

Kinzlis *Green belt* foreclose on auto dealers Arana Gulch land

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SANTA CRUZ — The Kinzli family has foreclosed on a trio of car dealers that paid \$3.2 million for the family's 62-acre Arana Gulch property, a key parcel in the long-running battle over greenbelt lands around Santa Cruz.

The family sold the land bordered by Agnes Street and the upper portion of the Santa Cruz Small Craft Harbor in December 1986 to the Santa Cruz Auto Plaza partnership. Charles Canfield and Lee Courtright, owners of several auto agencies under the Santa Cruz name, and Bill Winterhalder, co-owner of North Bay Ford, wanted to develop a retail auto center on about half the land.

The auto plaza partnership defaulted on a loan from the family and owes more than \$3.4 million, according to notices of default filed with the county. A trustee sale is scheduled for May 17. Unless there are other bidders for the currently undevelopable land and unless the partnership negotiates a deal, the family will take title.

"We still have the property," Lee Courtright said Tuesday. But the partnership can't do anything with it other than run cattle. "The city cost us a tremendous amount of money," he said.

The property is among the 400 acres the city would like to buy as part of a greenbelt to ring Santa Cruz.

News of the foreclosure Tuesday didn't alter the city's interest. "We'd still be interested in the property," said city Parks and Recreation Director Jim Lang. "I would hope (the foreclosure) wouldn't change anything."

Margaret Kinzli, who obtained

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the land in 1925, and her three children fought and ultimately lost a six-year legal fight for compensation after the Measure O initiative in 1979 included the property in protected greenbelt lands. No development would be permitted for 10 years under the measure.

The legal battle went all the way to the U.S. Supreme Court, which declined to hear the case. The family sued for \$22 million in 1983, arguing the city illegally took the land by preventing its full use.

A federal judge ruled in favor of Santa Cruz after trial that year. The decision wasn't released for nearly two years. On appeal, a federal court sent the case back down, saying the judge had no jurisdiction because the family had never submitted an application for development. The trial judge dis-

missed the case.

Legal fees were high on all sides. Proceeds from the auto dealers' down payment went to the Kinzli's San Francisco lawyer Jess Jackson, who is now a winemaker in Napa with Kendall-Jackson winery.

The Arana Gulch land is the remaining portion of Kinzli lands on the Eastside that once included property where Harbor High School and Capitola Road extension are. The city acquired another two acres by eminent domain for the right of way for a Broadway-Brommer Street connection that has never been built.

The family also owns property on the Westside off Western Drive that falls within the greenbelt.

The greenbelt initiative was extended for two years after the Oct. 17, 1989 earthquake.