

Kelley considering donating lease to county

By STEVE STROTH
STAFF WRITER

Wingspread developer Ryland Kelley may hand over his 99-year lease on the Porter Sesnon property to Santa Cruz County for nothing in an attempt to bypass a ballot initiative designed to halt the project.

Kelley said yesterday morning he still hasn't decided if he'll give the county the lease, an idea that County Administrative Officer George Newell came up with during negotiations with Kelley last week.

Newell said he isn't sure the gift would be legal if the initia-

tive passes. He asked county supervisors to postpone any decision on the proposal until next Tuesday so an agreement can be worked out with Kelley and the legal question can be answered.

If an agreement is reached on the current proposal, Kelley may hand over his lease on the beach property and then build his controversial condominium and performing arts project as a concession.

Giving the lease to the county would mean tax benefits for Kelley, and would make it easier for him to push his

project through the county's planning process, Newell said.

"The real money-maker (for Kelley) is the (Wingspread) project itself, not the property," Newell said.

The county was already considering buying the lease from Kelley.

Newell's gift proposal is obviously attractive for the county, he said, because it means the county won't have to come up with Kelley's \$6 million asking price for the lease. Kelley bought the lease in 1978 from the University of California for \$1.75 million.

Newell and Kelley have been

negotiating a partnership agreement since March, when supervisors agreed "in concept" to allow the Wingspread development on a controversial 3-2 vote.

But opponents of the project managed to qualify an initiative for the November ballot that would prevent any county funds from being spent on a private development. If passed, it would prevent a financial partnership between Kelley and the county.

Vickie Powell-Murray, one of the leaders of the initiative effort, said this morning Newell's proposal would be for-

bidden according to her reading of the initiative.

"It doesn't get by the initiative as far as I'm concerned," she said. "It's pretty clearly spelled out that even if (Kelley) gives (the county) the lease, they're still in a financial partnership."

Powell-Murray said Newell's efforts to bypass the will of the voters was "insulting to the intelligence of the community."

Kelley said the gift proposal has nothing to do with the initiative.

"The ballot measure doesn't affect us one bit" he said

"We're perfectly ready to go forward with a private development without the county."

But Newell said the initiative had plenty to do with his latest proposal "since there's a possibility of us not being able to purchase (the lease on the property)" if the initiative passes.

Besides, he said, the county couldn't afford Kelley's \$6 million asking price.

Supervisors must decide before July 22 whether to simply adopt the initiative as a county ordinance, or let it go before the voters in November, Newell said.

REFERENCE

GREEN SHEET
July 16, 1986