

New 'Plan C' revealed for Wingspread

By ADRIANA REYNERI
STAFF WRITER

With Santa Cruz County supervisors poised to begin hearings on Wingspread Beach Plans A and B for developing the Porter Sesnon property, a Plan C has been proposed.

Plan C calls for a sort of partnership between the county and the Palo Alto firm of Hare, Brewer and Kelley in developing the property. Hare, Brewer and Kelley holds a 99-year lease on the 66-acre oceanfront property, which was purchased in 1978 from the University of California.

The latest proposal, drawn up by County Administrative Officer George Newell, was released yesterday, the day before county supervisors were scheduled to begin a series of hearings on the two long-standing Wingspread Beach proposals, Plan A and Plan B.

The latest plan is similar to the lease-sale, lease-back plan Ryland Kelley, head of Hare, Brewer and Kelley, unsuccessfully proposed last fall to the state Department of Parks and Recreation.

The new plan, outlined in a report by Newell on the public benefits of Wingspread, proposes the county buy Kelley's lease, then lease the land back to the developer for 50 years. In turn, Kelley would build and run his conference center as a county concession.

Newell compared the arrangement to that between the state of California and the operator of the Asilomar Conference Center in Pacific Grove.

The plan could yield the county as much as \$2.5 million a year and provide capital improvements worth more than \$9 million, Newell said.

The supervisors were scheduled to begin hearings last night tonight on the developer's appeal of the Planning Commission's denial of Plan A. The smaller of the two proposals, Plan A offers few public benefits and has received little support.

The board is also scheduled later to consider approving the more elaborate Plan B. The larger plan proposes a conference center, up to 585 rental units, a performing arts center, three playing fields, public parking and trails to the beach.

The Planning Commission has recommended the board approve a modified Plan B, one proposing "substantially" fewer rental units. The commission did not say what a substantial reduction would be.

The new Plan C proposes building 65 fewer rental units and promises even more public benefits than Kelley's Plan B.

According to Newell, Kelley may also be willing to provide a youth hostel for 20 people and give the state park system some

land for expanding the New Brighton State Beach camping facilities. The developer may also consider giving a percentage of gross revenue from food and beverage sales to other arts and cultural groups, Newell said.

Plan C, which Newell calls "unprecedented" in its public benefits, rests on several key assumptions.

According to Newell, the big "ifs" are:

- Whether it is financially feasible.

- Whether county lawyers can devise an agreement to enforce Kelley's promises.

- Whether the county and Kelley can agree on a purchase price for the lease and the terms of sale.

- Whether the development can be saved from annexation or incorporation. Such a change could levy heavy hotel taxes on the development, already saddled with in-lieu concession fees to the county.

The last condition, exemption from annexation or incorporation, requires passage of a special bill by the state Legislature.

If these conditions can be met, said Newell, Plan C merits approval because "the benefits and community impacts of this development are so unusual and go so far toward realizing long-standing objectives for the arts, recreation and economic development."

Newell also favors the plan because it would significantly boost tax revenue in unincorporated parts of the county. Unlike other counties, the majority of Santa Cruz County residents, 57 percent, live outside city limits. Yet the cities

take the lion's share of hotel-tax revenues because most tourist-serving facilities lie within the city limits.

As a result, said Newell, "the primary benefits of tourism in Santa Cruz County flow to the benefit of a minority of the county's population."

Hotel tax revenue is especially desirable, Newell explained, because it is the only tax revenue county supervisors have the ability to increase.

In contrast, a state park, the land-use currently specified for the Porter Sesnon property in the county General Plan, would yield no hotel-tax revenue, Newell said.

"Wingspread introduces a new market to Santa Cruz which will benefit the whole county while improving the revenues available for financing needed services and capital improvements in the unincorporated area," Newell said. Wingspread would also help the county attract a more upscale tourist trade, Newell said. Despite the high number of

visitors, Santa Cruz County now has the lowest per capita share of travel-market revenue of all the central coastal counties, he said.

Tim Welch, spokesman for Conference Associates — the Hare, Brewer and Kelley subsidiary that was formed to develop Wingspread — called Plan C "workable."

"If workable plans can get the support of the board, that's desirable," Welch said.

Welch said Conference Associates would proceed with Plan C if the county would offer the right price for the lease and the right terms for its contracts. Welch also said the county would have to allow a high enough density to enable the developers to run Wingspread profitably.

Though these key aspects have yet to be negotiated, Welch said, "We welcome the report. It looks good."

The county and Kelley purposely avoided discussing a price for the lease and details of the terms of agreement, said Pat Busch, assistant administrative officer, who met with Kelley several times over the past two months to work on Plan C.

"We agreed not to talk about a price until we find out whether the concept is do-able," Busch said.

Supervisor Robley Levy, whose district includes the Porter Sesnon property, said Newell's report "spells out some substantial benefits" potential in Plan C.

The plan raises key questions, as well, Levy said. One is what it would cost and how the county would pay for it, she said. Assumptions made about the financial viability of the plan would have to be tested, as well, she said.

Levy said she looked forward to considering Newell's report, along with information gathered at the series of public hearings scheduled to begin on Wingspread tonight, while weighing the pros and cons of all the proposals.