

GREENBELT Open space deal

SJMN
July 13, 1994

Santa Cruz to buy Arana land, sell part for housing

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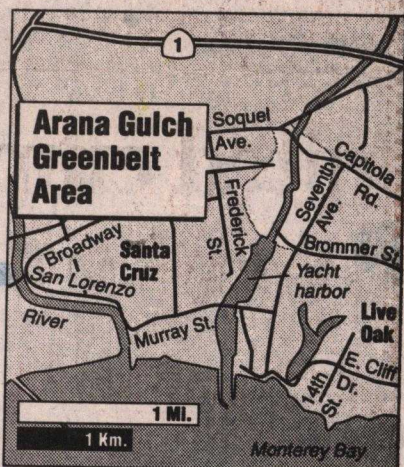
In a milestone for open space preservation in Santa Cruz, the city council on Tuesday announced a deal to purchase the 63-acre Arana Gulch property for public parkland, ending a 15-year battle over the most prominent privately owned greenbelt area left in Santa Cruz.

Mayor Scott Kennedy said the city will buy the scenic land, an oasis of canyons, grassy meadows and oak groves overlooking the Santa Cruz yacht harbor, for \$3.4 million from a partnership of car dealers who have owned it since 1986.

The deal is not without controversy, however. To raise \$2 million toward the purchase, the cash-strapped council decided in closed litigation sessions last week to sell a portion of the land to developers, who could build between 10 and 20 houses along the property's northern border near Mentel Avenue, Kennedy said.

"It was the only way we could conceive of doing it," Kennedy said. "We're not printing our own money."

As recently as 1992, plans were drawn to build 116 houses on the land by Charles Canfield, owner of the Santa Cruz Beach Boardwalk, and two Santa Cruz County car dealers, Lee Courtright and Bob



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Greenbelt battle ends with city purchase

■ ARANA

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Winterhalder, who now own Arana Gulch.

Hampered by Santa Cruz's slow-growth rules, the trio offered to sell the land this spring.

The new park probably will end up featuring at least one sports field for soccer or baseball. The city council will have the final say after Sept. 15, when the city is scheduled to take possession of the land.

City Councilman Louis Rittenhouse called the purchase "a phenomenal opportunity."

Rittenhouse said he would like to see a park developed similar to Harvey West Park on Santa Cruz's north side, so children now hampered by a shortage of public playing fields can have more recreational opportunities.

At least half of the park — about 30 acres — probably will

remain in a natural state, however. The land is located on steep slopes and includes stream corridors and other sensitive natural habitat.

Because of the natural assets, many environmentalists have opposed a development trade-off to buy Arana Gulch.

"I'm very glad that the property is going to be bought," said attorney Celia Scott, a longtime Santa Cruz conservation leader. "I'm disappointed to hear of any development."

With the failure of Proposition 180 last month, a state parks bond measure that would have provided \$4 million to Santa Cruz for greenbelt purchases, the city found itself short of cash.

It was unclear Tuesday exactly how much of Arana Gulch will be developed. Some city officials said the area would be about three acres.

Another point of controversy is

the purchase price.

In May, an independent appraiser said the land was worth \$2.67 million. The city agreed to pay nearly \$800,000 more.

Kennedy and Rittenhouse both noted the appraisal was based on zoning rules that would have allowed only one house for every two acres. Another appraisal set the land value at \$10 million, based on the current zoning, which allows more homes.

"We got a deal," said Rittenhouse.

The tougher zoning rules had not been approved yet by the city council, and some council members worried the city could be sued if it severely limited development on the property — a suit that could cost hundreds of thousands of dollars to defend.

Arana Gulch is no stranger to lawsuits.

After Santa Cruz voters designated the land greenbelt in 1979,

the previous owner, the Kinzli family, filed a \$20 million suit in 1985.

Eventually, the city won in a case that went to the U.S. Supreme Court. The Kinzlis, who had owned the land since the 1920s, sold it to the car dealers for \$3.4 million in 1986. The car dealers defaulted this year, however, and the family was poised to repossess the land.

"The sale is a tremendous load off our shoulders," said Diane Kinzli. "I'm happy to be out of it."

Kinzli said she feels the land is worth \$10 million, but accepted the lower figure to end a long, painful fight with City Hall.

After generating \$2 million from a partial sale of the land, the council plans to raise up to \$1.5 million over 20 years from higher planning fees recently assessed on builders, and \$200,000 offered by the county.