



Potential Property Devaluation in Canada Hills Community Association

Dear Homeowner,

April 8, 2019

This communication is coming to you from the Board of Directors of your master Association, Cañada Hills Community Association ("Cañada Hills"). It is in regard to your property at 11177 N. Par Drive Oro Valley, AZ 85737, Account Number: CHA-001.

As many of you are aware the Oro Valley Town Council ("Town Council") is currently deliberating on potentially closing or repurposing all or a portion of the golf courses associated with the Oro Valley Community Center.

A portion of this golf course is intertwined with Cañada Hills. We, as the Cañada Hills Board of Directors, are very concerned regarding the impact to Cañada Hills and Oro Valley if the Town Council were to decide to close or repurpose any portion this portion of the golf course. **In general, closure of golf courses devalues view lots by up to 20 per cent and nearby homes by 5 per cent. Studies of similar communities with a golf course closure suggest that a \$300,000 home would lose between \$15,000 to \$60,000 in value.**

This letter is to update you on our involvement and actions on this issue on behalf of the community. It is also intended to inspire you to communicate with your council members, whether you share the Board's view or not. **This is a time to be sure your opinion is heard by your elected officials.**

We presented our concerns at the February 20th, 2019 Town Council meeting. In our statement, included in this communication for your reference, we focused on the potential property devaluation in Cañada Hills.

At the Cañada Hills Annual Meeting held on March 13, 2019 many homeowners expressed their apprehension regarding this issue. The message from these homeowners was clear – they are very concerned regarding potential devaluation of their homes in Cañada Hills.

We sought legal counsel to understand what actions we are authorized to perform by the Cañada Hills Governing Documents. Based on this legal advice, we have decided that it is within our rights and duty to act to protect the Cañada Hills property values within the limits specified in the Governing Documents.

Our first step is to share our perceptions with the members of Cañada Hills in this letter. We are also working to retain an expert appraiser to estimate the likely decrease in home values and present the results and our demands to the Town Council. We, as representatives from the Cañada Hills Board and Oro Valley homeowners, continue to attend Town Council meeting, are working to meet with the Town Council, and are restating our concerns on a regular basis.

While the impact to Cañada Hills is potentially significant, it is our opinion that the Town Council has not fully addressed the impact this decision could have on all of Oro Valley. Things that could impact Oro Valleys financial future include:

- Loss of property tax revenue that is returned to the town's roads, schools, fire departments, libraries, etc. due to the significant devaluation of property on or near the golf courses.
- The cost to Oro Valley of repurposing the land and its long-term maintenance, which could be significant.
- Loss of Oro Valley Water Utility revenue if the golf courses does not purchase effluent (recycled) water.
- The loss of Oro Valley tourism and tournaments that draw people to Oro Valley. This will result in a loss of revenue for Oro Valley in bed taxes and a reduction of city tax collected.
- Potential monetary liability to Oro Valley from lawsuits resulting from this decision.
- The opportunity of increasing the net profit of the golf course by restoring golf fees to their previous levels and decreasing expenses by implementing delayed infrastructure and maintenance projects. i.e. Irrigation replacement.

To date we have not heard the Town Council address these basic financial issues.

It's also obvious that the look & feel of Oro Valley will be significantly different if the green space provided by the golf course is eliminated. Homeowners in Oro Valley should also anticipate the reduction of amenities that we take for granted in Oro Valley, such as hotels and fine dining, that have a dependence on tourism.

There are thirteen hundred homes and two large apartment complexes in Cañada Hills. Our residents make up approximately six percent of the population of Oro Valley. Communicating your position to the Town Council can make a difference and will assure that Cañada Hills is represented in this discussion.

In order to make your work easier we have attached a copy of the contact information for your council members and town manager. These, and other resources, are available at <http://www.canadahillscommunity.com/>.

Regardless of whether you agree with our position or oppose it, please act today. We recommend communicating your opinions directly with your council members and attending the Town Council meetings to express your opinion immediately. The Town Council could choose to decide on this matter at any time.

We love living in Oro Valley. We are proud of Cañada Hills and want to do everything within our power to influence the Town Council to do a thorough analysis of this topic and make an intelligent and informed decision. This issue will be on the agenda for Cañada Hills Board Meetings for the foreseeable future. The time and location of Cañada Hills Board Meetings are posted on <http://www.canadahillscommunity.com/>.

We encourage you to act today and let your voice be heard!

Best Regards,

Your Cañada Hills Community Association Board of Directors

Canada Hills Community Association Property Devaluation Issue

Presented by Steve Jones at the February 20th, 2019 Town Council Meeting

Good Evening, my name is Steve Jones. I am an Oro Valley resident and homeowner of ten years. I would like to start by thanking all of you for serving as members of our Town Council. I appreciate it is an honor to serve that comes with its share of sacrifices.

I have been asked to speak on behalf of the Canada Hills Homeowners Association as a homeowner and a board member.

Historically, our HOA which includes 1309 homes and 17 businesses has been apolitical and to my knowledge never endorsed a candidate or taken a position on any town issue.

The Community Center and in particular the potential closing or repurposing of the golf course land is of grave concern to our homeowners.

It is widely agreed that closing of golf courses reduces the values of nearby homes and indeed impacts all property values of the community to some degree.

One study shows that home values decrease by about \$20 per square feet or at least 10% of the home value along with doubling the number of days on the market before it sells.

By simple math, let's say 1309 homes times an average home value of \$300,000 times 10% would equal about a 40 million dollar decrease in property values in our HOA alone, and we are only one of the several HOA's on the golf courses. If you disagree with my numbers, please plug in the numbers you believe are correct, and I think you will be shocked by how large that number is.

We believe the conflict and discord over the purchase started with a belief that it was too quickly decided without detailed analysis, citizen's input and lack of transparency.

As the current council, please do not make a hasty decision and repeat that mistake by closing the golf course in a similar manner.

Our belief is that the current Community Center and Golf Courses present you with an opportunity rather than a problem. With proper fiscal analysis of actions to improve revenues and decrease expenses, you will find this community asset can be of even greater value to the town of Oro Valley by generating positive revenues when all factors are considered.

Oro Valley Town Council & Town Manager Contact Info & Meeting Schedule

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