

Car dealers looking at East Palo Alto as site for 'auto mall'

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East Palo Alto could be an ideal site for south San Mateo County's first auto mall, according to a Menlo Park auto dealer.

John Anderson of Anderson Chevrolet has suggested the idea of 20-to 40-acre cluster of automobile dealerships to the East Palo Alto City Council, which directed staff to study the proposal.

In a letter to the council, Anderson and Gerald McGowin of Tallac Properties, Palo Alto, declared, "it is our goal to enter into negotia-

tions with you for the exclusive right to develop such a project."

Vice Mayor Warnell Coats said the auto mall proposal is just one of a number that are surfacing.

The city's Redevelopment Agency will begin looking at the proposal, City Planner Don Fleming said. The area proposed for the auto mall may be integrated with the University Circle redevelopment area.

Anderson refused to comment on the proposal. However, in the letter to the City Council, he and McGowin noted the most desirable location is in the vicinity of the

Bayshore Freeway interchange and East Bayshore Road.

The site would afford maximum visibility from the Bayshore Freeway, the letter stated. The exact location would depend on a number of factors, including how the existing interchange is reconfigured as part of De Monet Industries's proposed University Centre redevelopment project.

Fleming said the proposed area is the site of the now-demolished Casa Palo Motel. It also includes apartment houses along East Bayshore Road.

The letter indicated a site of at

least 20 acres to 40 acres is contemplated, "with the size ultimately to be decided based on availability and shape of the eventual site, costs, traffic patterns and other factors."

The letter emphasized plans for the auto center are currently in a formative stage and would be revised after discussions with the city.

The project could significantly increase sales tax revenue to East Palo Alto, the letter emphasized. Currently, on a smaller site, Anderson's dealerships produce more than \$800,000 a year in sales taxes.

With the Bayshore Freeway exposure, "this amount will dramatically increase," the letter stated. The proposed project also would increase real estate property taxes and would provide an attractive entrance to the city.

Anderson, who has the franchises for Chevrolet, Isuzu and Yugo cars, does not presently have adequate space in his existing location and doesn't have room to expand, the letter explained. Therefore, "he is motivated to relocate at the earliest possible time and is eager to begin the process."

Anderson and McGowin stressed

they were not developers in the usual sense but instead plan to earn their profits by selling cars. If a deal is reached, they would proceed immediately to build facilities and operate them.

In addition, Anderson wants other dealers to join with him in building facilities on the site.

"We would work closely with the city to increase the size of the project and the number of dealers," the letter stated.

"We have already entered into discussions with other dealers who have expressed preliminary interest," it continued.

