



Decisions Often Have Unintended Consequences

Description

By Lloyd Sherman, June 13, 2019

Have you ever wondered if decisions made were ever followed through to their projected end result? I certainly have and I've always prided myself in my ability to follow decisions to their most probable ending. Of course, like anyone else, I missed the mark now and then.

I had one of those thought processes when I first heard about Village Lots & Land, but didn't give it much thought until they changed the name to Village Homes & Land where they set up a proprietary Builders Guild who if they built for the POA they had to list their new builds with VH&L. Then it really hit me hard when they started selling existing homes. Now granted, I am in the real estate business so this most likely hit home with me more than most. Then I started wondering what the end-game was or why the POA was even on this trip. I won't bore you with all the details, but I simply equate it to what happened to the Mom and Pop shops when the big box stores came into town and took over. Eventually, the Mom and Pops began to close up. So now we have a department within the POA directly competing with the for-profit brokerages in the Hot Springs Village area who have served this community for a long time. Personnel at VH&L are salaried and all of the POA marketing directs prospects to the POA website which then directs them to VH&L. So, can we project what a probable end result of this one action might be? I could provide you my answer, but you already know what it is. These unfair trade practices appear to be acceptable to our board and certainly are to POA senior management. Enough on beating that dead horse, let's move onto another current potential issue.

We have all heard that one of the latest rainbows we are chasing is that of a hotel inside the gates of the Village. Without too much imagination, one could surmise that somewhere out in the world of business there is one person or group that finally gets convinced this is a great endeavor and we have wine, dine, and filled their heads with thoughts of sugar plums and all the traffic we are going to be bringing to the Village. So now this unsuspecting candidate builds a hotel with a conference center and a restaurant and later finds out there just isn't enough traffic to keep this hotel going. And what impact does yet another restaurant have on our existing restaurants that are already struggling? Think something of this nature couldn't happen? Well, it can and did happen at another Cooper Community (Savannah Lakes Village). The hotel associated with this community went bankrupt and this last year a

developer entered into a **'partnership'** with the SLV POA and bought this hotel at auction. The full nature of this **'partnership'** is not known to us, but because **'partnership'** is a term used in the CMP, HSV could easily find themselves in a similar situation. In the case of Savannah Lakes do you really think that this hotel which went bankrupt and closed twice is going to make it now that their POA brought in another developer? Don't know for sure but we can certainly make an educated guess.

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Savannah Lakes Resort

So now we are going to explore a supposition. Let's just suppose there was another community in Arkansas that compares themselves to Hot Springs Village and Bella Vista (although we are gated and they are not). Then let's suppose that this community had infrastructure issues like many of us have been concerned about over the recent past here in HSV. And let's just suppose that through the years they could no longer keep up with the infrastructure costs and they went bankrupt and then basically became a city community. And then let's suppose they built a hotel. Want to take a guess in this scenario what the next major issue might be? That's right. A lawsuit. But if you told this story to someone they might say, that can't happen, or that won't happen here in HSV. Maybe not, but recent

history says it could be likely. Do you think this community had any idea a lawsuit could flow out of building a hotel?

Would you be surprised if I told you the above story did happen at a place called Fairfield Bay? Don't take my word for it. Here are some links I think you will find interesting. And while you are reading about Fairfield Bay, don't think for a minute it can't happen here! I'm sure Fairfield Bay had no idea that an unintended consequence of having their own hotel might result in a lawsuit.

[Click here: Fairfield Bay – Who Does What and Why](#)

[Click here: Fairfield Bay – First Hotel Opens](#)

[Click here: Fairfield Bay – Class Action Lawsuit](#)

So now knowing that we have discussions of a hotel within the gates of HSV, let's explore the intended/unintended consequences:

- Hotel gets built and does not perform. Goes bankrupt. HSV POA either now accepts responsibility for this hotel as SVL POA did with a new developer, or it sits there and deteriorates. Possible lawsuit? Yes!
- Hotel is successful. No matter how hard they say it will never happen, the gates have to come down, we become a municipality and the serenity of our peaceful existence disappears. Potential lawsuit. Yes!
- Somewhere along the way, someone, or group files a lawsuit. Strong possibility it is a group of people who bought in HSV for investment purposes and their rentals are no longer able to survive, or it's the members who don't want all the traffic and associated frustrations they moved away from. After all, there are somewhere around 15,000 people who came here to get away from the way they were exposed to their entire working careers.

So much like Village Homes and Land is now having a negative impact on the real estate community by taking commission dollars away from agents and setting up an environment where they can't compete on an even marketing footing, so does the existence of a competing hotel have with those who provide rentals within the Village.

I guess the real question is not whether these issues are having an impact, but whether they are intended or unintended.

Class Action against Wyndham and Fairfield Bay Community Club March 29, 2019

[Class-Action-Complaint-Against-Wyndham-and-Fairfield-Bay-3.19.19](#)

Answer of Separate Defendant Fairfield Bay Community Club May 10, 2019

[Answer-to-Fairfield-Bay-5.10.19](#)

Motion to Dismiss May 19, 2019

[Motion-and-Memorandum-to-Dismiss-Fairfield-Bay-and-Wyndham-5.29.19](#)

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