

Capitola car wars continue

By KEITH MURAOKA
Sentinel Staff Writer

QUESTION: When is a proposed development too small?

ANSWER: When it's auto dealer Steve Bergstrom's proposed auto brokerage business at Capitola's new Auto Plaza.

CAPITOLA — The City Council has refused to intervene in a controversy between auto dealers and an auto broker over who will sell what at the soon-to-open Auto Plaza near 41st Avenue.

However, council members do find themselves in the unique position of possibly asking auto broker Steve Bergstrom to *increase* the size of his proposed building because — as the three other auto dealers in the Plaza maintain — Bergstrom's proposed building is too small and is not "aesthetically pleasing" compared to the adjacent larger dealerships.

Council members Thursday night deadlocked 2-2 on whether or not to reconsider Bergstrom's proposal based on aesthetics. Mayor Michael Routh, who was absent, will be asked to break the tie on March 27.

Still — in the back of everybody's minds — is the burning dispute over Bergstrom's vow to enter into direct

Please see back of section

Car wars

Continued from Page A1

competition with the three dealerships.

The dealerships — Marina Pontiac-Cadillac-Buick, Santa Cruz Porsche-Audi-Isuzu and Roy Baldwin Oldsmobile-AMC-Jeep — expect to open at the Plaza, located adjacent to Highway 1 at 41st Avenue, next month. Bergstrom says he hopes to have his business operating by summer.

Bergstrom has already vowed to go into direct competition with the three dealerships, saying he will limit his sales to those makes and models his neighbors sell.

An auto brokerage business is different from an auto dealership in that vehicles are purchased wholesale from the factory and sold directly to the buyer, eliminating the middle men like car salesmen.

Robert Williams, attorney for Plaza dealers Richard Stengl, Sal Puglisi and Roy Baldwin, conceded after the meeting that while their current argument was based on aesthetics, it was economics behind the big picture.

"Bergstrom's brokerage operation in the midst of those dealerships is exactly contrary to what was planned and the expectations of my clients," he told The Sentinel.

"Maybe, it all comes down to economics."

Bergstrom said later that the aesthetic question merely amounted to sour grapes, saying it was "just a tactic to slow us down from getting into the business."

Council members unanimously refused to intervene in the use question — brokerage business versus auto dealerships — concurring with a ruling by City Attorney Richard Manning that the conflict should be resolved among the lot owners themselves or through court proceedings.

Williams said later that taking Bergstrom to court is "likely" if his clients do not gain a compromise. He unveiled a private agreement between his clients and the former owner of Bergstrom's parcel that limited the operation to auto dealerships, and not a brokerage house. Bergstrom has said he is not bound by that agreement.

Bergstrom's planned building, amounting to a showroom only, would be 4,500 square feet, compared to the 20,000 square foot buildings (including parts and service departments) of the dealerships.

Williams argued that the smaller facility "completely guts" the Plaza project. "It warps the entire project, architecturally speaking," he said.

Vice Mayor Bob Bucher and Councilman Dennis Beltram agreed that

the council should reconsider the issue, based on the size of Bergstrom's proposed building. Council members Stephanie Harlan and Jerry Clarke were against.

At one point, Beltram compared it to a cluster of restaurants. "It's as if we had approved restaurants, then one parcel is sold and a hot dog stand comes in," he said. Clarke replied, "I don't think it's really a comparison between restaurants and hot dog stands as much as it's a matter of style."

Harlan questioned why a smaller building still couldn't fit in with the rest of the Plaza. "Just because it's small doesn't mean it's bad," she said.

Harlan also questioned whether the council could dictate to Bergstrom to build a larger building than he wants.

"You can't tell a resident to build a larger house because the one he is proposing doesn't fit in with the character of the neighborhood," she said.

"Yes, you can," replied Bucher.

The March 27 meeting will begin at 7 p.m. in the council chamber. If Mayor Routh decides not to intervene in the aesthetics question, Bergstrom's proposal is expected to return to the council shortly for final design approval.