

## Telluride raises \$50 million to block development plan by San Diego industrialist

by Bruce V. Bigelow

SAN DIEGO - Jubilant community leaders in Telluride, Colo., celebrated Wednesday to the folk anthem "This Land Is Your Land" after succeeding in a \$50 million fundraising effort to preserve a scenic valley beneath the ski resort.

The drive was boosted in its final days by a donation of more than \$2 million from Hollywood movie mogul Tom Shadyac, Telluride Mayor John Pryor said.

The victory for open-space advocates was a bitter setback for Neal Blue, the San Diego industrialist who wanted to build homes, condominiums, hotels and golf courses throughout the 570-acre parcel.

The town launched a battle in 2002 to legally take the property - which residents view as a pristine gateway - through its power of eminent domain. A jury determined earlier this year that the property was worth \$50 million, which ignited the town's frenetic fundraising campaign.

Blue's lawyer, Denver real estate specialist Thomas J. Ragonetti, vowed Wednesday that the battle over the "Valley Floor" property would not end with Telluride's fundraising victory.

The historic mining town has become a destination resort for the rich and famous. The campaign to preserve the Valley Floor was endorsed publicly by actress Daryl Hannah, eBay Chief Executive Meg Whitman and former diplomat Richard Holbrooke.

"This is one of those incredible occasions where a small number of dedicated people came together and made it happen against all odds," Whitman said during a conference call.

Her congratulations were echoed during the call by Sen. Ken Salazar, D-Colo., and Richard Moe, president of the National Trust for Historic Preservation.

"Never have I seen a community rally more effectively for the preservation of one of its most important assets," said Moe, adding that he is a part-time resident of Telluride and serves on the board of the nonprofit group that led the fundraising effort. "When the National Trust placed the Valley Floor on its endangered list a few years ago, the cause appeared nearly hopeless."

Pryor said that less than an hour earlier he had authorized a \$50.87 million payment that meets the appraised value of the property, which lies along a stunning alpine meadow along the outskirts of town.

In wiring the money, the mayor said, "we have taken the final step in the condemnation process necessary to preserve this environmental, cultural and community gem in perpetuity."

Pryor, who later invoked the spirit of naturalist John Muir, added, "This success proves unequivocally that when focused on a noble cause, a community can indeed achieve what otherwise might have been described as the impossible."

Ragonetti said Blue is furious over Telluride's use of its eminent-domain powers to take his property, and that he has appealed the conservationists' land grab to the Colorado Supreme Court.

"Mr. Blue's view is that this is just one round in the fight, and there are many more rounds to come," the attorney said. "He is resolute that he will fight every round until he wins."

Ragonetti described the town's action as "the hypocritical expropriation of (Blue's) property for the benefit of the wealthy individuals in Telluride who want to use it as their private playground."

Blue declined to comment through a spokesman at General Atomics, the San Diego company he controls with his brother Linden. Among other things, the privately held government contractor developed the robotic Predator spy plane for the military.

Blue paid a reported \$6 million in 1983 to buy roughly 880 acres of property along the San Miguel River just outside the western Colorado ski resort. He planned to develop the parcel through a company he controls, the San Miguel Valley Corp., but his development plans were stymied repeatedly over the next two decades.

After Blue solicited the nearby resort of Mountain Village to annex his property, Telluride voters decided in 2002 to use the town's power of eminent domain to acquire almost two-thirds of his parcel.

Telluride had appraised the land at \$26 million, which the town itself had raised, mostly by incurring bond debt. But in February, a panel of six jurors set the value of the parcel at \$50 million.

The finding left the town with a shortfall of more than \$24 million and only three months to raise it.

Ragonetti said Blue's appeal is focused not on the appraisal process but on a previous court ruling that upheld the town's condemnation and rejected arguments based on the "Telluride amendment." That measure, passed by the Colorado Legislature in 2004, expressly prohibited Telluride and similar Colorado municipalities from condemning property outside their boundaries.

Telluride's mayor said the town is fully committed to battling Blue's appeal. Pryor said Blue's San Miguel Valley Corp. lobbied for the Telluride amendment, which he said conflicts directly with Colorado's state constitution.

The mayor added, "As John Muir, a tireless proponent of preserving another important valley floor, Yosemite, once said, 'We will fight the good fight.'"

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