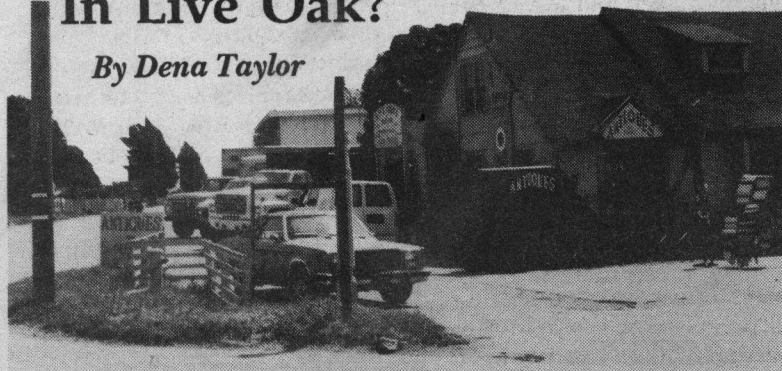


# Will There Be An Auto Plaza In Live Oak?

By Dena Taylor



Proposed site of Live Oak auto plaza.

**F**ive auto dealers are looking for a place in Santa Cruz County to construct an auto plaza for their businesses. According to dealer Don Starr, the dealers tried to put together a deal on River Street about 20 years ago, and again about 7 years ago. Then the Flea Market deal was attempted, but that was very unpopular with people in the area. Now the dealers—Santa Cruz Motors, Toyota of Santa Cruz, Ocean Chevrolet, North Bay Ford and Santa Cruz Nissan—Dodge—have signed a “letter of intent” with the County Redevelopment Agency to co-purchase nearly 21 acres along frontage road in Live

Oak between Mattison Lane and Chanticleer Avenue.

Auto dealer Don Starr recently said to a crowded room at the Live Oak Senior Center that he’s glad to be “in at the beginning” this time, so the dealers can explain their intentions. He told the audience the dealers plan to landscape the area and he also reminded them that the businesses would create employment. “We want to be good neighbors,” he said, “and I mean that from the bottom of my heart. We’re really not as bad as some people say we are.”

Some of those people are Scotts Valley City officials, who believed the auto dealers were going to purchase land

at the old Santa’s Village site for an auto plaza. Scotts Valley officials say that not only did the auto dealers back out of their contract, but that they will sue the dealers for breach, conspiracy and fraud. The dealers say it wasn’t their fault about what happened in Scotts Valley; they came to an impasse with that City. The dealers maintain they have never backed out of any deal, that Scotts Valley violated the agreement they had. And now the auto dealers are saying they plan to sue the city of Scotts Valley to get back their \$240,000 deposit, and that their reputation in the community had been damaged.

With the new proposed deal in Live Oak, the dealers would put up over \$8.9 million, and the County Redevelopment Agency would put up \$9 million. This money would be used to buy and prepare the land for development. The construction, which would not begin for at least a year, would be financed by the dealers.

The Redevelopment Agency was created in 1987 for the benefit of unincorporated areas which are lacking in services such as parks, sidewalks, and drains. The Redevelopment Agency takes property tax money from

project areas (in this case, Live Oak), then puts the money back into that area. This money takes away from the County General Fund, and in fact the County has the right to “close down” the Redevelopment Agency if the General Fund becomes too depleted.

The Redevelopment Agency would get \$27 million out of this proposal, and this money would come back into Live Oak. “There is no other money besides Redevelopment money” for improvements in Live Oak, said Supervisor Jan Beautz.

The Redevelopment Agency and the auto dealers will attempt to negotiate a Final Disposition and Development Agreement by the end of April. This would be followed by an Environmental Impact Report, and then negotiations with property owners.

Supervisor Beautz says this is not a “done deal.” “So far it is just a letter of intent,” she maintains.

Beautz’ concerns are how this proposal will affect the money that is available to Live Oak, and also how it will affect the neighborhood.

Auto dealerships are supposedly “good investments” in that they generate taxes

but not too much traffic, and there’s the feeling that this may be better than what could happen in the future in this area.

According to Tom Burns, Director of the Redevelopment Agency, this proposal with the auto dealers would mean \$20 million for capital improvements. Of course, he said, “the public will be involved in prioritizing these projects.”

Beautz stressed that it is “important to come to the public early,” and make this different from the unpopular “Flea Market deal.” She has always maintained that she wanted to do public outreach to see how people feel.

Beautz said that she has had two meetings with the people who live in the area being considered for the auto plaza. She says that “the two major property owners have indicated they’re ready for a change.” The two biggest property owners are the Seigles and the Nighs.

Jake Seigle has stated he was upset because he hadn’t been notified of the possible sale of his property. “My family has been here since the turn of the century,” he said, “and I feel that we’re being railroaded.” Seigle

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said he isn’t opposed to what’s happening, but he wants “to be sure the process is right.”

“We certainly do not want to take anyone’s property,” said Beautz. “There’s no intent to make anyone take anything less than they deserve.”

It seems that if the price is right, property owners will sell, but the term “eminent domain” falls heavily on wary property owners’ ears. This means that the County can force owners to sell their property under certain conditions.

When asked to explain

“eminent domain,” Tom Burns from the Redevelopment Agency said, “Hopefully we won’t even need to be discussing eminent domain.” If it did come to that, however, the Redevelopment Agency would pay for businesses to be relocated, and for losses due to the relocation. Also, boundaries can be adjusted if some property owners don’t want to sell.

Lawrence Frommhagen of Soquel commented on the possible illegality of the County’s involvement in the proposed Live Oak auto plaza at a recent Board of Super-

visors meeting. Frommhagen told the Board, “If you wish to go forward with the project, you must first proclaim that the area is blighted. You may say it’s ugly, but it’s not blighted.” He also told the Board, “You can’t do it just to snare increased tax benefits.” Frommhagen said he is prepared to bring forward a taxpayers’ action to oppose the County partnership with the auto dealers in buying the land in Live Oak.

What further action will be taken by the County, the auto dealers, or the citizens of Live Oak remains to be seen. □