

Wingspread

Porter-Sesnon property 'deal' alleged, denied

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SANTA CRUZ — Second District supervisorial candidate Dave Tunno charged Friday that his opponent, Supervisor Robley Levy, is party to a deal calling for the state to buy part of the Porter-Sesnon property, while developer Ryland Kelley builds a hotel-conference center on the rest of it.

Tunno suggested that Levy, state Sen. Henry Mello, D-Watsonville, and state parks officials have become partners in a conspiracy of silence to keep the plan under wraps until after the Nov. 8 election.

Mello, Levy, Kelley and a top parks official all said Friday that there is no such plan. And Levy blasted Tunno for making "false and despicable" charges.

"There's absolutely no truth to the story," she said. "He's trying to manufacture a campaign issue out of nothing."

Levy's support for Kelley's proposed Wingspread Beach hotel, conference center and performing arts complex at Porter-Sesnon is generally blamed for the two-term incumbent's failure to win outright re-election this spring. Levy missed a majority by a few hundred votes in the four-way primary race.

Kelley's ambitious development plans were shredded in the same election, when voters rejected the Wingspread project by a near 2-1 margin. After the election, Levy said she would not support any further proposals for private development of the 66-acre Porter-Sesnon property. She said the property should be turned into a state or county park.

The Aptos supervisor repeated her opposition to private development of Porter-Sesnon Friday. "It is very clear to me that the people of Santa Cruz County have totally rejected a project on this site," she said, "and I support public acquisition of this property for public use. That's what the people want."

Tunno said Friday that his charges about a secret development plan were based on conversations with Deputy State Parks Director "Les McCargle" and First District Supervisor Dan Forbus, and on a discussion he had overheard between Levy and state Sen. Henry Mello. Tunno said Forbus had told him that Mello and Levy both knew about the deal, and he said he had overheard the supervisor and the senator talking about it.

The state parks official, whose last name is actually McCargo, said he hadn't indicated to Tunno that any deal of the kind Tunno outlined was under consideration in Sacramento. Forbus said he had no knowledge of the plan Tunno was talking about and said he had never told Tunno that Mello and Levy knew about it. Levy and Mello both suggested that Tunno had misunderstood their conversation.

Kelley said simply: "I have no knowledge of such a deal; I haven't considered it."

The state currently has \$3.7 million in park bond

funds set aside to buy Kelley's 99-year lease on the Porter-Sesnon property, which is actually owned by the University of California. Kelley, who paid \$1.75 million for the lease in 1978, has said it is now worth at least \$10 million. Both Kelley and the state are currently getting new appraisals on the property.

Tunno said that McCargo had told him that he "doubted very seriously" that the state would be able to meet Kelley's price. He said McCargo had also told him that parks officials and Kelley's representatives had discussed the possibility of the state buying the "Widera property," a six-acre parcel which is owned by Kelley and which abuts both Porter-Sesnon and New Brighton Beach State Park. Tunno said McCargo had told him there was some "discussion" of the possibility that Kelley might retain the Porter-Sesnon land and develop a 130-unit hotel there. He said McCargo had said that Kelley's hotel project was still "viable" — quote; unquote.

Tunno said he asked McCargo if there was also a discussion about delaying the deal until after the election.

"He said, 'It could have been (discussed), and if it was, it was just in peripheral conversation,'" the board candidate recounted Friday.

"I told him we hadn't even talked about the election," McCargo responded Friday, "and if we did, it was totally incidental to the conversation."

"If anything was mentioned about the election, it was so insignificant, I don't even remember," he said.

McCargo said there had been no discussion of a hotel project with Kelley or his representative in Sacramento, lobbyist Bill Yeates. He said discussions had been limited to the issue of whether the state would be able to come up with enough money to buy Kelley's lease.

The parks official said he had told Tunno that, in the end, the state might buy only the Widera property "for state park purposes," leaving the Porter-Sesnon lease in Kelley's hands.

"But my follow-up was that I told Mr. Kelley that I didn't think that would work," said McCargo, who said that in his view, Kelley would not be able to build a hotel at Porter-Sesnon if he gave up the Widera land.

"I hope somebody's not reading (a deal) into it," McCargo said. "That's not the discussion at all."

Tunno said that Forbus had told him during a conversation at the County Fair Tuesday that Mello and Levy knew about a deal between Kelley and the Parks Department.

Forbus said Friday that he hadn't even heard any rumors about the deal until Thursday.

"We didn't talk about that plan at the fair," Forbus said. "What we talked about was that the Legislature adjourned without putting more ... money (to buy Porter-Sesnon) in the kitty."

"There's no way I would have said there's been a deal cut, because I don't know anything about there

being a deal.

"We miscommunicated," said Forbus.

Tunno said he heard Levy and Mello talking about the Porter-Sesnon deal at the fair the same day he encountered Forbus there. He said he was "six feet away" at the time.

"I was there at the fair sitting down at a table," Mello said. "Tunno came by and sat there for a while. Robley was there." Mello, who had assessed chances of finding enough money to buy Kelley's lease during a presentation to the Board of Supervisors earlier in the day, said he and Levy had not discussed any deal between Kelley and the Parks Department. "I don't recall telling her anything that wasn't said at the whole board," the senator said.

"There's a lot of implications here that really have no basis in fact."

Friday marked Tunno's second attempt in five weeks to suggest that Levy is backing a secret plan to develop Porter-Sesnon. Tunno, who backed Kelley's Wingspread development in 1984, but refused to take a stand on the voter referendum on the project this

Porter-Sesnon meeting Oct. 4

SANTA CRUZ — Prospects for state acquisition of the 66-acre Porter-Sesnon property in Aptos will be discussed next month at a meeting between state parks officials and Palo Alto developer Ryland Kelley, state Sen. Henry Mello said Friday.

Mello is to preside over the meeting, tentatively set for Oct. 4 in Sacramento. The Watsonville Democrat said the session will be open to the public.

spring, vowed to get to the bottom of it.

"I've suspicioned about this for a month," he said. "I've got friends at the state who are looking into the whole matter."

"If this is going on," Tunno asked, "why isn't the whole story told?"

"I'm a believer in being open, and I intend to pursue this."