

Hope not yet dead for state purchase of Wingspread land

By BOB SMITH
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Although the controversial Porter-Sesnon property next to New Brighton Beach state park has been taken off the market by its owners, state and county officials continue to talk about a possible state purchase of the property.

Negotiations between the state Department of General Services and Hare, Brewer and Kelley, owners of the property, deadlocked last year when appraisers working for the state and HBK produced separate appraisals showing the property was worth about \$4.5 million in the state's viewpoint and between \$8.5 and \$9.7 million to Hare, Brewer and Kelley.

HBK principal Ryland Kelley informed state officials last summer that the property was off the market. His firm has now submitted a new development plan, called Meadowpark, for the property between the freeway and Monterey Bay, just east of New Brighton Beach.

The new plans, similar to the rejected Wingspread Plan A, call for 197 hotel rooms and a conference center to be built on a comparatively small portion of the property that overlooks Monterey Bay.

The remainder of the property would be open space and the company would donate the beachfront property to the county along with a beach-access trail and public parking lot.

State Sen. Henry Mello, D-Watsonville, said he thought that the state Department of General Services' appraisal of the Porter-Sesnon was considerably undervalued.

Mello said a key element in the state's appraisal was the number of housing units that could be built on the property. The state senator credited county planners with persuading state officials to raise the number from a low of about 130 units up to 197 units. But the value the state appraisers assigned to each of those

units was still too low in Mello's view.

Meeting with members of the Santa Cruz County Board of Supervisors and top county officials yesterday, Mello said the state valued each of those units at \$30,000 — a total of \$5,910,000. But then, he said, the state appraisers cut \$1.5 million from the price, reasoning that Hare, Brewer and Kelley would have to wait two years to realize the return on their investment.

Meanwhile, Kelley had two independent appraisals, complete with comparable sales values, for \$9.5 and \$9.7 million.

"We were \$5 million away from a deal and that is what killed it," Mello said.

Mello had some strong, disparaging comments about the appraisers and the General Services department in general, noting that a bare lot in Watsonville with water and sewer service available costs \$150,000.

"All we need is \$40,000 a unit," Mello said, talking about a new appraisal. That works out to about \$7,880,000 for the property from the state, plus the \$500,000 offered by the county and \$150,000 pledged by the city of Capitola.

Mello said he moved part of the \$4 million appropriated for Porter-Sesnon to a Monterey County purchase after Porter-Sesnon was taken off the market by Kelley.

Could Mello find some more money for the purchase?

It might involve some creative state budgeteering, Mello said, such as "borrowing" some park purchase money from other accounts where it isn't needed right now, and appropriating the money over two budget years.

"But if Kelley would say 'yes' and agree to close the deal within six months, boy, I could sure give it a try," Mello told the county officials.

County Planning Director Dianne Guzman told Mello, "You work on the money; we'll work on Kelley."

REFERENCE

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