



Land Development 2, LLC
8220 San Pedro NE Suite 500
Albuquerque NM 87113

October 11, 2019

Mr. Mayor Hull & Governing Body of Rio Rancho
Care of: Mr. David Campbell (City Manager)
3200 Civic Center Circle NE
Rio Rancho, NM 87144

RE: Charitable Donation Offer - 190 Acres Golf Course Property

Dear Mr. Mayor & City Council Members (Mr. Owen, Mr. Lenentine, Mr. Tyler, Ms. Feuer, Ms. Flor, and Mr. Bency):

Land Development 2, LLC, a New Mexico limited liability company, is the owner of the 190 Acres of golf course property located at 500 Country Club Drive SE, Rio Rancho NM.

CHARITABLE DONATION OFFER

The Owner hereby offers to the City of Rio Rancho (“City”) a charitable donation of the 190 acre golf course land. *See Exhibit A for map of the golf course property.*

STABILIZE PRIVATE PROPERTY VALUES

By accepting this golf course land for free (charitable donation), the City will stabilize home property values for the estimated 825 housing units located near Club Rio Rancho. Residential home brokers in Rio Rancho have been estimating a decrease in home values for properties located near the closed golf course in the range of 5% to 15%. This has a cumulative estimated financial impact of \$15,000,000 to \$20,000,000 in lost private property value in the community surrounding the golf course.

INCREASE PROPERTY TAX REVENUE (SANDOVAL COUNTY)

Sandoval County Assessor (& Treasurer) raises \$119 Million in property tax revenue annually to support the following programs: (1) DWI (2) Fire & 911 Services (3) Public Safety (4) Senior Programs (5) Roads & Infrastructure (6) Landfill (7) Detention Center (*per the Sandoval County website <https://www.sandovalcountynm.gov/elected-officials/county-treasurer/>*).

The estimated property tax valuation decrease of 5% to 15% applied to the homes surrounding the closed golf course results in a cumulative financial loss to Sandoval County of \$500,000 and \$725,000 *per year*. This much needed property tax revenue is required to pay for critical Sandoval County services (DWI, Fire, Public Safety, Senior Programs, Roads, Landfill, Detention Center).

CITY OWNS THE WATER

The City is the owner and provider of the Class 1B Recycled Water that is needed to irrigate the property. The cost of irrigating this golf course property (water rate) is what killed the golf course use under the prior ownership of Club Rio Rancho. Additionally, the irrigation costs have killed current discussions with a few private golf course operators performing due diligence on this golf course property this past year. However, these irrigation cost challenges would not stop the City (as they own the water).

CITY OF RIO RANCHO IS THE ONLY MAJOR NEW MEXICO CITY WITHOUT A PUBLIC GOLF COURSE

Albuquerque, Las Cruces, Santa Fe, Roswell, Clovis, Los Alamos, T or C, Gallup, Silver City, etc. all have public golf courses available for the recreation and enjoyment by its citizens and visitors/tourists. The City could join with its other New Mexico municipalities and offer a public golf course with affordable greens fees for local residents, and as a draw for tourists visiting this beautiful community. Currently, the citizens of Rio Rancho (and its local high school golf teams) have to travel to Albuquerque, Santa Ana, or the Pueblo of Sandia to compete and practice. This results in a migration of recreation revenue, as well as a hit to the morale of its citizens and high school athletes. It also removes the City of Rio Rancho from a position to host golf tournaments and the ability to harvest the food, entertainment, and hospitality (tax revenue) associated with sports tourism.

CITY PARK OR OPEN SPACE ALTERNATIVE

Alternatively, if the City chose to not pursue a public golf course, it could make this a park (or open space) to be enjoyed by citizens of all ages. The City has shown vision and leadership by allocating an estimated \$286,000 for the design and \$4 Million for the construction of the “Campus Park” at City Center (per *KRQE NEWS*). This Campus Park will spend \$2.5M on a Sky Room, lawn and shade structures (Phase 1) followed by \$1.5M for signage, furniture, and more shade structures - in an effort to make the Campus Park a “gravitational center” to draw investment out to the City Center. If the City demonstrated that same vision and leadership in the geographic center of the City, it could have a similar gravitational impact (and be closer to the existing homes that can enjoy those recreational amenities).

CHARITABLE DONATION SUMMARY

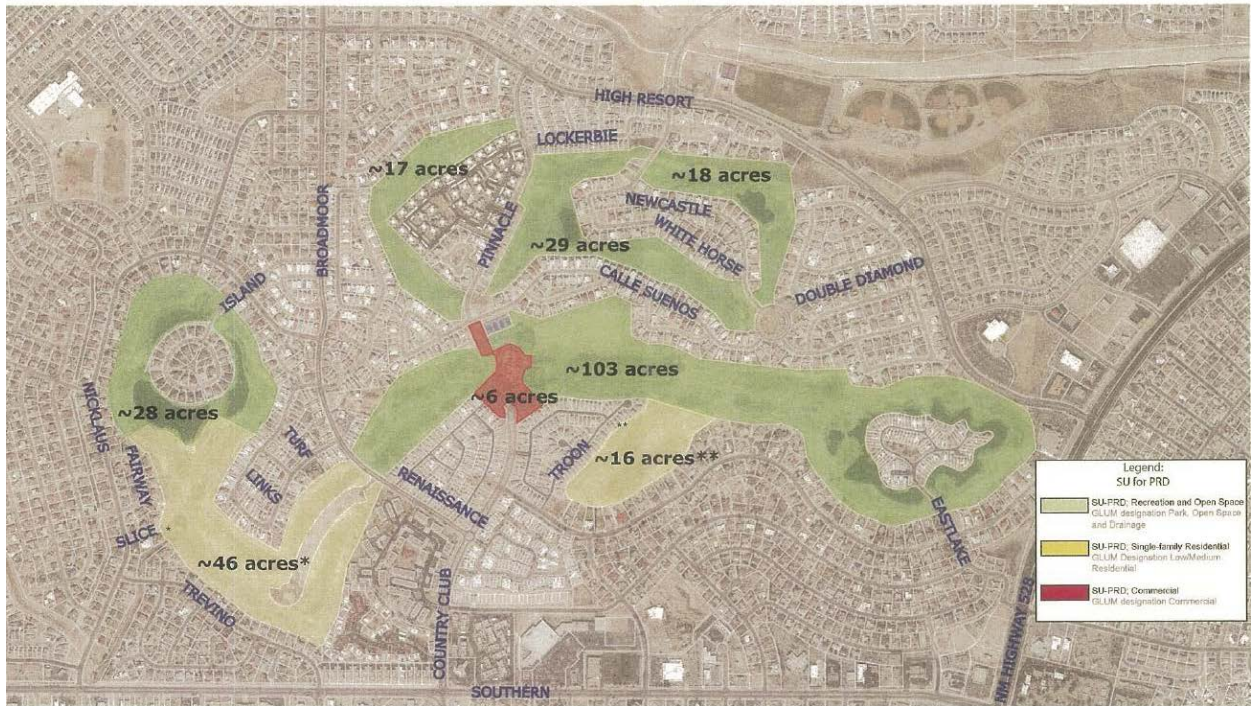
Land Development 2, LLC wants to be a good community partner by offering this property *for free* to the City in an effort to: stabilize falling property values; increase County tax revenue; create a magnificent public area for citizens to recreate; and leave a legacy that will make Rio Rancho proud for centuries.

Sincerely,

LAND DEVELOPMENT 2, LLC

EXHIBIT A

RIO RANCHO COUNTRY CLUB AND "GOLF COURSE" GENERALIZED LAND USE MAP (GLUM) and ZONING MAP DESIGNATIONS



GREEN ("Golf Course Property") Area Zoned "Recreation and Open Space"