

# Scaled-down Wingspread proposed

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SANTA CRUZ — Palo Alto developer Ryland Kelley said Tuesday that he will push ahead with plans to develop a 197-room hotel-conference center on the Porter-Sesnon property in Aptos.

Kelley said he would soon present the county with plans for the project, which will be little more than a revised version of his more ambitious Wingspread hotel,

conference center and performing arts complex, minus 271 rooms and the performing halls.

The developer also asserted that state constitutional law and the county's Local Coastal Program "clearly allow" him to build the development on the 66 acres of coastal bluff land and meadow next to New Brighton Beach State Park.

Kelley's declaration followed on the heels of an announcement last week by state Sen. Henry Mello, D-Watsonville,

that state efforts to acquire Porter-Sesnon had collapsed. Mello said then that he would request that \$4 million appropriated seven years ago to buy Porter-Sesnon be returned to the state's general fund.

Negotiations between Kelley and state officials foundered after the two sides could not agree on the value of the Porter-Sesnon land and an adjoining six-acre parcel owned by the developer. Kelley holds a 99-year lease on the Porter-Sesnon

property, which is owned by the University of California. He leased the property from UC in 1978 for \$1.75 million.

Kelley said the Porter-Sesnon land and the adjoining acreage are worth \$9.4 million to \$9.9 million, which he said is still less than the costs he incurred during 11 years of futile efforts to develop the properties. The state appraised the land at no more than \$4 million. Under state law, public agencies cannot pay more for prop-

erty than their own appraisers say it is worth.

In a lengthy statement released Tuesday afternoon, Kelley laid the blame for the talks' collapse on state General Services Administration officials. He charged that GSA officials had rejected two independent, private appraisals — commissioned by Kelley — without offering any factual basis for their decision.

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In contrast, Kelley said, "we have dealt in good faith and complete openness and ... the failure of the acquisition is not the result of any unreasonable action or attitude on our part."

The developer asked for "fair treatment by the county" as he moves "toward the development of our 197-unit plan" at Porter-Sesnon.

Kelley already has the plans for the project in hand. The developer said Tuesday that he would be sending the county a scaled-back version of his 468-room Wingspread hotel, conference center and performing arts complex. The controversial Wingspread project was approved by the Board of Supervisors, but it was overwhelmingly

rejected by county voters in a binding referendum last June. Negotiations between Kelley and the state began in earnest after voters turned the Wingspread project down.

"Basically, our planning process consists of whiting out sections of the (Wingspread) plan," Kelley said by phone from his Palo Alto office. "Our base point will be using the plan that was approved by the county, and on which the (environmental impact report) was certified, and taking that plan and eliminating the coverage and all to bring it down to the appropriate number of rooms and uses."

"Whited out" in the new plan, along with 271 hotel rooms, will be Wingspread's three-hall performing arts center and athletics

fields.

In his written statement, Kelley said he had budgeted about \$15 million for those "public improvements." This amount, he said, "almost exactly equals the value of the 271 rooms which have been dropped from the project as a result of the election defeat.

"Unfortunately, therefore," Kelley said, "we do not have the means to provide the public benefits of the prior proposed project."

Kelley said Tuesday that the "passion" of the Wingspread vote had "left many with misconceptions about that project and about our rights under the Coastal Act."

The developer said that "the act, the current coastal plan and constitutional law clearly allow private development of a minimum

project on the (Porter-Sesnon) site."

Kelley's legal claim was recently buttressed by County Administrative Officer George Newell. Newell told Mello in a letter that in the opinion of County Counsel Dwight Herr, Kelley was entitled to build as many as 197 studio-style hotel rooms on the Porter-Sesnon property and the adjoining, six-acre parcel. Newell wrote the letter to help Mello prove to General Services appraisers that the Porter-Sesnon land was worth more than \$4 million.

Uncowed by the legal implications of Newell's letter, Porter-Sesnon development foes promised last week to oppose Kelley's 197-room project as tenaciously as they battled Wingspread.

Kelley insisted Tuesday that Wingspread opponents, who had rejected that project "for its size," had no reason to fight his smaller project.

"The careful consideration of traffic matters, environmental issues, design sensitivity, coastal access, etc., which were included in our Wingspread plan will remain as they were approved by the county Board of Supervisors," he said. "Only the theaters and its parking, the play fields and the 271 rooms will be removed from the plan."

"We are taking the scale back to that certified under the Local Coastal Program, yet with all the environmental protections built into the approvals for the larger plan."

REFERENCE

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