

Jump start at Auto Mall

■ City urges developer to sweeten incentives for dealers 9/30/92

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FREMONT — Responding to a proposal to get the stalled Fremont Auto Mall off the starting block, the City Council told the developer Tuesday night to give the car dealers a push start.

The incentive package unveiled by Catellus Development Corp. earlier this week needs to be sweetened so that dealers can afford to open in the auto mall in tough economic times, the council said. And it needs to be done soon, the council added.

'Starting anew'

"We're starting anew here tonight," said Mayor Bill Ball. "I want a successful auto mall."

After hearing the council's comments, representatives of Catellus and the Auto Mall Partnership agreed to work on finding a way to get the project moving after months of setbacks.

The first blow came in June, when the only dealer at the mall, Pierotti Motors, closed its doors. Now nobody is selling cars off Auto Mall Parkway, on the flats west of Interstate 880.

Catellus offers plan

But two other dealers are building new showrooms at the mall, and Tuesday's action was spurred by a Catellus proposal to get them some company. The proposal was introduced Tuesday at a special council meeting.

Catellus originally sold 45 of the 88 acres at the mall to various auto dealers and now wants them to open for business at a time when many car merchants are pinched by the recession.

In the proposal, Catellus offered to change the focus of its incentive plan from attracting new dealers down the road to making

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things easier on merchants who move to the mall soonest.

The new plan called for Catellus to sell another 16 acres to new car dealers and give 40 percent of the proceeds to dealers who are in the mall when the sales are made. Another 40 percent would be set aside for the dealers in another fund. Catellus would keep only 20 percent of the sale.

In exchange, Catellus would be released from an obligation to pay the city \$600,000 a year for ten years. That money was intended to entice domestic car dealers who are not yet committed to moving.

The council welcomed a switch in the incentive program, but seemed to reject the specifics. Council member John Dutra argued that Catellus must do more. "The current incentives don't work," said Dutra. "Money's got to be pumped in, and pumped in early."

The council asked Catellus to involve the dealers in a search for

a solution, as some of the dealers who appeared at Tuesday's meeting requested.

Dutra added that a successful auto mall will benefit the dealers, Catellus and the city. The dealers will have increased sales if the project works, the surrounding land owned by Catellus will increase in value, and Fremont will get more sales tax from one of its biggest revenue sources, he said.

Liz Calhoun, general manager of the Auto Mall Partnership, and John Greer, a Catellus representative, said afterward that they will pursue a new incentive deal.