

Financing slows auto-mall talks

By Rex Bowman
Staff writer

FREMONT — Negotiations between Santa Fe Pacific Realty and nine Centerville auto dealers who want to move into an auto mall in southern Fremont have bogged down.

Although both sides earlier had said an agreement was possible sometime in December, it appears now the two sides will not reach an agreement until next year.

"The deal is big, and it's complex, and there's a lot of pushing and grinding between different entities," Santa Fe spokeswoman Susan Saltzer said. "There are a number of adaptations that we've had to make as a result of changing circumstances of the auto dealers, which means we won't make the December date."

Santa Fe owns 88 acres south of Durham Road and west of Interstate 880. The auto dealers want the land to be the site of their proposed auto mall. Santa Fe is asking \$26.5 million for the land.

Dealers won't talk about negotiations, but Saltzer said the sticking point concerns financing. The lending institution the dealers are talking to wants the dealers to secure individual loans, but the dealers want to secure a group loan, Saltzer said. The im-

passe has slowed discussions between Santa Fe and the dealers.

No one says the deal is in danger of falling through. And officials in surrounding cities said the dealers haven't approached them yet about moving outside of Fremont.

One of the dealers, Hank Pierotti of Pierotti Fremont Volvo-Nissan-Hyundai, said stalled negotiations represent only a minor delay, and he expects the sides to reach agreement soon. Pierotti has leased the building that housed his Nissan dealership in anticipation of closing the deal.

But Saltzer said Santa Fe is no longer trying to guess what month the deal will be closed. The target date now, she said, is "as early in 1990 as possible."

Pierotti, meanwhile, said the dealers are using their time trying to encourage other dealers to join the mall project. The group is looking for Cadillac and Saturn dealers, he said.

The complex arrangement to create the auto mall also involves the city, which hopes to make about \$1.6 million a year in sales-tax revenues.

When Santa Fe and the dealers finally come to terms, the dealers will sign a partnership agreement among themselves.