



Balboa course, clubhouse are new challenges

Description

by [Frank Leeming](#), August 21, 2019

Balboa course, clubhouse are new challenges for property owners

For the sake of discussion, let's assume we think it's a good idea to spend \$4.8 million to bring Balboa Golf Course up to standard as proposed today by the POA staff.

For this discussion, let's also agree to put aside any discussion of either rehabbing or tearing down the Balboa Club; too many decisions have to be made before talking about it makes any sense.

The golf course is something else.

Balboa is one of our premier courses. It was built in 1987 – 32 years ago.

It was built on the cheap by Cooper, which is one reason it has been so expensive to maintain with duct tape and baling wire. The irrigation system has been a joke for decades.

Keep this in mind: In 2005, property owners approved an assessment increase that was expressly sold as a funding source to bring Balboa up to date. That was 14 years ago and the course was on hard times then.

Some say the POA renegeing on the Balboa promise was the beginning of the distrust between property owners and the POA.

How do we pay for it?

Anyway, back to today's question: Assuming we want to fix Balboa, how do we pay for it?

Let me offer two ways: First, a golf surcharge. Over a period of about a decade, golfers paid a \$2 surcharge on every round we played to pay for construction of the Magellan, Isabella and Granada golf

courses. It was a great investment for the POA, and golfers – who benefitted the most – helped pay for the work.

It should be the first source of funding for Balboa, but instead of \$2, the surcharge should be \$4 a round.

Last year there were 216,714 rounds of golf played in the Village, which is way down from the 300,000-plus rounds we had every year through 2008. But still: a \$4 surcharge x 215,000 rounds = \$860,000. So golfers could pay for rebuilding Balboa in 5.6 years.

* * *

Clubhouse is another matter

Fixing up or rebuilding the [clubhouse](#) is another matter. Either way, it will cost millions of dollars. First property owners and the board have to decide what they want the site to be – a [19th hole](#) for golfers? Headquarters for the police department? An activities center? Part of a convention center?

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Balboa Club House

Or should the existing 21,000-square-foot building be torn down and replaced with something maybe

half the size? Or should it be upgraded to meet code and made usable again?

For many of us, the Balboa Club is synonymous with great memories – after-golf fellowship, great meals, community meetings. For many years after it opened in 1988, it was **THE** place to go in the Village.

Regardless of the direction the board decides to go now, it's going to cost money. So let me toss out one of former CEO David Twiggs's best ideas, one that never got any traction: Buy-in fees.

Twiggs proposed adding, say, a \$5,000 buy-in fee to the cost of every home sale in the Village, and perhaps \$500 on every lot sold.

The idea is intriguing: Existing homeowners and property owners – you and I – have been paying for Village infrastructure and amenities for years through assessments and fees. Why shouldn't newcomers be asked to share some of that cost?

Over the last three years, an average of 650 home sales have been recorded each year in the Village. If the buyers paid a \$5,000 buy-in fee, it would generate \$3.25 million a year.

Tracking lot sales in the Village is more difficult, but a board committee studying the issue in 2013 found there were an average of 1,643 lot transactions a year in Saline County between 2007 and 2012, and 1,367 in Garland County.

That's an average of 3,010 a year.

If there was a \$500 buy-in fee on each deal, it would bring the POA \$1.5 million a year.

That would be a good way to fund redoing the Balboa Club, and help fill POA coffers in the years ahead.

Clark Vernon responds

Frank,

What are you smoking buddy? The Village is overbuilt on amenities, and has too little population to both support them and needed infrastructure maintenance costs. So you want to further slow down almost non-existent growth and already underpriced resale inventory with more costs? Who do you think will pay these costs? The sellers will have to in order to get their sales! Who has already been paying all these years? The sellers! What are you going to say to those folks? I can't believe you put this stuff out there!!

And how can you support putting more money in a business that loses money each year no matter what has been done over the assets lifetime(?) – the Golf Courses!! It is a contracting sport and will continue to be until such time as there is a significant population increase to boost usage – Oh, but you've just guaranteed slower growth with "Buy-In fees? So who is going to use the newer more expensive Golf Courses?

Now, let's talk about Golf a little further – we are carrying the courses at cost on our books, plus the

millions already spent to renovate at least 3 of them. How can we keep carrying them on our books at these values when they consistently lose money each year. They need to be written down to real value! Put more money in and you're faced with even further write-downs? Why would any sane business enterprise do this?

Please share my e-mail with your distribution. You are well regarded and this most recent blast of yours is so wrong it can only lead to more wrong for the Village. Please think about it and use your own words for a retraction if it works better for you. Either way, to be fair you need to get a retraction out there!!

Clark

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Author

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