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Auto Plaza expansions before council tonight

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A proposal to build three new automobile dealership showrooms at the Capitola Auto Plaza will come before the City Council at a meeting tonight.

Auto dealer Steve Bergstrom has submitted an application to the city to build two new showrooms on the remaining vacant parcel at the four-parcel Auto Plaza and to remodel an existing dealership building — the Porsche-Audi-Isuzu-Daihatsu dealership.

Bergstrom's application has fueled speculation that he has made arrangements with the longtime owner of the Porsche-Audi dealership, Sal Puglisi, to buy him out.

However, Puglisi would not comment on whether the speculation was, in fact, correct.

Bergstrom could not be reached for comment.

But Capitola Planning Director Susan Tupper wrote in a memo to the council that two parcels at the Auto Plaza — the Porsche-Audi parcel and the vacant parcel which Bergstrom has owned for a number of

years — “are now in one ownership.”

She added in a telephone interview this morning that Bergstrom's ownership of the Porsche-Audi dealerships is not definite.

“In the city, we require an applicant to have ownership or an option to buy in order to make an application,” she said. “As far as I know, (Bergstrom and Puglisi) have made some sort of an arrangement — probably an option to buy it.”

The changes Bergstrom has proposed for the Porsche-Audi facility include adding a second-story office, enclosing the open-air showroom area and construction of a 5,515-square-foot showroom and four new service bays.

For the vacant parcel, Bergstrom has proposed building two new showrooms for a total of 7,654 square feet and 26 service bays.

No information was available as to which dealership Bergstrom would move into the vacant parcel area. Bergstrom owns the Honda and Mercedes-Benz dealerships as well as the recently purchased Acura of Santa Cruz dealership, all of

which are located within the city limits of Santa Cruz.

The Acura dealership is on Center Street near downtown Santa Cruz and the Mercedes and Honda dealerships are on Soquel Avenue near the Soquel/Morrissey intersection.

If Bergstrom was to move out one or more of his three dealerships from Santa Cruz to Capitola, it would mean another blow to the financially strapped city of Santa Cruz. Auto dealerships are lucrative for local governments because they create a good deal of revenue through sales tax.

Already, Santa Cruz has lost a number of dealerships to the city of Capitola. Santa Cruz is now working to put together an auto plaza of its own at the intersection of Highway 1 and River Street. That project, though, would be a number of years off even if it does go through.

Tupper said she has heard no information on what the dealerships would be on Bergstrom's vacant parcel.

The Capitola City Council will meet tonight at 7 p.m. at City Hall.