

## Heather Ridge Country Club: Making it our asset, not our nemesis!

*Save the open space, protect real estate values, preserve our way of life!*

Heather Ridge citizens in 2006 created a metro district surrounding the country club to politically influence any development of it. Back then its owner wanted to build on it condos and apartments, but under pressure from the metro district he re-zoned it open space (not golf) with a 5-acre commercial piece where the club house sits. Today, the bank owns the club resulting from foreclosure, and it wants its money back by whatever means possible: development, rezoning, or selling it.

At this very moment the bank has a written proposal before City Planning to rezone the front-nine holes (the area north of Iliff and west of Xanadu) into 8+ acres for apartments (see attached map). The plan calls for five multi-story wooden buildings with 300+ apartments. To make room for this and more, the front-nine will be severely modified and shortened- a move many feel will eventually kill the entire course. Should that happen, whoever owns it (except if the district owns it) will not let it sit idle for long- it will be developed. *Quote the Raven by Edgar Allan Poe, "Nevermore!"*

The Metro District's goal is to save the open space by owning the entire country club as an asset for the community. If we don't buy it the bank and developers will eventually recover their money at our expense. Until we own all the land, the threat of development and unwanted change will never stop!

The 5-acres club house site is valuable commercial land, especially with light rail coming. Until that day the Metro District plans to operate it and the course as a public entity with special rights and benefits for its residents. Our 3-5 year plan is to sell or develop the club house site keeping the golf course operational. We intend to deed the golf course as "open space in perpetuity" making it forever open space. Translation: it can't be developed!

The district will use General Obligation bonds to buy the land. Repayment will be through your property taxes exactly as done for school, fire, and other community issues; cost is approximately \$35 a month, or \$420 annually. For that investment each citizen saves the open space, protects their property values, and preserves our quality of life by creating a community asset.

Citizens may have many questions and concerns about this proposal, so the following Questions and Answers with two public educational meetings should help? The meetings will be at the country club on August 5<sup>th</sup> and 12<sup>th</sup> along with HOA districts holding individual ones. Any questions or concerns, please contact Van Lewis at v-vlewis@comcast.net; or Errol Rowland at errol@uah.org. Please visit [www.UAHR.org](http://www.UAHR.org) for more information and postings.

### Questions and Answers:

1. Q: I thought when citizens voted the Metro District in all our problems were solved? Didn't it change the zoning to open space forever? Why are we doing this again?
  - a. A: The district is a political force to deal with problems, not a final solution. The district helped change zoning to its present configuration, but now new ownership (the bank) wants to change it again *which is any owner's right to pursue*. We will keep battling owners and city oversight until we either own it or lose it. City Council ultimately controls all zoning issues, but its membership comes and goes each election. Right now we have strong city support, but that could change with economic events and future elections.
2. Q: If the district buys the country club asset and it fails as a business, what happens to home owners and tax payers? Will they lose their home?
  - a. A: NO! The metro district owns the asset just like a city would own a municipal park or sports arena. If the asset is sold for a profit, loss, or breaks even, the metro district publically accounts for it. Repayment of the district's bonds **will not depend** on the success or failure of the country club asset, but rather the bonds are repaid from district property taxes only. You will not lose your home for those reasons.

3. Q: I think controlling the country club land makes sense, so what portion of it will I own? What's in this for me other than feeling good about open space?
  - a. A: As a voter in the metro district, you and other owners would own the land through the metro district. Without district ownership, the bank and developers will continue to plague us trying to recover their money. Right now we have the political will and means to do this; tomorrow we might not. Besides owning the open space that will help preserve property values, the district will have an asset for future development or sale. This asset could also provide entertainment, recreation, or meeting places for the community.
4. Q: Why would I vote yes when the country club has been a money losing proposition since day-one? The last owner took his life because business was bad and the bank was foreclosing!
  - a. A: The club can be a money maker as our business analysis shows, but poor management over the years has created that impression. The last owner hoped to sell the land for development replacing the open space with condos and apartments. The district's plan is to operate at a profit or close whatever elements lose money.
5. Q: Who will run and operate the country club once the district owns it?
  - a. A: Once the district owns it, we will hire a professional management company to run it. At this time we are negotiating with Cordes and Company to operate it. They were the company the District Court appointed for receivership when the owner died. Cordes has a broad and deep understanding of course operations. Also a board of governors is being considered to oversee its operation. Its membership would reflect the various interests and usages of the metro district and golf course operation.
6. Q: What can I expect to pay for my portion of the bond obligation?
  - a. A: It is estimated the average expense per average home value will be \$35 a month or \$420 annually. The exact amount is determined in part by the county's determination of your home's value based on too many factors to discuss here, but can be covered at the two public education meetings in August. This expense is deductible for taxpayers who itemize deductions under present income tax regulations.
7. Q: How was the approximate \$35 property tax per month determined?
  - a. A: If the golf course is purchased for \$3.2 million and a reserve of \$2 million is deemed necessary, the total bond amount will be \$5.2 million. If \$5.2M is amortized over 30-years at 8%, the cost is \$38,156 in monthly principle and interest. By dividing it by 1127 homes in our community, the average cost is \$33.86. Once the county computes the necessary mill levy rate, the actual tax will be higher for more expensive homes, and lower for others. We have used \$125,000 as the average value for the Heather Ridge community. The county will use a different computation but essentially comes out with the same figures.
8. Q: I can't afford to pay an estimated \$35 more per month in district property taxes regardless of how much I want to save the open space. I'm on fixed income and can't work anymore.
  - A: Each homeowner must decide the pluses and minuses of this proposal. If the "greater good" aspect for the community wins your vote, then thank you. If you believe you can't afford \$35, ask if you can afford lower real estate values and more rental apartments? Ask if you can afford more people living here? At present we have 21 people per acre; if the bank's plan goes into effect, we could have 78 per acre... and that's just the beginning of it. There are many costs to consider, not all of them dollars and cents.

9. Q: It appears we are being rushed into this decision. Can't we take more time, hold more meetings, and buy the open space later on?
- The district has been carefully monitoring events since we learned the bank hired a "noted" attorney to spearhead development. Until City Planning receives a written proposal, there's no actionable event. On June 18, 2009 the city received preliminary application for rezoning, and we are responding to that dilemma. We too have hired a "noted" attorney who specializes in land use issues, Mr. Tom Ragonetti. He helped us when we formed the district in 2006.
10. Q: Who gave the Metro District permission to do this?
- A: The formation of the district in 2006 entitles the district, under Colorado law, to enter into contracts for the purchase of land and to borrow money and incur indebtedness/issue bonds. Your district's goal is three fold: save the open space, protect real estate values, and preserve our way of life. The metro district board and all ten HOA representatives unanimously agreed a bona fide threat existed and voted to pursue buying the country club.
11. Q: Is the Metro District qualified to negotiate for this?
- A: Yes. Its Board of Directors members represent a wide range of professions and experiences. The metro district's attorney is overseeing all aspects of this effort. Outside counsel is being sought along with other professional opinions.
12. Q: I understand the previous owner sold all the water rights that went with the club?
- A: The water rights have not been separated from the land. There are 4 wells. These wells are very valuable assets to our purchase.
13. Q: If we buy all the country club, could we not sell or develop the club house land later on for our benefit or control?
- A: Yes! The district would be in a position of ownership and power over the club house parcel. However we use the country club building, it must operate on its own without further community funding. A reserve is planned for the course and club house, but it is not intended to supplement any cash losses due to operations.
14. Q: When will you mail voter instructions and the ballot to us? Why a poll or "straw vote" vs. a vote by all registered voters? Must all ballots be hand delivered on polling day? What about absentee or property owners who didn't receive Notice?
- A: Voter instructions will be on the ballot which will be mailed after August 1<sup>st</sup>. It will be mailed to Homeowners at each property address in the district.
  - A majority of metro district board members pledged in writing to poll its citizens before imposing any taxes. Polling, also called a "straw vote," is not a "formal vote" as was done to create the district; per the Pledge polling must be done in the most cost effect way.
  - Voters unable to hand deliver their "official post-card ballots" will be permitted to mail or deliver them by others. All votes must be received by end of polling on August, 15, 2009 at 2 PM.
  - A poll or "straw" vote is a permissible form of determining citizen approval on issues. By mailing to homeowners at their metro district addresses, this is considered a reasonable and cost effective alternative to an expensive election. The goal is to "poll" the citizens on issues before the metro district board takes action.
15. Q: If the poll vote passes, does that mean the district must buy the country club?
- A: No! At this time a letter of intent to purchase the country club was presented to the bank, but nothing has been formally accepted. It called for a purchase price of \$3.2 million contingent upon: a favorable poll vote of the citizens of the issue, obtaining bond financing for the purchase, and

inspection of physical and legal aspects of the country club. In other words, a favorable poll vote will only start the process contingent upon many things.

16. Q: What if the course operates at a loss and needs more money: will the district seek more taxes from its citizens? What “business philosophy” will the course operate under? Will there be a Reserve fund for the purchase? Will the reserve amount be part of the general bonds obtained to buy the course?
- A: The district will not seek more funds to operate the course. It only seeks funds to buy it and create a Reserve for capital expenses.
  - Our ‘business philosophy’ dictates the course and club house must pay its own expenses or be reduced or closed.
  - Yes, there will be a Reserve fund, but its amount and usage will be for capital repairs, not for losses due to operations.
  - Yes, whatever reserve amount will be part of the overall purchase bond amount.
17. Q: Golf courses are closing all over the country, so what makes buying Heather Ridge Country Club worth owning? I don’t play golf nor would I use the club house. To me this is nothing more than a sham for citizens to foot the bill for golfers.
- A: Yes, courses are closing for various reasons, yet others are operating nicely and contributing to their communities. Our golf course open space was designed as an amenity for the entire community. Would we be better off to lose it to developers? We now have a chance for the community to make it permanent part of our lives by owning the land.
  - A question to you: What if we bought the land and shut everything down including the golf course? Other than mowing weeds, the only cost would be the bonds used to buy it. But if we continue to use it as a golf course isn’t that a win-win for everyone? This isn’t about golfers, it’s about your open space, home values, and quality of life.
18. Q: I want to know today what we will pay for the course, what the total amount and costs of the bonds will be, and what my specific monthly or annual cost will be?
- Our stated purchase price is \$3.2 million, but it has not been agreed upon yet. A final price will depend on bond costs and our inspection of the property. First we need to have a favorable poll vote to move negotiations forward. Without your Yes vote all action stops.
  - Each property owners’ tax can be determined once the county has all the numbers to plug into its tax system. From that a series of calculations will determine the exact number of mills needed to repay the bonds. The approximate \$35 per month was determined using \$5.2M in bonds amortized over 30-years at 8% divided by 1127 homes. The 8% is considered a high rate but deemed the most we could pay.
19. I’ve heard the city will buy the course?
- A: According to city officials, “It ain’t gonna happen!” The city is fighting its own budget problems, and buying a golf course is not realistic or prudent for them to do. It is prudent for us to do because we want to protect our open space, values, and way of life.
20. Q: Because we are a Metro District, is there a potential source of funds for open space?
- A: Yes! Metro districts are eligible for grants and other funds once we own the land. There are funds available from various federal and state governments, and non-profit open space funds. We are researching all sources with high expectations that we would be a great candidate for funds. Arapahoe County Open Space, Parks & Trails has indicated to us donations up to \$250,000 could be made. Another source is the Colorado Lottery (Heather Gardens receives up to \$30,000 annually for their golf course open space).