WebsiteTitle: PRGC Funding - BOD Approval 8-12-2021

## Supplemental HOA Funding of Pusch Ridge Golf Course Operations Shadows of the Ridge Homeowner's Association No. 2 Oro Valley, Arizona

Date: August 12, 2021

Re: Pusch Ridge Golf Course Funding

## **Background:**

Since the mid-2010s, several Oro Valley (OV) golf courses have been forced to close, including Rancho Vistoso golf course. Golf's popularity had steadily declined since the mid-2000s, and the entire industry was under pressure leading up to the debate over golf in OV that began with the 2018 election of Mayor Winfield and several new Town Councilmembers.

In 2015, the Town of OV acquired the Community Center & Golf and Tennis Assets from HSL Properties as part of HSL's purchase of the Hilton El Conquistador Resort. The new Mayor, Councilmembers and town administrators entered with an unfavorable view of golf, which was underperforming, and pushed to decommission and repurpose those town assets. Following a hotly contested debate in 2019, which had the HOAs surrounding the two 18-hole El Conquistador golf courses organize and advocate for their continued operation, the Town Council voted to continue operating those courses coupled with a modest HOA financial contribution. A contract between those HOAs and the Town was executed and annual payments of approximately \$150 per lot per year began in arears.

In late 2019, focus turned to the underperforming 9-hole Pusch Ridge Golf Course (PRGC). In order to cut losses, in April 2020, the Town of OV shut down PRGC. Under its purchase agreement, should the Town ever choose not to operate the 9-hole course which surrounds the Hilton resort, HSL Properties has the option to lease-back the course for \$10,000/year. HSL was formally provided that option in 2020. With the COVID-19 pandemic devastating the hospitality industry, HSL declined the option, claiming financial incapacity. During late 2020 and early 2021, the fate of PRGC was deliberated in several Town Council meetings. Again, the HOAs surrounding the PRGC organized and strongly advocated for its continued operation, citing the surprise resurgence of golf during the pandemic as a favored socially distanced recreation option and the growth of rounds played across the country. The Town Council relented to the HOA advocacy and golf's resurgence and voted on Feb 17<sup>th</sup> to reopen and operate the PRGC over converting it to a linear park/open space facility.

As part of our advocacy, the three PRGC HOAs offered the Town of OV the same financial funding being provided by the two 18-hole course HOAs. The three PRGC HOAs presented

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and secured consensus support for the proposed financial funding in <u>Special Meetings of their HOA members before it was formally presented to the Town of OV in late 2020</u>. The HOA contributions were included in the proformas Town of OV staff presented to the Town Council when the latter considered and <u>voted for Option A (Golf) over the other two open space options at the Feb 17<sup>th</sup> Town Council meeting.</u>

## **Summary of Actions:**

Following the decision to **reopen** PRGC on Feb 17<sup>,</sup> 2021, members of the three HOAs formed Friends of Pusch Ridge Golf and began working with the Town and Indigo Golf Partners to **restore** PRGC and **preserve** its resurgence beyond 2021. Niranjan Vescio, Secretary/Treasurer of Shadows of the Ridge HOA #2, was voted Chairman of FOPRG. As a result, he recused himself from the PRGC HOA - OVTown contract negotiations. Sandy Carter and Jackie Doyle joined boards of the other two PRGC HOAs to negotiate terms of the financial contributions. Both sides commissioned legal counsel to sort out the details and general terms of the contract were presented to the Shadows of the Ridge #2 HOA members at a Special Meeting held on August 9, 2021 at 5:30pm. Our Board of Directors (BOD) were joined by John Tidwell, Beth Porter, Claire Walpole and Tony Cesare. Following a brief introduction to the contract terms and a recount of the Oro Valley golf debate, no dissenting opinions to the fiscal contributions were voiced. The meeting concluded after 35 minutes at which time the BOD convened Executive Session and voted unanimously to execute the contract with OVTownand commit our HOA to three years of PRGC funding.

## **Executive Meeting of the Board of Directors:**

On August 9, 2021 at 6:10pm, following a Special Meeting open to all members, the BOD convened an Executive Session and voted unanimously to execute the contract with the Town of Oro Valley that commits our HOA to three \$3300 annual contributions towards PRGC operations (\$150/lot/year), with the potential of an additional 2 years if OVTown Council determines the PRGC sustainable. Jackie Doyle signed the contract and presented it to Assistant Town Manager, Chris Cornelison, on September 1, 2021.

This approved resolution documents the history leading up to the drafting of the contract between the Shadows of the Ridge #2 HOA and the Town of Oro Valley, and the actions taken to secure HOA member consensus and commit to three years supplemental funding of Pusch Ridge Golf Course operations.

Approved by and Date:

Directors, August 12, 2021

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