

NEWS

A ROYAL DIVORCE

Diana agrees to end marriage, but the terms are in dispute/4A

NEWS

STUDENT CHOICES CAN BE COSTLY

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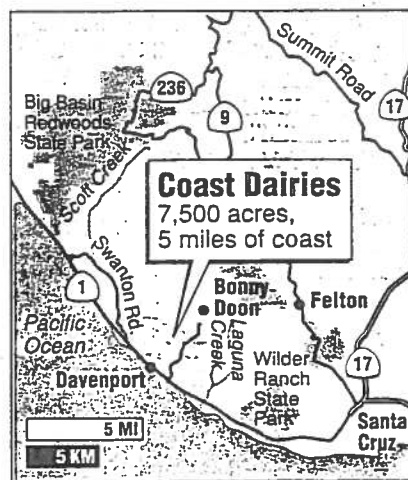
Swap would open land along Hwy. 1

7,500 oceanfront acres would become public

BY PAUL ROGERS
Mercury News Staff Writer

A vast parcel of oceanfront land along Highway 1 — with five miles of beaches, rolling meadows, rocky bluffs and redwood canyons on Santa Cruz County's rural north coast — could become public under a proposed swap for desert land north of Las Vegas.

The plan, which is scheduled to be made public today, would transfer the 7,500-acre Coast Dairies and Land Ranch to the



CARL NEIBURGER — MERCURY NEWS

Bureau of Land Management (BLM), a low-profile federal agency with holdings across the West.

Backers say that if it's successful, the deal would open for hiking, biking and horse trails a spectacular stretch of property believed to be among the largest pieces of undeveloped private land on the California coast.

To acquire Coast Dairies, the BLM would give up some or all of 7,500 acres of desert land it owns near North Las Vegas. That land, targeted by Las Vegas area leaders for expansion, would be privately developed with housing over the next 20 years for up to

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Swap would make public 7,500 oceanfront acres

■ SWAP

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100,000 people.

The unusual trade, still in the early stages, would require approval of Congress and President Clinton. Debate in Congress could begin this summer.

Already, however, it has sparked excitement.

"There have been development proposals on this land for years," said Santa Cruz County Supervisor Mardi Wormhoudt. "This is a way to finally preserve it once and for all."

'An invaluable legacy'

She called the Coast Dairies land "a property of national stature."

"If we could preserve it forever," she said, "we'd have an invaluable legacy for future generations."

Long coveted by developers and environmentalists alike, the Coast Dairies property is owned by seven Swiss citizens whose great-grandparents, the Moretti and Rispini families, were farmers in the 1800s. Its pastoral character has changed little since 1902, when the families intermarried and joined holdings.

Today, the ranch includes irrigated fields of brussels sprouts and artichokes, grassy uplands where cattle graze, and five major creeks. Located about 10 miles north of Santa Cruz, it is bordered by Laguna Creek to the south and stretches to a northern boundary with Scott Creek. For

■ If this swap works — and it is a complicated deal — we'd be tickled to death. ■

— Michael Fischer, executive officer of the California Coastal Conservancy

motorists driving toward north Davenport on Highway 1, everything visible on both sides of the road for five miles is part of the property.

Ex-official blocked ideas

Over the years, dozens of uses have been proposed, including hotels, golf courses and housing. All were blocked by former Santa Cruz County Supervisor Gary Patton, an ardent slow-growth advocate who represented the area from 1974 to 1994.

Because there is no money in the state parks budget to buy the land, open space advocates have watched nervously.

"If this swap works — and it is a complicated deal — we'd be tickled to death," said Michael Fischer, executive officer of the California Coastal Conservancy, a state agency that works to increase public access to beaches.

"It would realize one of our biggest dreams for coastal protection in the whole state," he added.

The swap was proposed by

John McDonald, a Las Vegas developer, and several business partners. The group, calling itself the Nevada & Pacific Coast Land Co., last year acquired an option to buy Coast Dairies.

Terms remain confidential. The land was for sale in 1994 for \$21 million.

"I'm excited about it," said attorney Robert Bosso of Santa Cruz, who represents the Swiss owners. "My clients would get fair market value for their land, and the community gets the open space."

City seeks to expand

Significant steps remain, however.

Don Brown, planning director of North Las Vegas, a town of 70,000 people separate from Las Vegas, said city leaders have worked a decade to expand.

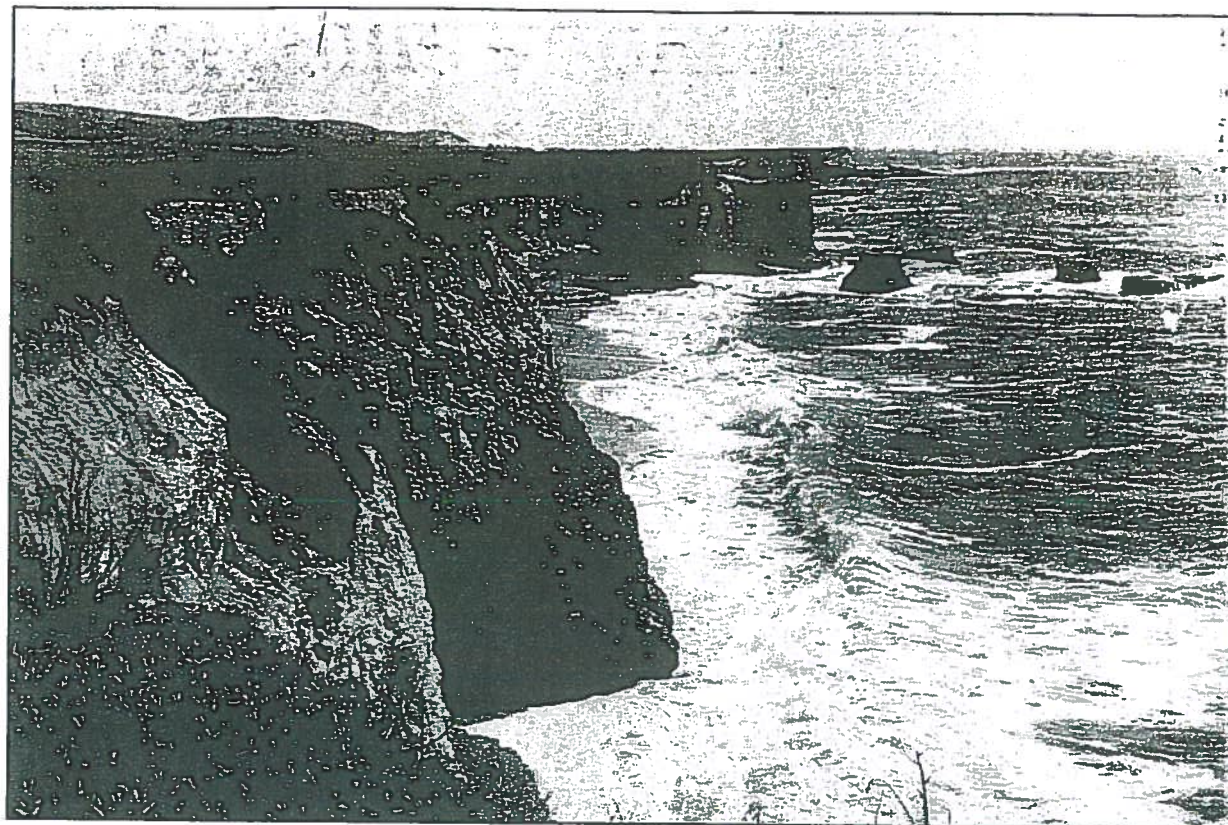
Now, Brown said, a land swap is the best option.

"There's not much there," Brown said. "Mostly jackrabbits and roadrunners."

Four developers have submitted plans to build about 35,000 houses, he said. Other potential swaps are in the Florida Everglades, Montana and Utah. By June, the North Las Vegas City Council will choose from among the four. The council then will ask its congressional representatives to introduce a bill allowing the swap.

Brown called McDonald's proposal "very attractive."

Wormhoudt and other Santa Cruz leaders have begun to make



ANNA RHEIM — SPECIAL TO THE MERCURY NEWS

The Coast Dairies and Land Ranch would open for hiking, biking and horse riding, if the trade works out.

pitches to U.S. Sens. Dianne Feinstein and Barbara Boxer, as well as U.S. Rep. Sam Farr, D-Monterey, and U.S. Rep. Tom Campbell, R-Campbell, for support.

'Grave concerns'

At least one lawmaker is having reservations, however.

U.S. Sen. Richard Bryan, a Nevada Democrat, is troubled by sprawl and water use in the Las Vegas area, spokeswoman Jean Neal said.

"He has grave concerns that it would not be in the best interests of Nevada," she said.

Supporters hope that they will be able to persuade Clinton, through Interior Secretary Bruce

Babbitt, White House Chief of Staff Leon Panetta or Vice President Al Gore, to push for the deal because Clinton has made the environment a theme in his quest to win California in the November presidential election.

Among other backers is Ed Hastey, California BLM director.

"Having seen the outstanding national resource this land represents," Hastey wrote in a letter to the developers last fall, "I can tell you that it would clearly be in the public interest, both local and national, for BLM to acquire this property if exchange lands become available in Nevada."

In an interview Wednesday, Hastey said that if the deal goes

through, he intends for Santa Cruz County or the state parks department to manage the land after residents draw up a use plan. Uses would be low impact, he said, and would not include off-road vehicles.

McDonald, the developer, said his company might buy the Coast Dairies ranch even if the Nevada deal fails, and hold it as a bargaining chip in a future swap for desert land in other states.

He said that his company has no plans to develop it.

"It is a wonderful piece of property," McDonald said. "It makes all the sense in the world for it to be public. You don't want it ruined with a lot of houses."

REVIEW

AND PESCADERO PEBBLE

Wednesday, March 20, 1996

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Coastal land key to Las Vegas deal

State could gain 7,000 coastal acres if desert property is sold for homes

By ERIC RICE
Half Moon Bay Review

On a remote stretch at the south end of Decatur Boulevard, one of Las Vegas' less celebrated strips of pavement, the road suddenly widens to a gaping six lanes.

Subdivisions with names like Rancho Alto, Palomino Estates and Paseo Vista, sporting homes of a southwestern architectural style familiar to the desert, sprawl in close-knit, walled-in clusters in the direction of snow-capped Mount Charleston. But other than a few hundred homes lining the west side of Decatur, there's no obvious need for anything more than a two-lane blacktop.

The answer lies to the east of Decatur on 7,500 acres of flat, arid land. A developer and city planners expect that some day as many as 100,000 people will want to live there in their own terra cotta-shingled slice of the American Dream.

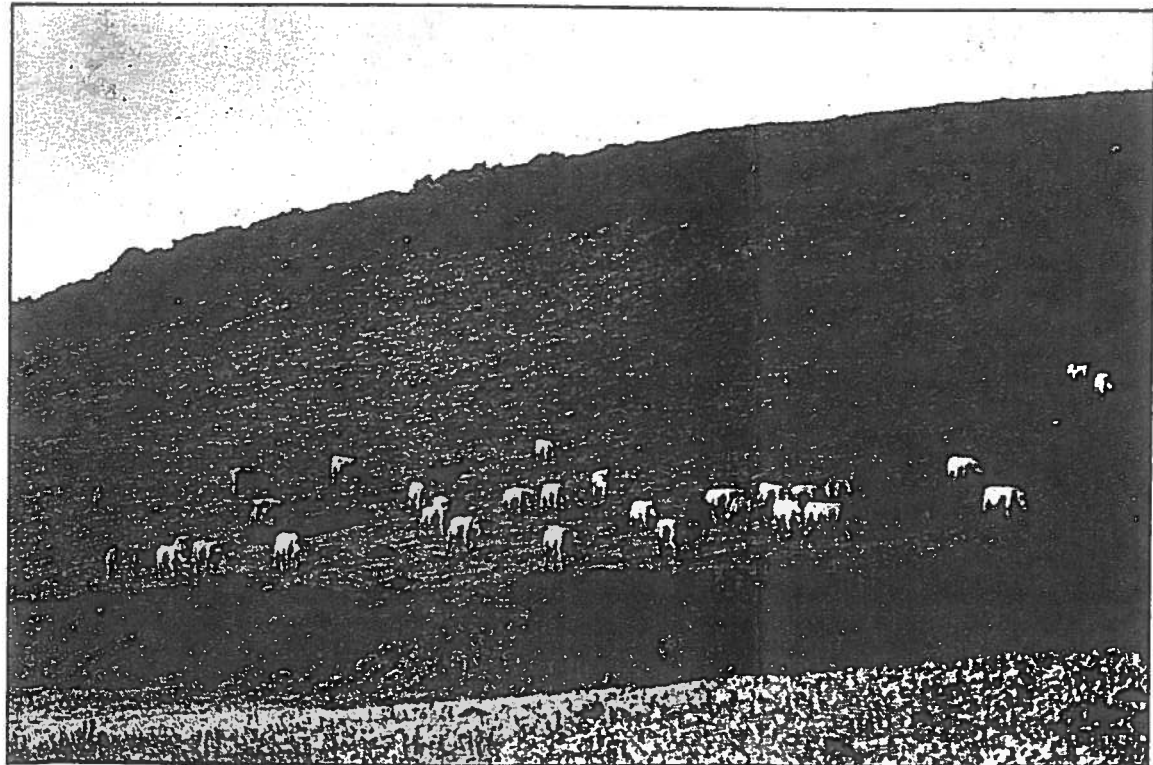
Normally, the future of a housing tract in the rapidly growing suburbs of Las Vegas would not be of much interest to Coastsiders. But the fate of this piece of land on the outskirts of Glitter Gulch may wind up intricately tied to a piece of beautiful seaside land near the northern border of Santa Cruz County, noted for its scenic vistas, rolling hills and fertile soil.

Under a deal proposed last fall, the federal Bureau of Land Management would swap the desert land in the City of North Las Vegas for some or all of the undeveloped 7,000-acre Coast Dairies & Land Company property.

Coast Dairies surrounds the town of Davenport and stretches for five miles on both sides of Highway 1, from Laguna Creek on the south to Scott Creek on the north. It extends from the ocean bluffs inland for three miles, taking in land used for farming, cattle grazing and a shale mining quarry. It excludes the cement plant in Davenport.

The desert land would be developed under a massive plan that makes Half Moon Bay's North Wavecrest Redevelopment Plan for 750 homes and a golf course look like a mom-and-pop business. The wages alone for the development's proposed 24,000 homes have been estimated at nearly \$2 billion, according to a proposal by a would-be developer of the land.

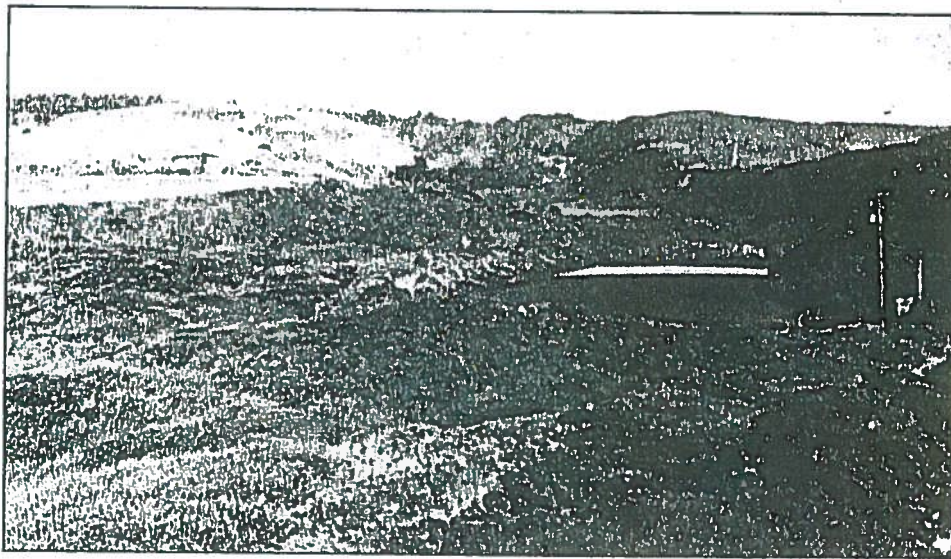
The swap makes good sense to the Bureau of Land Management, according to Larry Sip, a BLM manager in Las Vegas, because the Coast Dairies property is rife with potential for hiking and other forms of recreation. A swap would enable the land to remain undeveloped and open to the public, thereby fulfilling the BLM's



ERIC RICE / REVIEW

A development company holding an option to buy 7,000 acres surrounding Davenport, a portion of which is shown above, is offering to swap the coastal land for 7,500 acres of developable land in North Las Vegas.

Please see SWAP, Page 12A



This property, Coastal Dairies near Davenport, abuts the ocean and includes rolling green hills, redwood trees, wildflowers and abundant wildlife.

Swap

Continued from Page 1A

mandate to manage public lands in the best interest of all U.S. citizens, Sip said.

The two properties are a study in opposites.

The BLM property is landlocked in the middle of the dry desert. Coast Dairies abuts the largest ocean in the world; the property itself includes five beaches.

The BLM land is populated by scrub brush, insects, snakes and a few other life forms hearty enough to survive the harsh desert weather. Coast Dairies boasts verdant pastures, brilliant yellow wildflowers, diverse animal life, including seabirds, cattle and woodland creatures, as well as cabbage, artichoke and brussels sprouts fields.

The BLM land sits on the outskirts of the suburban sprawl engulfing Las Vegas Valley, a sprawl city leaders wholeheartedly encourage to broaden the region's tax base and keep the economy strong. Coast Dairies is located between the cities of Santa Cruz and Half Moon Bay and under the California Coastal Act, development on it is severely limited.

And yet, a swap appears to be a perfect match with the BLM's charter to manage its land in the interest of U.S. citizens.

"It's a beautiful coastal property and a rare opportunity," Carol Arnold, Central Coast regional coordinator for the California Coastal Conservancy, said of the proposed swap.

"There's hardly a location on the property you cannot see the ocean from," effused John McDonald, general manager for Nevada and Pacific Coast Land L.L.C., which holds an option to purchase the Coast Dairies land.

All the deal needs is Congress' and President Clinton's stamps of approval. But standing in the way are several sizable obstacles, including back scratching in the U.S. Senate, a reluctance by Nevada's senior senator to swap Nevada land for out-of-state property, and a small endangered species of turtle in Utah.

The swap is still in the preliminary stages and if it falls through it will not be the first time that grandiose plans have been formulated for BLM's 7,500-acre desert property only to be scuttled.

In the 1980s, anticipating the economic boom that was to soon hit

Las Vegas Valley and turn it into one of the fastest-growing regions in the country, the City of North Las Vegas attempted to purchase the land with the intent of using it for housing. The deal was torpedoed, however, by a Sierra Club lawsuit.

The coastal land has been owned for at least two generations by Coast Dairies & Land Company. Its original owners returned to Switzerland in 1913 and their descendants own it today.

The latest development proposal began to take shape last year when Nevada & Pacific Coast Land notified the City of North Las Vegas of its proposal to swap the coastal property for the BLM land. It valued the BLM property it wants to buy at \$58.8 million, or 18 cents per square foot. As a show of good faith, it offered the City of North Las Vegas a \$2.5 million deposit.

A one-page proposal prepared by Nevada & Pacific lays out a massive 20-year development program:

- As many as 24,000 single-family homes, generating 58,752 construction jobs, \$1.8 billion in wages, \$888 million in federal, state and local taxes, plus \$81.6 million in water hookup fees.

- Fourteen school sites — 10 elementary schools of 15 acres each; three middle schools of 20 acres each; and a 40-acre high school.

- A 320-acre regional park and civic center.

- Four golf courses, two of them 27-hole courses.

Since announcing the proposal last September, McDonald has assiduously gone about collecting support from the necessary players, so far meeting with success.

Just as approval of the South Wavecrest golf and housing project offered possible financial benefits for Half Moon Bay, Nevada & Pacific is dangling a carrot — \$9.75 million — in front of the City of North Las Vegas in return for its support. According to McDonald, \$5 million of that could be spent however city leaders wish, "to provide the citizens of North Las Vegas with perhaps a new recreation center, library, or be used for senior citizen affordable housing." The rest would be put toward the cost of past and future planning for the land. In October, the city staff came out in support of the proposal, although the plan has yet to be formally endorsed by the City Council.

The proposal also has not been

brought before the Santa Cruz County Board of Supervisors, but at least one supervisor, Mardi Wormhoudt, is very supportive. "The Coast Dairies and Land Ranch is indeed a treasure, and assuring its long-term availability as a public resource to the people of this county, state and country is certainly a desirable objective," Wormhoudt said. "... I stand ready to do whatever I can to facilitate the transfer ..."

In October, McDonald met with Ed Hastey, state director of the BLM's California office, and convinced him to take a tour of the Coast Dairies property. Hastey, too, came away excited about and supportive of the proposal.

"... Having seen the outstanding national resource this land represents, I can tell you that it would clearly be in the public interest, both local and national, for BLM to acquire this property if exchange lands become available in Nevada."

In correspondence, both McDonald and Hastey also note that the California Department of Parks and Recreation is eager to see the land acquired for a public park.

"The state Park Department has indicated its intention to acquire all



Eric Rice / Review

This property outside Las Vegas, owned by the Bureau of Land Management, is flat, dry, relatively lifeless, and is used as a makeshift refuse dump.

coastal land between Santa Cruz and Half Moon Bay . . . and declares that this is one of its highest priorities," McDonald stated in a letter to the Las Vegas BLM office.

Whether the BLM property will ever become available, however, is up in the air. McDonald has not yet secured the most important supporter he will need, Sen. Harry Reid, D-Nev.

Reid has historically opposed swapping federal lands in Nevada with out-of-state property. According to a spokeswoman in his Washington, D.C. office, Reid is concerned that the federal government, which owns more than 85 percent of the land in Nevada, could start using the state as a "land vault" for more politically powerful states wanting to swap property.

The fate of the proposed swap with Coast Dairies, or any other out-of-state swap, is up to the Nevada Congressional delegation, according to the BLM's Hastey. McDonald feels that support from the City of North Las Vegas will be crucial to swing Reid to support the proposal.

But Nevada & Pacific isn't the only out-of-state group lobbying for a swap. Rep. James Hansen, R-Utah,

a member of the House Natural Resources Committee, is trying to gain support for a swap with land in his state. Hansen is interested in swapping the BLM land in North Las Vegas for 3,000 acres in the southwestern corner of Utah, home to the desert tortoise, an endangered reptile whose habitat is being lost to development.

In return for support for his proposal, Hansen has reportedly offered to assist Reid with passage of a bill Reid has introduced called the 1996 Nevada Land Act.

But McDonald hopes to wield some of California's political clout by linking the land swap with Nevada's need to maintain friendly relations with California in its ongoing battle with Arizona over water rights to the Colorado River, Las Vegas Valley's main water source.

According to the Las Vegas Review-Journal, members of the powerful Metropolitan Water District in Los Angeles and the Southern Nevada Water Authority approved an alliance in December that could net Las Vegas 1.76 billion gallons of water per year for the next century. That would be enough water to serve 54,000 families of

four, according to the Review-Journal.

"The recently ratified long-term agreement . . . is an alliance entered into between neighbors working cooperatively," McDonald suggested in his development outline. "The Coast Dairies property has long been on the acquisition wish list of the state of California. The trade . . . will further enhance the excellent neighborly relationship that exists between the states of California and Nevada."

Politics aside, McDonald sees his proposed swap as the best of both worlds. Las Vegas would get the development it desires and California and the rest of the nation would get permanent access to beautiful coastal land.

"I think that it is such a good move, not only for the people in Half Moon Bay, but for the whole country," McDonald said. "Highway 1 is such a beautiful highway."

That also goes for the coastal lands surrounding it, he added.

"It's really more of a national treasure."

Preserving Santa Cruz Coast

U.S. would swap Nevada land for county ranch

By Maria Alicia Gaura
Chronicle South Bay Bureau

A spectacular stretch of ocean-front land on Santa Cruz County's rural north coast could become a public recreation area under a land swap proposal announced yesterday by county Supervisor Mardi Wormhoudt.

Under a complex deal proposed by a Las Vegas land developer, the 7,500-acre Coast Dairies and Land Co. ranch in Santa Cruz

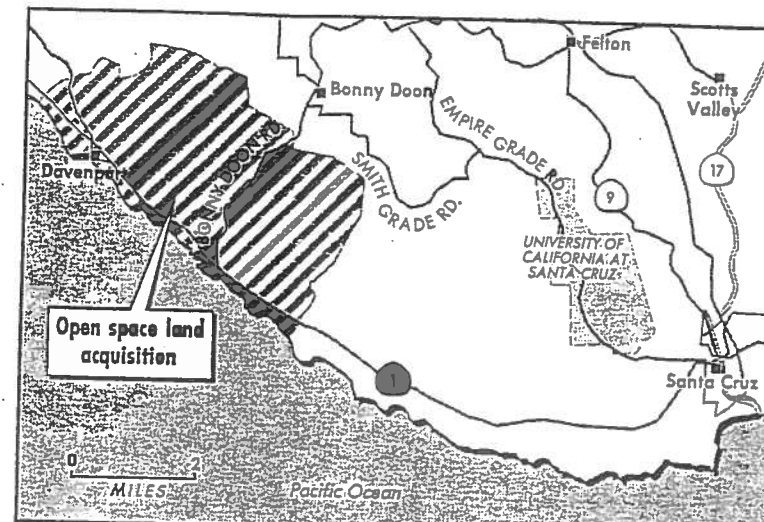
County would be acquired by the Bureau of Land Management in exchange for about 7,500 acres of federally owned desert land near the city of North Las Vegas, Nevada.

The swap still needs the approval of bureau authorities in Nevada and Congress. It would allow Santa Cruz County to preserve the scenic coastal ranch as open space for hiking, biking, horse trails and agriculture, while freeing up the

more prosaic flatland that North Las Vegas wants for a long-desired expansion.

County officials have long sought preservation of the Coast Dairies ranch, a mostly undeveloped swath of agricultural land that begins about seven miles north of the city line and borders both sides of Highway 1 for more than five miles.

"If this deal comes through, SWAP: Page A24 Col. 1



CHRONICLE GRAPHIC

SWAP: Plan for Land in Santa Cruz County

From Page A19

this land will finally, once and for all, be protected from development," said Wormhoudt. "It is extraordinarily beautiful land ... this land is a national treasure."

The ranch is bordered on the south by the 4,000-acre Wilder Ranch State Park, and on the north by the 3,200-acre Swanton Pacific Ranch, now owned by California State Polytechnic University and operated as an agricultural research campus.

The Coast Dairies ranch also surrounds the little town of Davenport and two other small enclaves of homes.

Preservation of the rural north coast has been a goal of county officials since the 1960s, when Pacific Gas and Electric Co. stirred up a hornets' nest by proposing to buy the land to build a nuclear power plant.

Public opinion killed that plan and numerous others that have been proposed over the years, including housing projects and hotel and golf course developments. The land has been on the market since 1989, with a most recent asking price of \$21 million.

The Coast Dairies and Land Co. was formed in 1902, when two Swiss immigrant families intermarried and joined their land holdings. The families decamped for Switzerland in 1913, and have rented out the land for agricultural use since. The corporation is now owned by eight family members, according to family attorney Robert Bosso.

Under the plan, a Las Vegas developer would buy out Coast Dairies, then trade the acreage for the Nevada land.

The land swap has been endorsed by county officials and by the

the Bureau of Land Management. But the real decision lies with the agency's officials in Nevada, who are entertaining several offers for the desert acreage coveted by North Las Vegas.

Although the agency normally prefers to exchange land within state boundaries, that process is difficult in Nevada because the federal government already owns more than 80 percent of the state's land.

"Exchanging land across state boundaries has been done. We exchanged some land in Nevada for part of Point Reyes in the 1960s," said Al Wright, associate California director for the agency. "But it is complicated and will require specific legislation."

Wormhoudt plans to visit North Las Vegas soon to lobby officials there to support the