

# Rispin Mansion rights sought

By DONNA KIMURA  
Sentinel staff writer

CAPITOLA — The City Council will be asked tonight to negotiate exclusively with developer Ron Beardslee for the sale of the Rispin Mansion.

Beardslee wants to buy the historic property to build a 49-room hotel and conference center.

Early plans call for restoring the vacant mansion and building 10 to 12 smaller buildings on the grounds, including a public cafe. The restored historic garden would be open to the public.

The City Council will consider negotiating solely with Beardslee. The development team also includes Dan Floyd, co-owner of the Inn at Depot Hill, and Sterling Hotels Corp.

Under the proposal, architect Paul Davis would have 90 days to complete several tasks, including refining a site and historic-restoration plan and begin an environmental review.

The team also wants to buy a portion of city-owned property at Clares Street and Wharf Road for parking for the Rispin project. City reports reveal an offer of about \$1.3 million for the mansion property and the parking site.

Possible sale of the property is another step in the city's plan to reduce its debt. A financial consultant has urged the city to refinance a troubled bond as well

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as sell excess property.

Capitola leaders have put several other city-owned properties on the market for possible sale.

Beardslee said he and his team also is seeking to buy another four acres at Clares Street and Wharf Road for about 57 single-family homes. City reports show an offer of \$2.6 million.

At tonight's meeting, the council also is being asked to execute a purchase option agreement with Accessible Space Inc./National Handicap Housing Institute for about 1.35 acres at Clares Street and Capitola Road. The institute wants to build 25 units of affordable housing for mobility-impaired individuals.

Under an early proposal, the city is looking at transferring ownership of the property to the Capitola Redevelopment Agency. This would partially satisfy a debt the city has to the agency, according to planning director Kathy Barbaro.

The property has been appraised at about \$1.1 mil-

lion.

The city owes the agency roughly \$1.6 million after having misspent redevelopment money on city uses in prior years.

The non-profit institute would then acquire the property from the Redevelopment Agency.

The city would provide the agency with \$375,000 to help buy the land. This benefits Capitola because it aims to resolve a debt to the U.S. Department of Housing and Urban Development.

Capitola received \$140,000 in federal funds from HUD to buy a lot on 38th Avenue. The city, however, later sold that land in 1988 for \$226,000 and used the money for general city purposes.

According to city officials, the grant money plus interest must be repaid to HUD or reused for other community purposes that meet the agency's goals.

The city had hoped to reuse the money on improving access around town for the disabled, but HUD recently rejected that plan.

The Redevelopment Agency would further assist the housing institute by providing the group with \$745,000 from its housing fund. The agency has to spend the money on a housing project, according to Barbaro.

*The Capitola City Council meets at 7 p.m. today at City Hall, 420 Capitola Ave., Capitola.*