

# Wingspread financial plan delivered to supervisors

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Copious planning documents and a negotiated agreement submitted to the Santa Cruz County Board of Supervisors late yesterday have laid the groundwork for final approval of the controversial Wingspread Beach Conference Center.

The supervisors are scheduled to hold their last hearing on the seven-year old plan when they meet next Tuesday. But even if they approve the project as expected, the supervisors are not likely lay the controversy to rest.

Die-hard opponents have vowed to fight Wingspread in any way possible. They've threatened to sue or place a referendum on the ballot to stop the project, if necessary.

They claim the massive project violates county land-use laws and would despoil the Porter Sesnon property, which they describe as the last pristine oceanfront property in the Midcounty.

Wingspread must also win the approval of the California Coastal Commission before Palo Alto developer Ryland Kelley could realize his long-held dream of building 468 hotel

units, a three-hall performing arts complex, a conference center, restaurants, shops and recreational facilities on the 66-acre Porter Sesnon property and an adjoining six acres known as the Widerra Property.

The key to the project is a lease, lease-back agreement between the county and Kelley, of the Palo Alto development firm Hare, Brewer and Kelley.

The agreement was negotiated at the request of the supervisors, who asked county officials to devise a way to ensure the county would continue to receive revenue from the Wingspread project, even if the Porter Sesnon property were annexed to Capitola or a newly incorporated Aptos.

County Counsel Dwight Herr has also advised the supervisors the lease will not violate a county ordinance prohibiting the supervisors from investing public money in Wingspread. The ordinance is the result of a voter initiative launched by Wingspread opponents, organized under the name Friends of Porter Sesnon.

According to the lease, lease-back agreement presented to the supervisors yesterday, Kelley would pay the county

millions of dollars over the next 75 years.

Kelley would turn over his long-term lease on the Porter Sesnon property over to the county. He acquired the lease for \$1.75 million from the University of California in 1979.

In exchange for the lease, the county would sub-lease the property to Kelley and allow him to build the Wingspread project he first proposed in 1980.

The sub-lease agreement requires Kelley to make a \$1 million down payment upon signing and rent payments totaling at least \$10 million during the first 10 years Wingspread is in operation. The rent would increase to at least \$15 million total over the next 10 years of operation; \$20 million total for the third 10 years; and at least \$2.5 million annually for the remaining 45 years of the lease.

The agreement also requires Kelley to make payments to the Wingspread Arts Foundation. The foundation is a private non-profit group holding special contracts with Kelley to manage the performing arts complex.

Kelley would pay the group \$750,000 during the first four years after Wingspread receives the board's final approval. Once the development is completed, Kelley would pay at least \$500,000 annually.

Planning Department documents listing conditions for final approval of Wingspread stipulate that the Board of Supervisors shall have the right to appoint two members to the Wingspread arts and sports foundation.

The foundations are private, non-profit groups holding special contracts with Kelley to manage the performing arts center and playing fields provided by Wingspread.

The provision comes in response to supervisors' wish to have control over the private management of facilities intended for public benefit.

The proposal was given to the supervisors following the adjournment of yesterday's meeting, and was not discussed at the meeting.