



DIABLO GRANDE

How do **WE** fix DG, Many moving parts  
UPDATE

## A HUGE Thank you to ALL the Volunteers!

- **All the ladies who came in and cleaned the bar and restaurant area in the community center. Kathleen Frederick, Dee Johnson, Judy Johnson, Mary Davies, Lori Black. I hope I didn't miss anyone.**
- **All the men who have helped clean up the outside around the community center, John Frederick, Little Marty Johnson, Big Marty Johnson, Tim Harper, Doug Rowe, Doug Moore, Roger Berbena, Jose Perez, Michael Oliver, & entire water board, I hope I haven't left anyone out**
- **An enormous HUGE THANK YOU to Tony Contreras, who has his own window cleaning company, Sky Window Cleaning and cleaned every window inside and out at the community center!!!**

## 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 aprox **\$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, haven't found anyone yet but still searching
- **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, still talking to a developer
- **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, talking to a builder now

**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, many moving parts**

## Developer Interest Update

- **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 – **still evaluating, no new news**
- **Landcastle Inc, Danville, CA**, Jim Brennen, familiar with DG property, coordinating with his builder to make an appointment to visit and tour DG – **says he is interested but no appt yet**
- **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 – **no response, will continue to follow-up**
- **Terra Ag, Sacramento, CA**, met with Nav Athwal, land developer, Channce Condit, County Supervisor, brought him, very interested in DG, provided him with our current debt status, will be meeting with his partner to discuss options, Mr. Condit highly recommends and is optimistic we can fix DG, county very willing to help us

## Brokers Interest & Builder UPDATE

- **KW Commercial, Rancho Cucamonga, CA**, David Neault, Mgr. Director, Alan Deszcz, Don Gebhard, visited the county and DG for entire day in September, making 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, **tentative date setup for Saturday, 12/9 or Wednesday, 12/13 (Water Board meeting)**
- **CBRE, Sacramento, CA**, Randy Grisman, would like to list the property, has relationship with several developers and builders – have made several follow-up calls with no response
- **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%, **tentative date for presentation is Wednesday, 12/13**
- **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, very interested in fixing up **two homes on the hill & selling them for the water district, waiting for Saybrook's response**
- **Lynn Aplaud, Patterson, CA**, he & his partners want to purchase the **62 custom lots to build homes**, will be making a proposal to the WD board on 12/13, also we need to wait to hear from the developers

# Golf Course Interest Update

- **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. 10/26/23, met with Dan Bacci & his crew, Dan provided a spreadsheet estimate, **1.5 mil for Ranch, 2.0 mil for Legends to bring back, might consider a partnership with DG, however, it seems they're not interested in making much of an investment unless we do**
- **Coursco Golf Mgt, Petaluma, CA**, Mike Sharp, CEO, came and toured DG, interested if we find a master developer
- Joe Smith, currently works for Kemper, was interested with private investors, however, **they have declined.**
- **Steve Scotland, may have several private investors** interested in bringing back the Legends course, coordinating a meeting with the investors, **no change here!**
- **Do it ourselves? This option looks more likely, perhaps, hiring a management company once we secure the funds**

# Community Center & Restaurant Update

- 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, ideas include creating a reasonably priced takeout dinner for commuters in DG, create a signature pizza for DG Patterson area, offer formal dining on Thursday – Saturday evenings with a limited menu, e.g. good steakhouse to attract people from the valley – **still evaluating**
- Center Street Grille, Turlock, owner, Ira Berry, may be interested, **wants to come up and visit our community center, checking legal options with attorney**
- We may have someone interested in opening the coffee shop café, **begin Saturday & Sundays, COMMUNITY MUST SUPPORT!, checking legal options with attorney**



# Vineyards UPDATE

## **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, made proposals but no response yet
- **Doug attending Tree & Vine Expo this Thursday, 11/9**
- Considering a possible 10-year lease, \$1/year, to farm the 41 acres with the only cost being the water supplied by the WHWD

# Acquiring Grants UPDATE

- 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
- Just received today a proposal from Engineering Solution Services, the water board will need to evaluate to move forward

# FOLKS, LET'S GET REAL!

- Based on last months polling, 80% of DG want the Community Center reopened, to include the restaurant, bar, coffee shop, birthday parties, swimming pool, a gathering place for the community to congregate & possibly reopen one golf course!
- We're working through the legal aspects of figuring out how to make this happen
- **These amenities will not be free!**
- **The reality is financially, we will need revenue by homeowners in the neighborhood of \$100/month to make this happen.**
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*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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