



DIABLO GRANDE

How do **WE** fix DG, **We** have many moving parts?

# Results of Diablo Grande Suggestion Form

## How many years have you lived in Diablo Grande?

<b>Years Lived in DG</b>	<b>Number of People</b>	<b>Total Responses</b>	<b>Percentage</b>
<b>Years 1-2</b>	39	173	<b>22.50%</b>
<b>Years 3-5</b>	50	173	<b>28.90%</b>
<b>Years 6-10</b>	38	173	<b>22.00%</b>
<b>Years 11-15</b>	27	173	<b>15.60%</b>
<b>Years 16-20</b>	17	173	<b>9.80%</b>
<b>Years 20+</b>	2	173	<b>1.20%</b>

# Results of Diablo Grande Suggestion Form

**Please share your interest/priority level in the following needs for Diablo Grande.**

	<b>Absolutely Need</b>	<b>High Interest</b>	<b>Combined Abs/Hi</b>	<b>If Available</b>	<b>Low Interest</b>	<b>Not Interested In</b>
<b>Restaurant</b>	63.6%	16.2%	79.8%	14.5%	3.5%	2.3%
<b>Community Center</b>	65.9%	13.3%	79.2%	16.2%	2.9%	1.7%
<b>Golf</b>	49.7%	17.9%	67.6%	17.3%	7.5%	7.5%
<b>Vineyards</b>	43.9%	21.4%	65.3%	16.2%	14.5%	4.0%
<b>Developer</b>	42.0%	16.8%	58.8%	9.8%	20.2%	11.0%

# Results of Diablo Grande Suggestion Form

**Please share your interest/priority level in the following possible amenities for Diablo Grande.**

The results of this information will be helpful when shared with the community, HOA, WHWD for future possible considerations.

	<b>Absolutely Need</b>	<b>High Interest</b>	<b>Combined Abs/Hi</b>	<b>If Available</b>	<b>Low Interest</b>	<b>Not Interested In</b>
<b>Coffee/Shop</b>	59.0%	23.1%	82.1%	11.0%	5.2%	1.7%
<b>Trails</b>	53.2%	20.8%	74.0%	14.5%	8.1%	3.5%
<b>Playground</b>	49.1%	23.7%	72.8%	10.4%	10.4%	6.4%
<b>Swimming</b>	46.8%	20.2%	67.0%	16.2%	11.0%	5.8%
<b>Wellness/Gym</b>	43.9%	21.4%	65.3%	22.0%	6.9%	5.8%
<b>Dog Park</b>	36.4%	19.1%	55.5%	15.0%	17.9%	11.6%
<b>Tennis</b>	21.4%	12.1%	33.5%	26.6%	17.3%	22.5%
<b>Pickleball</b>	16.2%	17.3%	33.5%	29.5%	19.7%	17.3%

The Master Agreement entered on June 4, 1998

30,000 Acres in 5 Phases World Class Resort, PHASE ONE, 3,000 ACRES

- 5,000 Homes
- 6 Golf Courses
- Vineyards
- Hotel
- European Spa
- Retail Center
- Business Park
- 1<sup>st</sup> Phase within the boundaries of the Western Hills Water District about 3,000 acres, approximately 2,200 homes
  - Water, Sewer, and Storm Drain Service
  - Custodian/Trustee of CFD



# The Diablo Grande Community Challenge!

- Mello Roo's Debt on May 31<sup>st</sup> will be **\$24,000,000** – unlikely but possibly negotiable
- Penalties, Fees, and Legal costs owed apx **\$1,900,000** - negotiable
- County Property Taxes current owed apx **\$8,200,000** – possibly negotiable
- Kern Water Authority **\$6,400,000** – possibly negotiable
- City of Patterson Sewar **\$2,200,000** – possibly negotiable
- World's Assumed Water Charges **\$516,000** – likely never see this revenue
- Direct Angels Crossing Water Charges **\$500,000** – likely never see this revenue
- World Int'l subsidy loan at 8% annum, accumulated since 2008 **\$16,900,000** – possibly negotiable
- Approximate HOA/COA Debt from WI/AC owed to **WHWD \$540,000** – likely never see this revenue
- Another challenge, interest rates to buy a home are **over 7%**
- **As of 7/31/2023, total approximate debt of DG is about at \$46,000,000**

TO ATTRACT A LEGITIMATE DEVELOPER, THERE NEEDS TO BE AN OPPORTUNITY FOR THE DEVELOPER TO MAKE MONEY!

# Possible 3 Options for Phase One Completion

- **Find a master developer** who will invest millions of \$s, take over everything that includes re-opening the community center, restaurant, golf course(s), finishing the infrastructure and build approximately 1600 homes
  - most desirable but most unlikely
- **Find a developer** that will invest millions of \$s finishing the infrastructure and buildout of 1600 remaining homes but is not interested in investing to reopen the community center, restaurant, and golf courses, community figures out how to bring back amenities
  - probably not most desirable but more likely
- **No developer involvement**, find a builder to build the remaining 120 lots, community figure out a way to reopen all amenities
  - probably least desirable option

**Legal aspect, what can we do? WHWD is the custodian of the bonds and has decision-making power to an extent, think of the WD as the parent and the bond holders as the children. The WD makes it's decisions based on what they think the bond holders would want – it can complicate things**

# Developer Interest

- **Saybrook Fund Advisors, LLC, Redwood Shores, CA**, Jeff Wilson, Co-Managing Partner, Jeff has visited DG on four occasions, recently with North Star Engineering Group and Teichert Construction – hopefully, a proposal is forthcoming, only interested in building homes and infrastructure, not the community center or golf course – **cautiously optimistic**
- **Landcastle Inc, Danville, CA**, Jim Brennen, familiar with DG property, coordinating with his builder to make an appointment to visit and tour DG – **still waiting**
- **CBRE, Sacramento, CA**, Randy Grisman, Randy has a developer interested, doing his due diligence and will be making an appointment to tour the community soon – **still waiting**
- **Mountain Valley Developers, Patterson, CA**, Gallo MacMaster, investigating with a local builder to gauge his interest in building in DG, busy with existing project, my read is **probably not interested at this point in time**
- **Tower Investments, LLC, Sacramento, Woodland, CA**, John Pierce, Director of Development, visited DG, reviewed the numbers **and decided not to pursue**



# Brokers Interest & Builder

- **KW Commercial, Rancho Cucamonga, CA**, David Neault, Mgr. Director, Alan Deszcz, Don Gebhard, visited the county and DG for entire day in September, would like to make a presentation to the board & public to list the DG property, 6% commission, relationship with several developers in SO CA, thank you to Sheryl De Castro
- **CBRE, Sacramento, CA**, Randy Grisman, would like to list the property, has relationship with several developers
- **Simplified Inc, Salida, CA**, Aaron Unger, owner, Gina Scotland, DG resident & agent, Simplified would like to list the property for a max commission of 2%, made a written proposal outlining their services but will present if we set a date up to do so
- **John Diaz, Independent Broker, Modesto, CA**, has relationships with several local builders to buy lots & build, referred to us by Vic Dombowski who lives here in DG
- **Private builder, CA** wants to build 100 homes right now, can we make the #s work?  
Need to further investigate

# Golf Course Interest

- **Sierra Golf Mgt, Chowchilla, CA**, Dan Bacci, COO, currently manage 19 courses, visited DG site on 8/29/23, 9/6/23 requested & we provided water rate cost range, 9/15, Dan wants to come back to checkout the pump stations for both courses, waiting for power to pump stations & clearing out debris, Sierra has expressed an interest in putting together a proposal – **seems interested but still evaluating**
- **Coursco Golf Mgt, Petaluma, CA**, Mike Sharp, CEO, came and toured DG, **interested if we find a master developer**
- **Kemper Golf Mgt, Northbrook, IL**, Amish Naik, VP of New Business Development, Joe Smith & agronomist toured DG, **Kemper not interested**, however, Joe may have several private investors who are interested
- **Steve Scotland, may have several private investors** interested in bringing back the Legends course, coordinating a meeting with the investors
- **Do it ourselves?**

# Community Center & Restaurant

- We have several people who are interested in re-opening the clubhouse restaurant & bar. They prefer to remain anonymous at this point until they have finished their evaluation which is in progress
- **Possible Ideas for Reopening the Restaurant**
  - Create a reasonably priced take-out dinner for commuters in DG, create a signature pizza for DG & Patterson area, offer formal dining on Thursday – Saturday evenings with limited menu, e.g. a good steakhouse to attract people from the valley
  - Bar reopen for wine & beer, burgers, finger food, fries, etc.
  - Set up 3 Golf Simulators, 1 driving range, 2 golf courses to play
  - Wellness center, gym, coffee & community store, eggs, milk, etc.
  - Absolutely would require Community support!!

# Vineyards

## **41 acres ready to farm NOW**

- 11 more acres ready to farm hopefully in January-February of 2024
- Doug Rowe is heading up our search, has solicited Delicato and Gallo to gauge their interest, Gallo has requested a proposal from WHWD
- Considering a possible 10-year lease, \$1/year, to farm the 41 acres with the only cost being the water supplied by the WHWD
- DG will benefit by assisting a would-be developer sell homes, adding a new water customer, bring back the beauty, thereby increasing DG resident home values

# Acquiring Grants

- Currently attempting to acquire a grant to finish the water treatment plant, need to have a new tank built and plant expanded to be able to buildout phase one, approximately 1600 more homes, big picture to help reduce water rates
- **The WHWD has selected a grant writer along with an engineer** familiar with DG that will provide information the grant writer needs to put together a grant request to the state water board in a one-page summary prior to doing the grant write-up, WHWD waiting for a proposal from the grant writer
- This should happen over the next 30-days

# Some Additional Thoughts

- THE POSITIVE – thanks to Julie Davis, Mark Kovich, and our current water board, we now have a say in the future of our community! TOGETHER we can fix it!
- We have many moving parts, much more research required to figure out best option, we have a lot of work ahead of us
- Need volunteers to work on cleaning up the landscaping around the community center
- Carl King, the former golf superintendent of DG, is now here Sunday afternoon through Thursday helping to spearhead the cleanup and keeping an eye on our community center

# Community Suggestions

## Amenities

- Solar farm
- Recycling program
- Yard sales
- Emergency services
- RV / Boat Parking
- Enforce HOA Rules
- Apply for Grants
- Dirt bike/asphalt track for go karts
- Separate lane for visitors/residents at guard station
- Security Cameras - park
- Diablo Grande parkway - garbage cans, benches, paint walls
- Mountain biking
- Gaming Night - Poker, bingo...
- Lessons - Golf, Tennis...
- Streetlights
- Landscaping,
- Speed bumps
- Spartan Races
- Driving Range
- Senior Citizen Offerings
- Two Lane Entrance
- Internet provider
- Tribal Casino
- Charter School
- Fire Department Staffed
- Mosquito/yellow jacket abatement
- Another road out
- Another Park area
- Equestrian
- Mini Golf, gaming area
- Street repair
- Amphitheater.
- Electric charging stations

## Comments

- Association mail access
- California Forever
- In-house maintenance service ppl in DG like plumber, electricians
- HOA Communication from CI
- Lower Water rates
- Frog Pond
- BBQs
- Parking policy
- Church / Saloon Bar
- Fence Repair
- Youth Activities
- Plant Trees
- Clean Up and Maintenance
- Golf Cart Rentals

# Thank you!

- QUESTIONS?

- If you would like this presentation to be emailed to you please add your email to the notepad

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