

City prepares offer on Arana Gulch

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SANTA CRUZ — City officials are expected Monday to make an offer to buy Arana Gulch, sought for years as a key parcel of a city-planned greenbelt. The property is scheduled for a foreclosure auction the following day.

In more than 14 years of pursuing of the Eastside property, city officials have never put an offer on the table.

City Councilman Mike Rotkin declined to disclose the amount of the offer, which he said will be made contingent upon the passage of Proposition 180, the California Parks and Wildlife Initiative. The initiative, which contains \$4 million to buy greenbelt lands for the city, is on the June 7 ballot.

A master plan for the greenbelt properties, including Arana Gulch, is expected to be completed in July. Bordered by Agnes Street and the upper portion of the Santa Cruz Small Craft Harbor, the Arana Gulch land is among the 375 acres the city would like to buy as an undeveloped border around the city. It is also thought to be the most expensive of the four proposed greenbelt parcels.

Rotkin confirmed that city officials have been negotiating with Charles Canfield, a partner of the Santa Cruz Auto Plaza Partnership, to buy the property. Canfield and partners Lee Courtright and Bill Winterhalder bought the property from the Kinzli family in late 1986. The auto plaza partnership recently defaulted on the loan from the family and owes more than \$3.4 million, according to notices of default filed with the county.

Another \$221,075 in taxes is owed on the three parcels of land, according to county Tax Collector Bill Murphy, who said City Manager Richard Wilson requested the same information earlier this week. If unpaid by July 1995 — five years after the taxes first became delinquent — the property could be sold at public auction, said Murphy.

If a deal is not struck with Canfield and his partners, the city might negotiate with the Kinzli family to pay the tax bill as part of a purchase, said Rotkin.

If the land goes to auction Tuesday, the city could submit a bid.

Ernie Kinzli declined comment on purchase discussions. "I don't want to interfere with negotiations," he said.

His wife, Diane, said the city was seeking to delay the foreclosure three months to see if the state initiative passes. She said the family would agree to the delay if the city agrees to pay

It will cost to develop Greenbelt

SANTA CRUZ — To build trails, a sports field, restrooms, picnic tables and other improvements at four proposed greenbelt properties and the city-owned Pogonip property will cost about \$3 million, according to preliminary cost estimates from the city Parks and Recreation Department.

Purchase of the four parcels would be an estimated \$7 million to \$9 million, and another \$411,500 would be needed annually for operations and maintenance costs, according to the city estimates.

The estimates released this week are based on uses the city's Greenbelt Committee has proposed for the properties if they are purchased by the city.

The city estimates are not based on an appraisal, which is expected to be available in several weeks, according to Kathy Barbaro, city planner.

Of the four parcels the city is interested in buying, the 55-acre Arana Gulch would be the most expensive land to improve, according to the estimates. The \$428,500 total includes a sports field, play area, two picnic areas, trails, a restroom, parking lot,

trash cans and two drinking fountains. Ranger patrols and annual maintenance would cost another \$40,762, according to the estimates.

Bombay, a 246-acre parcel on the city's Westside, would cost \$370,000 for trails, an access road, four walk-in camp sites, picnic sites and six equestrian center corrals. A parking area and four composting toilets would be included.

Adjacent to the Bombay property, the 48.5-acre Kinzli property west of Western Drive, would cost an estimated \$59,219 to improve. The costs include access road improvements, trail improvements and two picnic sites.

The 25-acre Wavecrest site near Harvey West Park near Encinal and Dubois streets would cost \$18,538 for trail improvements, according to the estimates. The improvements at Pogonip would be between \$975,000 and \$1,250,000, depending on whether the city pays to renovate the Pogonip Club at an estimated \$806,000.

The improvements include trails, a habitat reserve, a privately-financed natural history museum and homeless/community garden.

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"certain costs," such as foreclosure fees and some taxes.

If voters approve the initiative, the family would be interested in selling, she said. The land has had a development moratorium on it for the past 14 years, during which time the family has been unable to sell but assumed tremendous liability by trespassers, she said.

"The city has expressed all these years is that they want a greenbelt. All we're saying is we want a fair price," she said.

The Santa Cruz City Council will meet in closed session Monday to discuss a purchase, and will announce after the meeting whether an agreement was reached.

The city's offer is the most recent in a spate of activities regarding the greenbelt properties. An ordinance precluding development of the parcels will expire Dec. 31 and the city must either buy the properties or allow the owners to develop them.

change the zoning on the lands.

The agreement, made in response to a lawsuit by the property owners, said the city would study development possibilities and fair market values for the properties. In exchange, the lawsuit would be held in abeyance.

The City Council, however, decided to back out of the agreement, saying the environmental study it had agreed to do would cost \$80,000 to \$120,000 — far more than expected.

Rotkin said the study would have been flawed anyway because it included uses the city would never allow.

An added problem was that an appraisal the city was in the process of obtaining was based on zoning the city wants to change. The zoning in place would allow more development, and a higher appraised value, than the zoning that the city was poised to adopt before the lawsuit was filed, he said.

Rotkin said it made more sense to pull out of the agreement, proceed to adopt the zoning the city wants, and get an appraisal based on the zoning the city intends to adopt.

Attorneys for the property owners contend the city pulled out after it got a verbal appraisal of \$15 million to buy the three properties, almost three times higher than the \$4.6 million estimate given to residents.

Now the city is trying to get a lower appraisal based on anticipated zoning changes, according to Judy Davidoff, a San Francisco attorney.

Davidoff charged that the city's actions are an "illegal manipulation." Property owners are being threatened with having the zoning on their property changed, making it less valuable at the same time the city is attempting to purchase the land, she said.

The city simply did not want to disclose alternative uses to the public that included limited development and open space, she said.

Rotkin denies that appraisal was even given to the council. But he said two appraisals — the one based on the existing zoning and the one based on zoning the city is going to adopt — will be made public in several weeks.

"The speculation that we got a big number and didn't like it simply isn't true. We never got an appraisal. The instructions were changed not because of numbers but because the zoning used was put on before the word environment was ever spoken in Santa Cruz. Those were ridiculous zonings," he said.