

Fremont OKs big auto mall, rejects homes

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FREMONT — Local car dealers received a long-awaited green light Tuesday night to begin work on one of the largest collections of automobile showrooms in the state — one that will pump \$3.3 million into city coffers each year.

The city council voted 3-2 to rezone 88 acres for an auto mall, but rejected landowner Santa Fe Pacific Realty's plan to build 2,345 houses, a lake, a school, and a sports complex on the vast industrial property west of Interstate 880 and south of Durham Road.

"As far as the auto mall is concerned, we are committed to moving ahead with it as rapidly as possible," said Bruce Rupp, formerly a city consultant on the auto mall who now represents the auto dealers in their negotiations with Santa Fe.

"The dealers want to go," he added.

Rupp said some of the 23 auto dealers have already made commitments to their manufacturers to relocate.

Santa Fe spokeswoman Susan Saltzer said construction will begin on streets, sewers, and utilities by May. Rupp said he is optimistic that buildable lots will be available to auto dealers by November.

Bill Jones, project manager for Santa Fe, said the sale of the land — which Mayor Gus Morrison said was the most expensive in Bay Area in the last five years — is expected to be completed by late-1989.

Because the auto mall land is \$5 million more expensive in the absence of subdivisions, the dealers have asked the city for financial assistance in purchasing the land from Santa Fe. Assistant City Manager Roger Anderman reported "good progress" in talks among the city, auto dealers, Santa Fe, and city financial consultants.

Car sales already comprise a large chunk of the city sales tax base. But dealers who relocate to auto malls typically enjoy more success because of the "synergy" produced by a mall, according to an August 1988 report by Economic and Planning Systems of Berkeley. In one California city, the increase in sales reached 300 percent.

The dealers who intend to move to the auto mall were expected to sell \$219 million worth of cars last year, the study showed.

If the auto mall is not built, many Fremont officials worry that car dealers will relocate to other towns — such as Milpitas — where auto malls are now in the works. A Milpitas auto mall would also create potentially lethal competition for existing dealers.

Tuesday's action was a reaffirmation of the council's 3-2 vote on March 7 and marked the end of a 13-month tug-of-war between Fremont and Santa Fe over the appropriateness of houses in the city's industrial heartland.