

SC buys Arana Gulch land

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SANTA CRUZ — After 12 years of wanting it as part of an urban greenbelt, the Santa Cruz City Council has agreed to buy the Arana Gulch property. The price: \$3.4 million.

The council reached agreement Tuesday with the Santa Cruz Auto Plaza, a group of auto dealers, for the 55-acre parcel that overlooks the Santa Cruz Harbor on the city's eastern boundary.

"We should be happy," said Ernie Kinzli, who was born and raised on the property, and whose family owned it for years before selling to the auto dealers.

To pay for the property, the city will

use park development fees, which have recently been raised, and will borrow from other city accounts.

The city also hopes to sell a portion of the property near Mentel Avenue for residential development to raise \$2 million of the purchase price. How many homes would be built has not been decided, said Mayor Scott Kennedy.

The county Board of Supervisors has also offered to pay \$200,000 to help buy the greenbelt, but that offer hinges on a number of conditions that have yet to be agreed to by Santa Cruz officials.

The agreement was reached Tuesday morning during a conference telephone call involving representatives of the Kin-

zli family, the city, and the auto dealers, said Kennedy. City Council members later discussed the deal in a closed session and late Tuesday night unanimously approved the pact.

Arana Gulch is a 55-acre parcel overlooking the Santa Cruz Harbor, separating the city from Live Oak. Development on the rolling grass and woodlands has been banned since passage of an initiative in 1979 lumped the land into a protected greenbelt.

The Kinzli family sold the property in 1986 to the Santa Cruz Auto Plaza.

Earlier this year, the Kinzlis started foreclosure proceedings after the auto center partnership defaulted on a loan.

Councilman Louis Rittenhouse said he supported the deal because he hoped that the land can become another park serving Eastside Santa Cruz residents.

Diane Kinzli, wife of Ernie, accepted the deal with ambivalence. "A lot of years have gone by, a lot of years," she said. Margaret Kinzli, now 87 and in a convalescent home, will never get to use the money to travel as she hoped, she said.

Under the agreement, the city will pay \$1.4 million at the close of escrow in September. The remaining \$2 million is due by June 30, 1995. Until it is paid, the city will assume the \$2 million note payable to the Kinzli family at 8 percent interest, and pay all closing costs.