



BUSINESS DAY

Billionaire Wants \$30 Million From California to Give Beach Access

By **CHRISTINE HAUSER** FEB. 23, 2016

About eight years ago, a Silicon Valley venture capitalist bought a stretch of California beach that was popular with surfers, swimmers and fishermen. Eventually, he closed it to the public, leading to years of protests and legal battles.

Now, for the first time, lawyers for the tech mogul, Vinod Khosla, have proposed a price in negotiations with the state to restore public access: \$30 million to let people surf, swim and fish on the beach again, almost the exact amount that Mr. Khosla originally paid for the land.

The offer was the latest salvo in a case that has touched a nerve in California as resentment grows over issues of wealth, privilege and public land. In this case, a wealthy landowner snapped up a prime piece of Martins Beach that for a century, California's State Lands Commission says, had been a haven for the beach-going public.

The case has generated protests, civil disobedience and arrests as it has wound its way through state courts, where two lawsuits aim to force Mr. Khosla, who does not live on the property, to let the public back in.

Lawyers for Mr. Khosla stated the price of entry in a letter to the commission this month as part of their talks to reopen the stretch of shoreline about four miles south of Half Moon Bay on the San Francisco Peninsula.

But the commission's executive officer, Jennifer Lucchesi, said in a telephone

interview, “We do not agree with that value, and we believe the value is significantly less than that.” Ms. Lucchesi added, “We have not seen any backup documentation to support the \$30 million value.”

The commission planned to offer its own assessment, she said.

The two sides are actually trying to agree on the value of a right of public use of Martins Beach Road, which leads from the highway to the beach, and access along the shoreline itself, Ms. Lucchesi said.

The talks were initiated under legislation that took effect in January 2015 and gave the commission a year to negotiate public access, she said. If the two sides cannot agree, the commission could resort to eminent domain, which allows the state to expropriate private property for public use.

Mr. Khosla, a founder of Sun Microsystems, paid \$37.5 million in 2008 for a 53-acre parcel of ocean land that includes the beach and the road. Initially, he let people continue to use the beach, but in 2010, he locked the gate on Martins Beach Road and posted guards.

Mr. Khosla’s lawyer, Dori L. Yob, could not be reached for comment by telephone or email. But in her letter to the commission — dated Feb. 3 — she said that Mr. Khosla’s limited liability companies, the legal entity that owns the property, closed the beach because demand was low, asserting that more than 10 cars showed up to use it only about 15 days a year.

Ms. Yob said that while the current real estate market value of the land was \$30 million, the Martins Beach owners previously offered less-expensive solutions to meet the “limited demand” for access as a way to avoid lengthy litigation and further expenses.

“The cost to acquire the property is significant and should be weighed against the benefits,” she wrote. “There is no vital link to navigable waters at issue. There is not a significant demand for access to the property.”

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