

# UAHR HOA Representative Meetings

9-13-2005 7pm Meeting

Burgundy Clubhouse - 2685 S Xanadu Way - Aurora , CO 80014

## Attendees:

Name(s)	Affiliation	Name(s)	Affiliation
Gary White, Attorney	WHITE , BEAR & ANKELE , P.C.	Pete Traynor	Double Tree
Molly Markert	Aurora City Council Rep - Ward 4	Richard Doby	Fairway 16
Sue Sandstrom	Aurora City Council Rep - Ward 5	Paul Manooogian	Fairway 16
Pam Bjerke	Burgundy	George Dumas	Fairway 16
Karen Berg	Burgundy	Bill Ott	Fairway 16
Richard Witting	Burgundy	Joanie Ott	Fairway 16
Kirt Chiles	Burgundy	Diane Whalen	Fairway 16
Errol Rowland	Burgundy	Ben Bams	Fairway 16
Mike Trombley	Chimney Hill	Loretta Eggleston	Fairway 16
Cathy Thrash	Chimney Hill	Ed Kay	Heather Ridge South
Terry Moran	Chimney Hill	Van Lewis	Heather Ridge South
Margo Plemone	Cobblestone	Vinny Rauth	Sausalito
Mary Lou Braun	Cobblestone	Pat Horton	Sausalito
Jane Klein	Cobblestone Crossing	Carl Mayfield	Strawberry
David Brahinsky	Country Club Ridge	Ben Manufo	Strawberry
Laka Slavsky	Country Club Ridge	Jan Butsch	Strawberry
Joan Brahinsky-Beldock	Country Club Ridge	Ken Foley	Strawberry
Jim Gunderson	Double Tree	Linda Malleis	Strawberry
Sharon Gunderson	Double Tree		
<b>Total Attendees = 37</b>			

**7:00pm Call to Order** – Errol called the meeting to order & said that we have selected legal council to assist us form a special district. Gary White the principle of White Bear & Ankele, P. C. (WBA) is in attendance. We wish to introduce him and have him address the group.

## **7:02 White Bear & Ankele, P. C. (WBA) – Gary White, Attorney at Law**

**WBA Experience** – Gary began by saying his firm forms districts, represents districts after organization and lead the bond issuance/financing efforts. WBA serve as general counsel to districts much as a city attorney represents a city council. Gary has been specializing in special districts work since 1983. WBA is the largest firm in the state doing this work. Currently the firm has 15 attorneys. WBA has over 75 years of combined experience. A former partner and Gary worked to develop a new model service plan and review/approval procedure for the City of Aurora . They worked for well over a year with senior city staff, council members and the Mayor on this effort designed to simplify the entire process due to the fact that the city receives so many requests to form new districts. WBA recently formed a special district for some homeowners in Eagle County . A wealthy development group purchased a large section of land including the dirt roads accessing the homeowner's homes. The homeowners formed the district to prevent the developer from closing the access to their homes.

**Why pro bono** – When WBA read the United Associations of Heather Ridge was considering forming a special district, Gary contacted the City of Aurora . Mayor Tauer, the Council and WBA firm worked very well together in our combined efforts to create the new model service plan in establishing procedures in special district formation. A lot of effort was expended by the city leadership and as a thank you to the city and Council, WBA felt it appropriate to offer to the Mayor and Council that Gary 's firm would do the

organizational work for the UAHR district without charge for legal fees. WBA is also committed as a firm to giving back to the communities in which we operate and Gary felt a personal interest in helping a group of homeowners who otherwise might be rather exposed to the strategies and plans of a well financed development effort to rezone the golf course.

**Aurora special district / golf courses** – The City of Aurora did stipulate that new special districts cannot own or operate new golf courses within Aurora. This infers new golf courses and we will work with the staff and city council. This can be waived by the council since Heather Ridge Golf Course is not new and acquisition by the UAHR district will not violate the intent of city policy.

**To do list** – The general overview of procedures for us to form a Special District and general items to be accomplished before the May, 2006 election include:

- a. BACKGROUND WORK ON THE FINANCIAL ABILITY OF THE COMMUNITY TO ISSUE BONDS TO ACQUIRE THE GOLF COURSE. POLITICAL WORK TO DETERMINE WILLINGNESS OF COUNCIL TO AMEND PROVISIONS OF THE MODEL SERVICE PLAN TO ALLOW THIS EFFORT TO PROCEED. COMMUNITY WORK TO DETERMINE THE WILLINGNESS OF YOUR TAXPAYING NEIGHBORS TO PAY WHAT IT WILL COST TO ACQUIRE, OWN, MAINTAIN AND OPERATE THE GOLF COURSE AND DISTRICT. (NOW THROUGH YEAR END)
- b. PREPARATION OF SERVICE PLAN CONTAINING THE FINANCING PLAN OF THE DISTRICT (JAN 2006)
- c. COUNCIL APPROVAL OF SERVICE PLAN (FEB/MAR 06)
- d. DISTRICT COURT HEARING TO CALL THE ORGANIZATIONAL AND DEBT ELECTION (MAR/APRIL 06)
- e. ELECTION TO FORM DISTRICT, ELECT DIRECTORS AND APPROVE BONDS AND TAXES (MAY 06)
- f. SOMEWHERE IN THIS TIMELINE CONTACT NEEDS TO BE MADE, PROBABLY BY WBA, WITH THE LAND OWNER TO DETERMINE WILLINGNESS AT A MARKET PRICE, TO SELL THE COURSE IF THE DISTRICT IS FORMED.

Should the golf course be maintained by the owner or be sold to another party as a golf course. It might be appropriate to simply form a special district without the tax or the bond items. The special district could then remain inactive on paper as long as periodic necessary reports are filed with the state and the city.

Questions were posed and discussed:

Pete Trainer asked about the size of area needed for voter support. And how is the value of the golf course determined? – Gary said it is difficult to say at this time. An appraisal is needed to determine best use.

Pete also asked how we bridge asking price with appraised value. – Gary said there is legal, political and financial risk to the golf course owner. They may recommend the services of a financial group to help with valuations to determine mil levy.

Errol pointed the elections can be held any November with a general election or only on the even years in May. May, 2006 would be most advantageous. Elections in May normally are very specific and voters with strong opinions will turn out. The November election is general with a much larger turnout. As a rule people voting in the November election are not as informed on issues such as district formation. If we don't get it on the May 2006 it would have to wait until a November election or until May 2008.

Errol also mention to keep in mind UAHR is not venturing into the unknown. Heather Gardens formed a special district in 1983 to preserve their golf course. That can be the model and it has been a success. Three issues can be on the election ballot:

1. The ballot item to form a special district with specific a geographic boundary
2. The ballot item to issue bonds to finance the acquisition of the golf course.
3. The ballot item to tax homeowners within the special district

Remember that a special district does not have to be taxed. It can be a paper district, which is necessary to control the property as a special district.

Gary said that ideally we are looking for a cooperative endeavor with the current owner and aim for a level playing field.

At this point Gary White, Aurora Council Member Molly Markert and Aurora Council Member Sue Sandstrom excused themselves and a round of thanks was offered to them for all their help and support.

#### **7:22 Old Business:**

##### **Reading & Acceptance of Minutes of August 8, 2005 Meeting**

The minutes of the August 8, 2005 Representative Meeting and Addendums 1, 2, and 3 were read and discussed. Upon motion by Mike Trombley and seconded by Terry Moran, both of Chimney Hill, the minutes and Addendums were accepted. See **Attachment A** and also attached to August, 8 2005 minutes.

#### **7:35 Treasurer's Report – RE: Vinny Roith for Cathy Thrash**

Vinny Roith reported for Cathy Thrash on the seed money by displaying a chart (See **Attachment B**) detailing \$6,350 total contributions received to date. A discussion followed with several questions being asked. Richard Doby had a question regarding the attorney fees and budget for expenses. Attorney fees are pro-bono and a budget for expenses, i.e. \$3,500 for filing fee plus election costs and expenses to date has been made.

- Seed Funding – \$6,350 total contributions received to date -- See **Attachment B**
- Although a few small expenses have been incurred, to date none had been paid.
- Dissolution – In the event of the corporation's dissolution, any excess funds will be returned to donators in direct proportion to the contributions. This is also reflected in the Articles of Incorporation filed with the State of Colorado Secretary of State.

Carl Mayfield of Strawberry asked the amount to be expected to complete the transaction to acquire the golf course. Errol responded that that we have a good idea of two of the three major financial categories:

- The cost to repair the infrastructure & short term operations until the golf revenue can be reestablished and
- Golf operations projected P & L.

- The final item, we have not been able to determine, is the acquisition amount of the golf course. Until we have formed the special district we are not in a financial position to begin negotiations.

George Dumas said that we are now in the process of obtaining the valuations of our communities which WBA pc (our attorneys), have requested.

#### **7:45 Accomplishments – Committee Updates**

- **IDAG – Influencing Development Action Group – Vinny Roith, Chair**
  - **Attorney Selection – White Bear & Ankele (WBA pc) – Gary White**
  - **Development Activity** – Vinny reported the group reported the IDAG group met with the most recent prospective buyer developer last week. The plan was to develop single family homes on the fairways of the golf course. At the end of the meeting the developer stated he will not pursue the plan at this time.
- **GCAAG – Golf Course Acquisition Action Group – George Dumas, Chair**
  - **Special District – George Dumas** reported he is working on obtaining community valuations and should have them within a few days with the help of Sandra Jones. George reported that Lynn Dolan has turned over her preliminary findings about alternative and public funding. We thank Lynn Dolan for her excellent efforts and we are fortunate she will continue to assist us as we need her skills.
  - **Business Plan** – Ed Kay reported that he and Errol Rowland are submitting the preliminary business plan to three experienced golf club managers for their critique.
- **GMOR -- Group Maintenance & Organizing Residents Group -- Jim & Sharon Gunderson, Chair**
  - **Community Survey** – Vinny Roith reviewed the final results of the community survey. The survey reflects overwhelming community support for keeping the golf course as a golf course and moving forward to form a special district.
  - **UAHR.org Web Site** – Sharon Gunderson reported that the website is up. We wish to express our thanks to Shannon St. Hilaire of Brookshire Downs for her efforts with the content of the website as well as David Russell for his assistance in launching UAHR.org. This site will be changing frequently and it is an excellent medium to keep the community organized, united and informed. We welcome suggestions, changes and additions. Let us know what you think of it. This is our way to keep the **facts** separate from the **rumors**. At this time the contents include:
    - **Current Events**
    - **Media News Articles**
    - **Community News Letters**
    - **HOA Representatives**
    - **Representative Meeting Minutes**
    - **Survey & Results**

o **Maps**

o **Community Comments**

- o Errol reported that the September 2005 issue of the Heather Gardens newsletter **Heather 'n Yon** contained an article supporting our efforts to preserve the golf course and form a special district. This is significant and our communities should be very appreciative of their support. Heather Gardens is our neighbor of over 2,400 homes to our northeast across Interstate 225.
- o Errol mentioned that our group has talked with homeowner a few homeowner associations to discuss the issues, field questions and dispel rumors. He stated that we are available for these discussions with short notice to any that ask. He also mentioned that the City of Aurora has been very helpful to us and we should all appreciate their assistance. He also stated we should be respectful and friendly to all parties in our dialogue and discussions. We should not disparage the current or any future owner or any potential developer.

**8:05 Organization:**

- **Exec Group Board Requirement** – Errol address the need for a seventh member to the Executive Board and asked for suggestions. A discussion followed. One idea surfaced that although as a special district the golf course would be public, yet the current golf membership will be the single major guaranteed revenue stream. Having the golf membership and the homeowners united and working together would help in our mission to preserve the golf course. A motion was made by Van Lewis of Heather Ridge South and seconded by Loretta Eggleston of Fairway 16, to allow the UAHR, Inc. board members to find a seventh person, a non-resident Heather Ridge Golf Club member to join the Executive Board. The motion carried unanimously.

**8:18 New Business – No new business was offered**

**8:20 Wrap Up – Schedule next meeting** – There being no additional business to discuss the meeting adjourned at 8:20 PM. Next meeting is scheduled for Tuesday, October 11, 2005 at 7 PM in the Burgundy Club House.

Respectfully submitted,

Pamela Bjerke

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**Attachment A:**

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?

The following response on 9/13/2005, 3:46 pm Mountain Time from Rob Werking of the Aurora City Attorneys office: "No a governmental entity, whether general or special district, may not operate a private membership only golf course. Certainly there may be district rate but the nature of the money - bonds - is public."

(The answer is when a special district is formed the golf course would be public, however because golf members will provide major reliable revenue steam, they as well as residents living within the special district will have privileges.)

**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.

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**Attachment B:** The executive board decided Feb 1,2006 - not to publish the donation detail and to keep the contributors confidential. A contribution request is available only by appointment and only to UAHR members. Any member may call 303-745-9805 to arrange an appointment to view any specific donation and reconcile it with a bank deposit.