

Car dealers await word on dealership proposal

Auto agency-condo plan under city scrutiny

By BOB SMITH

Three Santa Cruz auto dealerships are poised to move to Capitola if they can meet the city's environmental and land use criteria.

The Capitola City Council, sitting as the city's Redevelopment Agency board of directors last week, approved the idea of allowing the construction of three auto dealership complexes and 47 townhouse-style condominiums in six buildings on 10 acres of vacant land on the south side of the freeway between 41st Avenue and Wharf Road.

The proposal still has to be submitted to the city Architectural and Review Committee and city Planning Commission for environmental, land use and building design review.

Developer Gary Reece of Dapont Construction identified the dealerships involved in the move as Marina Cadillac-Pontiac-Buick, Santa Cruz British & Subaru, and Porsche-Audi and Isuzu of Santa Cruz.

Together, the three agencies would occupy about 6.5 acres of the 10-acre parcel.

Marina would cover 113,634 square feet, Santa Cruz Porsche-Audi-Isuzu — 84,375 square feet, and Santa Cruz British-Subaru — 66,137 square feet.

The remainder — at the Wharf Road end of the lot — would be utilized by condominiums.

"The dealers (two of whom were in the audience) are anxious to finalize the deal,"

Reece told the council.

Mayor Michael Routh said the city had been approached earlier by still another Santa Cruz dealer — later identified as Steve Bergstrom, the Mercedes, Honda and Toyota dealer — with the idea of developing all 10 acres as a car sales area.

The City Council was receptive to the idea after discussing the matter privately with Bergstrom but the plan fell through, Routh said, when Bergstrom couldn't get an option on the land.

Reece received a surprise when a majority of the City Council told him they wanted high quality, expensive townhouses built on the property and the density cut from the proposed 47 to approximately 35.

The only dissenter was Councilwoman Stephanie Harlan, who wanted "affordable housing."

Councilman Bob Bucher, a building contractor, bluntly told her that would be "junk."

"This is one of the last nice areas in the city," Bucher said. "If we are going to have a place for the rich people, let's make it nice."

Bucher said, "38th Avenue (referring to a city-owned parcel between Capitola Road and Brommer Avenue) is a prime site for low and moderate income housing. Live Oak is full of it and we can stick it in there."

City Manager Steve Burrell told the council that, as the Redevelopment Agency board,

they had to consider two or perhaps three issues before approving Reece's proposal.

The first, and the most important for the Redevelopment Agency, was whether or not the project would generate enough property tax revenue to pay its share of the Redevelopment Agency budget.

The Agency's projects are predicated, Burrell said, on raising property tax values by \$25 million. "This project certainly meets its expectations," Burrell said.

The second issue, Burrell said, is whether or not the proposal is compatible with the agency's land use plans. It is, he added, although Assistant City Planner Susan Tupper added that Reece's proposal for 47 units is at the top end of the allowable 10-15 units per acre.

The third point is aesthetics — do the directors like the plan.

Generally, the council decided they did, although Harlan said she wanted "adequate buffering" between residential and business areas.

She also was concerned about traffic from the condominiums exiting onto Wharf Road.

Reece's preliminary site drawing shows the auto dealership traffic entering and exiting onto 41st Avenue from a frontage road that runs in front of Straw Hat Pizza.

Condominium traffic would be routed onto Wharf Road. There is no road connection between the dealerships and the condominiums.