that the Santa Cruz auto dealers were close to completing a deal for the drive-in property.

Courtright also is a co-owner of a Volkswagen dealership in Santa Cruz. He said last year that if the River Street auto plaza ever was realized, the Volkswagen dealership would eventually move there.

The Skyview property — which doubles as the site of a popular weekend flea market — is currently zoned for residential development, according to county planning officials.

A change in the county's General Plan would be required before the auto dealers could move there. Forbus said Tuesday that that should present no obstacle.

"With that much money involved, if we do it right, we can get a General Plan change," he said.

If Santa Cruz loses five more auto dealers, city officials have warned, the city will face serious financial difficulties in coming years. The city, which was forced to raise taxes and raid road-improvement funds to balance this year's budget, lost three dealerships to Capitola two years ago. That loss has cost the city an estimated \$300,000 a year in sales tax revenues.