

# Not interested in state purchase of Wingspread land, Kelley says

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SANTA CRUZ — Wingspread developer Ryland Kelley said Tuesday that he has no intention of selling to the state any portion of the 72 acres of land he leases and owns next to New Brighton Beach State Park in Aptos.

He said he had taken "no interest" in a state bill passed last week authorizing the state to purchase both Kelley's lease on the 66-acre Porter-Sesnon parcel and an adjoining six acres — known as the Widera property — owned by Kelley and his brother.

"I couldn't give a good God damn

whether it passed or not," Kelley said.

The developer recently complied with a series of county conditions for final approval of the Wingspread project. He also offered to give the property to the county in exchange for approval of his hotel/conference center-performing arts project.

Late last week, attention centered in the state Legislature over the state bill, but Kelley said Tuesday he's had no discussions with state parks officials about selling the land.

State Parks and Recreation officials, meanwhile, indicated that

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they have no interest in purchasing the Porter-Sesnon and Widera properties from Kelley unless they can acquire the entire Porter-Sesnon parcel.

And Aptos Supervisor Robley Levy, who cast a key vote for "conceptual approval" of the Wingspread development last March, said that if Kelley and the state should cut a deal substantially altering the project, she would have to reconsider her vote.

The comments from Kelley, parks officials and Levy came in response to allegations last week by Sacramento columnist Dan Walters that a bill pushed through the Legislature by state Sen. Henry Mello, D-Watsonville, had been a thinly disguised set-up for a "terrific deal" for the Palo Alto developer.

The Parks Department has stood ready to purchase Kelley's 99-year lease on the Porter-Sesnon property since 1982, when, at Mello's urging, \$4 million in state park bond money was set aside for that purpose by the Legislature.

Last year, Kelley offered to sell the lease and the adjoining Widera parcel to the state for \$5.5 million. Kelley had leased the property from the University of California in 1979 for \$1.75 million, and he and his brother William had purchased the Widera property in 1981 for \$430,000.

The developer proposed that the state lease the properties back to him under a concession arrangement which would allow Kelley to go ahead with a hotel-performing arts complex. To make up the difference between his \$5.5 million asking price and the \$4 million the state had on hand, Kelley offered to write off \$800,000 as a "pre-payment" on his lease-back and defer for three years the state's purchase of the Widera property — which he priced at \$800,000.

The offer was rejected by parks officials last October. Officials said then that they were not interested in purchasing the Porter-Sesnon property in order to turn it into the site of a hotel-performing arts facility.

At the time, the park bond funds could not be used for anything other than purchase of the entire 66-acre Porter-Sesnon property.

Last February, however, Mello introduced legislation authorizing the state to use the money to purchase the Widera parcel as well, provided a portion of the Porter-Sesnon property was purchased first.

Last week, in a syndicated column published in The Sentinel, Walters claimed that Kelley wanted to "transfer ... the unwanted part" of his lease, along with the Widera parcel, to the state. The columnist

claimed that Mello's bill would "dovetail neatly" with Kelley's Wingspread plans by "allowing the state to acquire only that portion of the land that Kelley does not need for his development."

"If the Mello bill goes through and Kelley's offer to the state is implemented," he wrote, "it will be a terrific deal for the developer."

Kelley said Tuesday that he had not spoken with parks officials since they rejected his previous offer last October. He said that no deal is in the works. And he said that he has no land to spare for the state.

"The idea has never occurred to me," said the developer. "We're not interested in selling; I have zip interest in the state."

Kelley called Walters' speculation about an impending deal "preposterous," and said he had taken no interest in Mello's bill when it was pushed through both houses of the Legislature last Saturday.

As approved by the Legislature, the bill authorizes the state to buy the Widera land, provided it first purchases a "majority" of Kelley's Porter-Sesnon leasehold.

Parks officials confirmed Tuesday that Kelley had had no dealings with them concerning Porter-Sesnon since last fall. And they indicated that they were not interested in purchasing only a portion of Kelley's Porter-Sesnon lease.

"We made an offer last year to purchase all of Porter-Sesnon," said spokeswoman Marilyn Olson, "and it was rejected."

"This (Mello) legislation has not altered our position."

Olson said the parks department sees the Widera parcel as an important link between the Porter-Sesnon site and New Brighton Beach State Park. She said the department had remained "neutral" on Mello's bill.

Kelley said Tuesday that if he sold more than half the Porter-Sesnon property and the Widera parcel to the state, it would be physically impossible to build the Wingspread project, as currently planned, on the remaining land.

Aptos Supervisor Levy said that in that event, the project would have to be redesigned and that important "public benefits," such as the three-hall performing arts facility and public athletics fields, would likely be eliminated.

"I would certainly have to take another look at the project," said Levy, who cast the deciding vote when supervisors voted 3-2 to approve Wingspread "in concept" last March. "The balance of benefits for the community was one of the important issues," she said.

"If the project changes, it's a whole new ballgame."