

For now, it's a city only in his eyes

He's never built a thing, but W. Quay Hays aims to turn 12,000 acres of San Joaquin Valley dirt into a model municipality.

By Gary Polakovic
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Standing in an empty field in southern Kings County facing the horizon, W. Quay Hays enthusiastically surveys the land — stark and featureless except for two newly planted redwood trees.

This desolate patch of San Joaquin Valley real estate along Interstate 5 is the spot Hays has chosen to pursue his vision for a new city: a utopia of 150,000 people living in a solar-powered, self-contained community rising from the dirt flats about 50 miles north of Bakersfield.

"This is perfect," says Hays, a Pacific Palisades entrepreneur turned developer. "It's halfway between two world-class cities in San Francisco and Los Angeles. It's beside a major highway, it has power lines, and the land" is cheap.

Even in a state built on big development dreams, Hays' proposed Quay Valley Ranch project boggles the mind. It would be built from scratch on 12,000 acres stretching about five miles along the interstate, just north of the Kern County line.

About 50,000 houses and condominiums would be constructed in a village-like matrix with parks, offices and retail centers, and anchored by four "town centers." Houses would be equipped with "smart technology" and new energy-efficient building materials.

No one would pay electric bills because solar power — including three 100-acre solar arrays — would produce 600 megawatts of power, enough to supply the city and export power to Pacific Gas & Electric Co. for use elsewhere in California.

People could commute to jobs via water taxi, plying a 300-foot-wide stream meandering about eight miles through groves and neighborhoods. The community would include a theme park, a convention center, a racetrack, an auto mall, industrial land, farms, houses, schools and a medical center.

Hays' Kings County Ventures LLC submitted a development application in October and plans to deliver a more detailed proposal next month. The project would be built in phases over 25 years, financed largely by commercial and residential developers working as partners and paying as they go.

Costs could reach \$25 billion. Hays said building could begin as early as next year, though officials say that seems ambitious for such a large-scale project that is likely to face strong opposition from environmentalists and others concerned about increased traffic and pollution in the smoggy valley.

Carol Whiteside, president of the Great Valley Center, a think tank in Modesto, said such massive "leapfrog" development would only create more sprawl in the San Joaquin Valley, expected to grow from 4 million

residents today to more than 5.4 million in 2025. She said new development should be concentrated in or near metropolitan areas, such as Fresno and Bakersfield.

"The issue for the valley is, what's the strategy for growth? Are we going to build in existing cities or make new cities?" Whiteside said. "We try to do everything at once, we get stalled and the result is we get lots of suburban cities and not much sustaining economic center."

But Hays is undeterred. He says that what he wants to create is different, a self-sufficient and environmentally sensitive city, one that manages its own water, provides its own electricity and generates its own jobs.

"I want to see if we can reinvent the way development is done," Hays says. "If we can, we will blaze a path for everyone who comes after us. A town like this has to happen in California."

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Challenges loom

Much of California and the West is built on grandiose dreams of outsized development. Hays is just the latest visionary.

In Southern California, Los Angeles-area growth is increasingly spreading north into canyon lands, over the Tehachapi Mountains and into the San Joaquin Valley. Each of those projects has drawn intense opposition from environmentalists.

Newhall Land and Farming Co.'s plan to build a 20,000-home development north of Santa Clarita was stalled by a lawsuit over water rights and other issues. The company has modified its plan, won some court battles and plans to begin building the first phase in 2009.

Farther north, on Tejon Ranch, 23,000 new homes are proposed for a new town called Centennial, near the junction of I-5 and California 138. An additional 3,450 estate homes and a resort and golf course called Tejon Mountain Village are planned near Lebec. Environmentalists argue that the two projects imperil wilderness and the California condor, an endangered species.

John M. Quigley, director of the Housing and Urban Policy program at UC Berkeley, said the task of building a new city is daunting. He said such projects are rare and tend to work when sustained by abundant natural resources or when built next to existing urban centers.

"There was a time about 25 years ago when a lot of attention was paid to building new cities in the United States, but most of them did not succeed," Quigley said. "It's difficult to pull off because the logistical and coordination aspects are enormous and the capital costs are huge. If I were an investor, I'd look at this very carefully."

One of the biggest challenges facing Quay Valley Ranch is providing enough water to sustain a new city.

Mike Nordstrom, a Corcoran-based attorney hired to examine water supply issues for the ranch project, said it would require about 22,000 to 25,000 acre-feet of water annually. (An acre-foot is 325,821 gallons, roughly enough water to supply two families for a year.) He said water rights for at least that amount are available from the adjoining Liberty Ranch farm, which Kings County Ventures has secured the option to purchase.

He said streams and reservoirs created in the community would allow flexibility to meet water demands. The developers say conservation measures, including the use of large solar panels to shield ponds and reduce evaporation, would result in 66% less water consumption than in a typical similar-sized community.

To accomplish his vision, Hays has hired an impressive team of managers and consultants, including Jonathan Kieswetter, a partner in Kings County Ventures and president of Orange County real estate finance company Grace Capital Group; master planner Ken Brindley, who was on the team that built the Orange County planned community of Rancho Santa Margarita; and Vince Barabba, former director of the U.S. Census Bureau and head of corporate strategy for General Motors.

Hays and his team have received a favorable reception in Kings County. If the project is completed, it will double the current population of about 143,000.

County planning director Bill Zumwalt said his office has hired four new contractors to help review the massive project. The proposal is so new that it's too early to answer questions about potential environmental effects, Zumwalt said.

"We're talking about going from nothing to a new city," he said. "It's very challenging."

Certainly, Quay Valley Ranch would offer amenities that Kings County officials desire.

Other than farming, the county has three state prisons and Chemical Waste Management Inc.'s hazardous-waste site near Kettleman Hills. The unemployment rate hovers at 8.3%, nearly twice the statewide average.

Kettleman Hills — population 1,400 — is the nearest town, about two miles west of where Quay Valley Ranch would be built. It's a pit stop on I-5, and a few of the people walking in and out of the town post office recently said they were excited about Hays' project.

Maurice D'Souza, 58, a gas station manager who lives near Kettleman Hills, gestured to the vast emptiness of the valley and said: "Look at this. There's no life, it's the end of civilization. I think [Quay Valley Ranch] is great. It will be good for business."

Hays said Kings County Ventures has reached an agreement with Arizona-based RED Development Inc. to build a 1.8-million-square-foot open-air mall at Quay Valley Ranch. The developers are also talking with Cal State Fresno about building a satellite campus or research center.

Once the project gets the green light, Hays said, it will be easier to attract businesses and industries.

But Whiteside, of the Great Valley Center, is unconvinced. Sustaining a vision and long-term financing for such an ambitious project will be extremely difficult, she said.

What kind of community is left if the money runs out? Or if developers tire of the project and move on?

"If the vision fades away, we get subdivisions without jobs and incomplete neighborhoods," Whiteside said. "It happens all the time."

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Promoting his dream

Gazing out at the flatland, Hays, 50, outfitted in leather jacket, alligator skin cowboy boots and jeans braced by an oversize belt buckle, is enthralled by his dream for the new city — even though he's not a developer and has never built anything.

Promotions and marketing are his business. And he's good at it.

He came to Los Angeles from Florida in the early 1980s and worked in the marketing department for the Pantages and Greek concert theaters before moving over to KROQ-FM (106.7) as marketing director.

Hays eventually launched a successful book publishing company, Santa Monica-based General Publishing Group, in 1992.

"I always liked ink on paper," he said. "I saw it as a way to change the world."

Hays saw a niche in the competitive field and rapidly grew his company into one of the most successful book publishers in the nation during the 1990s. He did it by making slick, coffee-table books featuring Hollywood and pop culture titles, including: "Frank Sinatra, An American Legend" and "The Playboy Book: Forty Years."

After his book publishing business folded in 1999 due to competition from discount retailers, Hays joined RKO Pictures and formed Idiom Films and Entertainment, where he worked for a time to secure financing for films.

"I've been in many businesses," he said. "The common thread is business development. I am always looking for a way to see if we can do something better."

His latest venture into real estate development is no different.

"We've been building homes the same way for a 100 years," Hays said. "I feel that housing development can be improved, taking everything we know about development and making it better."

The first few spadefuls of dirt have already been turned at the Quay Valley Ranch site. The two large redwood trees were recently planted next to an excavated pit where a pond is planned beside a new visitors center.

"Nothing like this has been done before," Hays said. "It's not often you get to build a town from the ground up. We intend to do it right."

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(INFOBOX BELOW)

Big plans

Developers want to build Quay Valley Ranch, a new town beside Interstate 5 about 50 miles north of Bakersfield.

The vision

150,000 to 200,000 residents

50,000 new homes

12,000 acres

100% solar power

A 42,000-seat stock-car arena

An auto museum

500 acres of ponds & waterways

\$10 billion to \$25 billion to complete

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Sources: Kings County Ventures; Kings County Planning Department