

UAHR HOA Representative Meetings

United Associations of Heather Ridge, Inc

August 9, 2005

Those present: See attached Attendee List. (Sign-in sheets are also available)

Molly Markert, Council Member	Cathryn Thrash
Mary Avgerinos, Neighborhood Support	Mr. & Mrs. Bernstein
Errol Rowland	Van Lewis
Vinny Roith	Judy Dumas
Ed Kay	George Dumas
James Gunderson	Terry Moran
Sharon Gunderson	Lynn Dolan
Min King	HRCC Member
David Brazinski	HRCC Member
Sharon Berkowitz	Libby Toomalata
Pamela Bjerke	Margaret Safy
Richard Doby	Shannon St. Hilaire
John Lippe	HRCC Member
HRCC Member	Richard Witting
Joan Brazinski Bedlock	Whitney Heintz
Marge Goody	Jane Klein

10 Member Associations represented included: Berkshire Downs, Burgundy, Chimney Hill, Cobblestone, Cobblestone Crossing, Country Club Ridge, Double Tree, Fairway 16, Heather Ridge South & Sausalito

4 Member Associations were not represented: Iliff Place Townhomes, Strawberry, Heather Ridge Apartments & Turnberry Apartments

1 Visiting Association: Ptarmigan Park

3 Visiting Members of Heather Ridge Golf Club

Committee Updates

Special Districts:

George Dumas' report included the following information pertaining to special districts: there are currently 900 special tax districts in Colorado . Heather Gardens is being used a model for research and development. An attorney needs to be brought on board to guide the acquisition effort/formulation of special district, and a special committee will be formed to do so.

Bonds will be used to fund the acquisition via a special district. There are 12 HOAs with approximately 2,000 units that would be directly impacted by the district and about 40 other HOAs in the area that could potentially participate in the district should one be formed. Districts are perceived favorably by lending institutions as they are extremely credit worthy.

Business Plan/Feasibility Study:

Ed Kay and Errol Rowland presented a status report of their efforts regarding the development of a business plan/feasibility study for upgrading and operating the golf course.

The business plan/feasibility study is based on golf course operation alone. Approximate cost to upgrade infrastructure is \$2 million and minimum 300 members would be needed to support golf operating costs.

Van reported that the current owner has given various asking prices for the golf course with a top dollar amount of \$8 million. He is also asking for an earnest fee of \$50,000. The owner has met with a Dallas , Texas investor and has even met with the Aurora Planning Department with this investor.

Ed Kay says that the work done so far probably fits more with the definition of feasibility study than a business plan. They have researched the golf courses at Aurora Hills (51,000 rounds per year), Fitzsimons (45,000 rounds per year), and Spring Hill (46,000 rounds per year), examining gross revenues, expenses, and net income from each. They have backed out all debt from each course to make comparisons consistent. In 2004, Aurora Hills reported approximately \$1.2 million in income and \$1 million in expenses; Fitzsimons (2003 data) reported \$1 million in revenue and \$700,000 in expenses, and Spring Hill reported \$867,000 in income and \$738,000 in expenses. The average for all three is about \$1 million in revenue and \$800,000 in expenses, resulting in about \$200,000 to \$250,000 of net revenue needed to pay debt service. Estimated percentage rate on loan is about 6.25% over 25 years. This results in a monthly cost of about \$6,900 in [principle and interest per one million dollars borrowed plus](#) \$2,000 in property taxes, and \$1,000 for insurance.

The scenarios for purchasing and operating the golf course are to either make it a private club or a public course. The big question though is can a metro district be used to buy a golf course that would become private? Research is being done on this question. There are pros and cons to each scenario. A restaurant and bar operation for 300 people could prove to be a serious drag on expenses. However, who would want to pay private club fees and not have this amenity or have it and share it with the public? These are important questions and some type of balance must be achieved to address all the variables and needs. Perhaps a restaurant and bar space could be leased out for revenue averaging \$36,000 a year. Someone pointed out that many of the people surrounding the course would not want it to become public.

Appraisal Report:

Cathy Thrash said that \$20,000 would be needed to have a commercial real estate appraisal done on the golf course. She said that public records indicate that the owner paid \$2.7 million for the property but currently only 5.25 acres is taxed. The big question is where is the remaining acreage in the assessment? The assessed value

is currently \$1.048 million. Another very important question is water rights ownership. These types of questions warrant the expertise of a legal advisor.

Public Funding:

Lynn Dolan reported her efforts regarding fundraising. Ducks Unlimited was contacted but turned out not to be a feasible source for fundraising. Great Outdoors Colorado (aka: GoCo -- money from lottery) was also contacted. They have a cap of about \$200,000 for projects with the exception of their Legacy funding. They have not, to date, however funded the purchase of a golf course. The Trust for Public Land is another source that would be a possibility for assistance as they have a wide range of expertise on their staff for purchase and acquisition.

Lynn said that in order to purchase the golf course, there will probably need to be multiple sources of funding.

Community Survey:

Vinny Roith presented preliminary results of the community-wide survey that was recently distributed. They had an overwhelming 40% response rate with over 1,000 responses (usual is about 10%). 65% of the responses said that the golf course was an extremely important consideration in the purchase of their home, 87% want to keep the golf course, 32% wanted some type of open space, and only 1 response wanted development of the golf course, 74% think a special district is a good idea, 13% were dead set against a special district, and 11% were undecided.

Newsletter / Media:

Min King distributed a PR (Newsletter) piece on UAHR, Inc effort that will be distributed in local newsletters.

Website:

Shannon St. Hilaire reported that the website for the group is almost ready to be put on the Internet and will be a useful tool for people seeking information.

Election:

Officers were elected and they are: Errol Rowland, Chair, Vinny Roith, Vice Chair, Pamela Bjerke, Secretary & Cathy Thrush, Treasurer. The Chairperson of the Golf Course Acquisition Group is George Dumas & Group Maintenance Chairpersons are Sharon and Jim Gunderson. These represent the Executive Committee. This committee will appoint one additional person in order to break voting ties.

Errol emphasized that the group requires the assistance of legal counsel and will need seed money as soon as possible. A motion was made to solicit an amount from each of the 12 HOAs equal to \$10 per home. These funds will be deposited into the UAHR, Inc. bank account. The motion carried unanimously to do so. People can send checks and correspondence to: UAHR, Inc, 2497-D S. Victor Street , Aurora , CO 80014 . The phone number for the group is 303 745-9805 .

The next meeting will be held on September 13, 2005 at 7:00 p.m.

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These Addendums approved at Representative meeting 9/13/2005

**United Associations of Heather Ridge, Inc.
(UAHR.org)**

Addendums to Minutes of August 9, 2005 Representative Meeting

Addendum #1:

Richard Doby , Secretary-Treasurer, Fairway 16 asked the question of Council Woman Markert:

What is the legality of forming a special tax district for the purpose of buying a golf course and operating that facility as a PRIVATE GOLF COURSE, with repayment of the debt coming from public funds (taxation of homeowners living in the special tax district to support a private facility). Is there any case law which addresses this issue? Do we have a definitive answer?

Addendum #2:

This section is added after the Website Section and before the Election Section:

(IDAG) Influencing Development Action Group

Although the golf course would be a costly and lengthy process for a developer wanting to do so, and the likelihood of this happening is uncertain at this time, the UAHR, Inc. executive committee has ruled that the (IDAG) Influencing Development Action Group will continue to be active, alert and vigilant to any plans brought forth to change the zoning to anything other than a golf course in the future. The IDAG requests that anyone hearing facts, rumors, news or discussions about any development plans be brought immediately to the attention of Vinny 303-745-9805 or Errol 303-337-3458.

Addendum #3:

This paragraph replaces the second to last paragraph of these minutes:

Errol emphasized that the group requires the assistance of legal counsel and will need seed money as soon as possible. A discussion followed. Van Lewis made a motion to request an amount from each of the 12 HOAs equal to \$10 per home. The motion was seconded and motion carried unanimously. It was reported two Heather Ridge communities received legal counsel that it is appropriate to fund this contribution from the HOA's general fund. These funds will be deposited into the UAHR, Inc. bank account. People can send checks and correspondence to: UAHR, Inc, 2497-D S. Victor Street , Aurora , CO 80014 . The phone number for the group is 303 745-9805.