

Wingspread foes want probe of Kelley's finances

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Developer Ryland Kelley's financial dealings have become the focus of the latest flap in the long-running controversy surrounding his proposed Wingspread Beach conference center.

Opponents of the project are now questioning Kelley's \$3 million mortgage on the Porter Sesnon property in Aptos. Kelley has a 99-year lease on the 66-acre ocean-front parcel, and plans to use the land as the site for a combined conference and vacation-rental center and a performing arts-recreation complex. His plans, now six years in the works, have drawn fierce opposition from environmentalists, residents of nearby neighborhoods and two of the five members of the Board of Supervisors.

Friends of Porter Sesnon, a coalition formed to fight Wingspread, and supervisors' Chairman Gary Patton, an outspoken foe of the plan, are now asking for a full investigation of Kelley's mortgage on the Porter Sesnon property, as well as any other financial arrangements Kelley may have made that would put a lien on the property.

The Board of Supervisors was to consider the request during its meeting Tuesday.

Patton, taking up the cry of Vickie Powell-Murray, chairwoman of Friends of Porter Sesnon, said an investigation would be "prudent" since the supervisors are considering getting the county financially involved in the project.

The supervisors, in a 3-2 vote in April, authorized County Administrative Officer George Newell to negotiate with Kelley a possible agreement on a proposal known as Wingspread Plan C. Under the plan, the county would buy Kelley's lease on the property, then lease the land back to the developer. In turn, Kelley would develop a conference center, performing arts complex, condominium rentals, playing fields and recreational facilities. According to the plan, Kelley will operate Wingspread as a county concession.

Newell proposed the plan as the best way to guarantee the developer will deliver the public benefits he's promised through Wingspread. The plan is also designed to generate the most revenue possible for the county and protect that source of money from incorporation or annexation to a city.

Patton and Powell-Murray, however, have strenuously objected to Plan C. They've argued it's wrong for the county to become involved in a private development.

They are using Kelley's mortgage as fuel for their arguments. Patton, in a letter to his fellow board members, said that "presumably" the mortgage was used to pay off the debts Kelley accrued through other projects.

"Whether it is really to the advantage of the taxpayers of Santa Cruz County to pay outstanding bills for the developer of the proposed Wingspread project is a question of some significance," Patton said.

Powell-Murray, in a letter to Patton, had expressed concern, as "we feel that the public has a right to know what effect the existence of a \$3 million lien on the developer's lease will have on the financial or legal liability of Plan C. Will county taxpayers become responsible for the developer's debt?"

Tim Welch, Kelley's spokesman, said that, first of all, there is no reason to insinuate, as Patton and Powell-Murray have, that Kelley's finances are shaky. Besides, Welch said, the county has ways to protect itself from becoming responsible for Kelley's debts.

"Gary knows this. He's just trying to create more doubt. Vickie and Gary, they're enormously skilled people and they're playing you folks in the media like a fiddle," Welch said.

"It's just ludicrous that Gary Patton, of all people should ask where we spent the money, since he's had so much to do with the spending of it," Welch added, referring to the long delay in the project caused by Patton and other opponents.

Welch said the firm has spent hundreds of thousands of dollars on environmental impact reports, as well as huge sums in interest over the past six years, the time it's taken to move the project through the county planning process.

Welch said Kelley's firm, Hare, Brewer and Kelley, of Palo Alto, is working toward meeting the conditions for approval the supervisors placed on the project when they tentatively approved it in March.

"We think we can meet the conditions," Welch said. The company may submit its revised plans to the county as soon as next month, he said.

Mitchell Page, one of the attorneys representing Friends of Porter Sesnon, had a "no comment" when asked if the anti-Wingspread group had any reason to suspect Kelley's financial standing was weak.

He did say, "I think it's reasonable for the county to inquire into the financial circumstances of someone who proposes to be their partner."

Page added, "In an effort to gain approval, Kelley has made lots and lots of promises. We think he's made promises the project can't deliver."

REFERENCE

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