

Bombay property cost will top \$3.9 million

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✓ *Greenbelt*
SANTA CRUZ — A Fresno developer will receive at least \$3.9 million for 246 acres being sold to the city under provisions of the successful Measure G vote on Tuesday, but the final cost remains unsettled.

After a closed council session Thursday, the council and the Fresno firm of Lance-Kashian and Co. agreed to the \$3.9 million figure. That price remains in effect only until Dec. 14, however, and is expected to rise after that because the state won't be able to deliver its promised \$1 million share by then.

"We'll be paying an additional amount," said city attorney John Barisone. "But right now we don't really know what it will be."

By Dec. 14, the city will pay its \$2.9 million share. Additional costs after then will include interest on the unpaid balance of \$1 million, a

11.6.98
portion of the developer's holding costs and some development application costs previously incurred, according to the agreement.

The agreement also states that if the property can't be completely purchased by Dec. 14, the purchase agreement will be extended to a March 31 closing.

Last March the City Council signed an "option agreement" to purchase the 246 acres, known as the Bombay property, near Western Drive.

The idea to purchase the property surfaced earlier this year when the Fresno company, headed by developer Ed Kashian, proposed to build 25 luxury homes surrounded by 200 acres of open space at the site. The council suggested purchasing the property to keep it open park space.

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Even while taxpayers were being asked to finance the purchase through Measure G, Kashian was moving ahead with development plans just in case the bond measure failed.

But voters overwhelmingly said

yes to the greenbelt purchase. Some 76 percent of the voters approved the \$7 million bond, which also provides about \$2.6 million for upgrades to three city fire stations and about \$1.6 million to build a park/athletic field south of Laurel Avenue.

The money from the bond will be supported with the \$1 million se-

cured from the state budget, thanks to the political will of Assemblyman Fred Keeley, D-Boulder Creek, and state Sen. Bruce McPherson, R-Santa Cruz.

Other funding sources for the Bombay purchase include private businesses, organizations and individuals.