

Angie Rutherford
Teton County Planning and Zoning Commission

June 1, 2013

Re: River Rim Amendment

We are property owners in Division II at River Rim Ranch. Division II is the portion of River Rim located at the golf course site, and it will be severely and adversely affected by the Amendment to the development plan now proposed by Big Sky Western Bank.

Therefore, we are strongly opposed to the Amendment.

If the Amendment passes:

1. Our lot, consisting of just over 1 acre, will be located directly on gravel county road with a potential speed limit of 55 mph, rather than on a private paved road inside a residential development. The relocated county road will run past about half of the houses in Division II. The dust from that road will blow with the prevailing Western breeze across our lot (and every other lot on the east side of the road), and we don't have the space available to build a house away from the road. That road will not be paved until 30 residences are built and occupied along the road. How many property owners with lots located very close to this gravel road are going to build now? How long will it be, if ever, before the county road will be paved?
2. The Bank will be allowed to make the golf course an optional development feature, replaced for now, and maybe forever, with walking paths and open space. We purchased our lot because it was located on a golf course. We already had the option to walk anywhere in the area, without converting the golf course to more space for walking.
3. The Bank will be allowed to fail to build the promised sewage system. Instead, property owners will pay to build the system.
4. Most of the property owners in Division II will likely be caught completely by surprise. The Bank, through its employee Sean Cracraft, has provided just one letter about the proposed Amendment to the property owners, a copy of which is attached. As you can see from the letter, it provides no real information about the Amendment. We believe the Bank is trying to get this Amendment passed before anyone catches on to what's happening.

We believe the hearing for this Amendment should be delayed until after the Bank has properly informed the Division II owners about the Amendment.

5. When we purchased our lot in November 2006, the developer provided us with two documents, both titled, "General Information Disclosure West Rim Homesites River Rim

Ranch”, one dated October 2006 and the other dated November 2006. Both documents stated:

- a. *“The developer will constitute the majority of the Board of Directors until 75% of all the lots are sold or five years from the initial recording of the plat, whichever is first.”* We believe that more than five years have passed since the initial plat was filed. Yet the Bank has never held annual meetings or elections for the Homeowners Association.
- b. *“Each purchaser is required to become a Full Member of the Teton Rim Club... Full Memberships are attached to the lots.... The cost of a full membership is currently \$55,000 which is treated as a membership deposit...”* The document says that the membership entitled us to the use of the Overlook Lodge (which was built, but located in Division I), as well as never-built amenities including a Fishing Lodge, a Sports Barn, Horseback Riding Facilities, fitness facility, tennis courts, swimming pool, and spa facilities among others. Should all of us who purchased lots under these terms get our deposits back?

If the Amendment does **not** pass:

1. Division II property owners will have better roads, usable lots, and a potential golf course, even if it happens much later.
2. The Bank’s ability to sell the development will probably be unchanged.

We respectfully ask the Planning and Zoning Commission and the County Supervisors to vote AGAINST the Amendment.

Sincerely,

Jerry and Kate Wirkus

Attached letter dated March 28, 2013

From: Kevin Bauer
Sent: Sunday, June 09, 2013 9:26 AM
To: Angie Rutherford
Subject: Subdivision/Planned Unit Development Amendment Application for River Rim Ranch
Subdivision II PUD/Master Plan

Dear Ms. Rutherford:

Attached please find a letter that expresses my strong opposition to the Subdivision/Planned Unit Development Amendment Application for River Rim Ranch Subdivision II PUD/Master Plan submitted by Big Sky Western Bank.

Please feel free to contact me at 858-699-6871 if you would like to review the letter in more detail.

Best regards,
Kevin Bauer

June 9, 2013

Ms. Angie Rutherford
Teton County Planner
150 Courthouse Drive, Room 107
Driggs, ID 83422

Dear Ms. Rutherford:

My wife and I purchased our home in the River Rim development (located at 9095 River Rim Ranch Road) in the Fall of 2011 as a vacation home for our family. It is a place for our sons (ages 9 and 7) to experience a part of our country that we believe is truly special for the variety of outdoor activities it provides and the community warmth it extends for those who are lucky enough to take part in it. We spend approximately two to three months per year in the Teton Valley and the memories developed to date have been invaluable.

As a Division I River Rim Ranch homeowner I writing you to express my strong opposition to the submitted Subdivision/Planned Unit Development Amendment Application for River Rim Ranch Subdivision II PUD/Master Plan submitted by Mr. Don Cherry on behalf of Big Sky Western Bank (Glacier Bancorp) on March 11, 2013.

I was informed by several River Rim Ranch property owners who attended the May 14, 2013 Planning & Zoning ("P&Z") Commission public hearing on the proposed amendment that the P&Z Commissioners instructed Mr. Cherry to work with Division I property owners to find a mutually acceptable resolution to a variety of issues that would negatively impact Division I HOA members in the proposed amendment's current form. I have not been contacted by Mr. Cherry or any other representative of Big Sky Western Bank in anticipation of the planned P&Z Commission June 11, 2013 secondary review of the proposed amendment, as such below please find my primary objections of the proposed amendment for your review and consideration.

As you know, the River Rim Ranch community where our house resides continues to suffer though a bank foreclosure process led by Big Sky Western Bank. The uncertainty and approach associated with that process to date has had a dramatic impact on property values within the community. My wife and I personally know of existing lot owners unwilling to build their homes as well as home buyers unwilling to buy existing homes or build new homes within Division I due to the uncertainty surrounding the development. I firmly believe the proposed amendment will only exacerbate factors that will further negatively impact the Division I property owner from both an economic and community/environment perspective. Several of these factors include:

Conversion of golf course to a public park. While I fully agree that the building a golf course is not economically viable for Division II of the development at this time, transitioning this property to a public park will put River Rim Ranch property owners at material economic risk (i.e., upkeep and maintenance obligations) and liability risk (i.e., maintaining a public park on private property) with no means of regulating membership or taxation to offset these risks.

Increased density proposed for the South Canyon. The proposed amendment increases housing density in the most environmentally sensitive part of the River Rim Ranch Development and, once again, only to the benefit of the Big Sky Western Bank, not existing property owners within the development or the Teton Valley community. Additional housing density along the ridge of the Teton River will only lead to an increase in fishing pressure in an important ecosystem that

supports Bitch Creek, Badger Creek and connects the Teton Canyon and Teton Valley sections of the Teton River. Furthermore, not only will the increased density be very visible along Highway 33, the density will impact a well-known wildlife migratory corridor that runs adjacent to the Teton River. Protecting this corridor and limiting additional fishing pressure is critical to successfully developing River Rim Ranch while balancing the health of the Teton River, wildlife and surrounding environment.

Eliminating the requirement to move the county road within Division II. Eliminating this infrastructure requirement has a direct impact to the Division II property owner in that there are practical limitations to moving large-scale farm equipment directly through the heart of the development on a gravel road with a 55 mph speed limit. I am told that farmers currently using the existing road have voiced these limitations to the P&Z Commission. Furthermore, I believe this represents another example of Big Sky Western Bank attempting to transfer a material cost obligation to the Division I HOA – simply avoiding the cost of moving the road and transferring the cost of maintenance and upgrades of the existing gravel road to the Division I HOA.

Increasing the economic burden to Division I property owners. The original HOA Bylaws for Division I called for a standalone HOA to be formed and turned over to the property owners when 75% of the lots had been sold. Despite reaching this threshold, a Master Association for all of River Rim Ranch was formed under which it was anticipated that a Division I HOA would become a sub-association to segment its obligations within the overall community. Unfortunately this segmentation also did not occur despite repeated assurances from Big Sky Western Bank regarding the sub-association formation.

As the only dues-paying members of the River Rim Ranch Master Association, the Division I property owners continue to remain at risk in terms of possible assessments and increased dues to fund maintenance and improvements in Division II. Although the Big Sky Western Bank contends that this is unlikely, it has unilateral control over such a decision. As long as there is a Master Association, over which the Big Sky Western Bank (or a new owner) has full authority, Big Sky Western Bank can assess Division I property owners and/or increase dues whenever and however they see fit to support the development of Division II (e.g. maintenance of gravel road in Division II discussed above). Additionally, the Big Sky Western Bank, as the Declarant, with total control over the Master Association, can unilaterally amend the HOA by-laws and CC&R's without Division I HOA member knowledge, input or vote. This represents a huge financial risk to Division I property owners and is a principal driver of how the uncertainty surrounding the River Rim Ranch bankruptcy process and the actions of Big Sky Western Bank are impacting the property values within Division I.

I was told that following the May 14, 2013 P&Z Commission meeting, Mr. Cherry indicated that he would support the establishment of a Division I HOA to eliminate the risk of assessments to Division I property owners to fund maintenance and improvements to Division II. He also agreed that the Division I property owner should have representation and voting rights within our HOA, that a Board should be established and that Big Sky Western Bank should have representation on the Board rather than control. True to past form, I am sad to say that I was told recently by a Division I property owner that Mr. Cherry has rescinded his position and does not intend to make any changes to the current Master Association structure.

It is estimated Division I property owners in aggregate have invested between \$75-\$100 million to date in River Rim Ranch. Several homes have been built and these families (like ours) are increasingly contributing to and developing relationships within the Teton Valley community. Big Sky Western Bank's remaining investment in River Rim Ranch is a fraction of the amount

invested by Division I property owners, it has no tie to the Teton Valley community and their primary objective as seen through the proposed amendment is to maximize the potential remaining value of their investment with no regard to River Rim Ranch property owners and the surrounding Teton Valley wildlife and environment.

While I am not able to attend the upcoming P&Z Commission meeting, I would be happy to speak with you and/or other commissioners to review this letter in more detail. I can be reached at your convenience at (858) 699-6871. Thank you for your consideration.

Sincerely,

Kevin A. Bauer and Holly M. Bauer

From: Kristy Brehm [
Sent: Sunday, June 09, 2013 10:50 PM
To: Angie Rutherford
Subject: Rive Rim Ranch Amendment Application

Dear Ms. Rutherford,

Our letter is attached regarding the upcoming review of the above amendment. It was a pleasure meeting you at the May 14th meeting. We unfortunately, will be unable to be there Tuesday evening.

Thank you, in advance, for your assistance.

Sincerely,

Kristy & Lindsay Brehm

June 9, 2013

Ms. Angie Rutherford
Teton County Planner
150 Courthouse Dr., Room 107
Driggs, ID 83422

Dear Ms. Rutherford,

We appreciate you taking the time to review all of the communications regarding the pending decision on the River Rim Ranch Subdivision/Planned Unit Development Amendment Application. We originally purchased a lot in Division II, with hopes of building a home overlooking the golf course. While we were optimistic about proceeding, the economy and future of River Rim Ranch and the planned golf course shifted into a holding pattern. Our love for the Teton Valley and our desire to live here part-time forced us to look at other options.

Our decision to shift the construction of our new home across the street into Division I, made sense on a number of different levels. Part of our decision making process, included that fact that Division I was a separate entity with its own HOA. We also took into consideration the fact that all of the lots (except a few undesirable cabin sites) were sold. These factors and others helped us look past the fact that most everyone thought we were crazy to be building a home in a depressed market, in a valley full of vacant lots, in another development that was headed for bankruptcy.

Our home was completed in February of 2010. We, along with our family and friends, have enjoyed our home, the surrounding communities and the time we are able to spend at River Rim Ranch. We remained optimistic that Big Sky Western Bank (Glacier Bank) would consider the financial investment that we had made in River Rim Ranch. We along with the other homeowners of Division I, have invested between \$75-\$100 million to date in River Rim Ranch. To say we have a vested interest in our future and the decisions that affect us and our financial investments, is a huge understatement.

In four years as homeowners, we were notified of only a single meeting. The meeting in actuality, was a planned presentation. The letter notifying us of the

presentation arrived just two days prior. It was only by chance that we were already scheduled to travel to River Rim Ranch. At this presentation, Mr. Don Chery and Mr. Mike Potter shared the details of the Subdivision/Planned Unit Development Amendment Application for River Rim Ranch Subdivision II PUD/Master Plan. There were only two other homeowners present at this presentation. Questions arose regarding our financial and legal responsibilities with the proposed changes. Additional comments were made regarding the late notification to the homeowners, the complete absence of inclusion or notification of HOA Meetings and concerns that the group of homeowners in Division I lacked a voice and a vote in decisions that directly affected their future and their investments.

While we can see the possibility for increased marketability of the property for the Bank by moving density to the South Canyon, we do not view the negative impacts this move will have on the river, the wildlife and the environment as fair trade-offs. Also, we fail to see how converting the golf course to a park is beneficial for the potential sale of Division II. Our biggest concern is the devastating financial impact that this will have on many of the current property owners.

We were present at the P&Z Commission Meeting on May 14, 2013. We listened again as the details of the proposed amendment were presented. We were interested in both the support offered and the objections raised regarding denying or approving these broad-sweeping changes. Both of us gained a new respect for the arduous task that you and the commissioners have in reviewing all of the documentation, as well as, the supporting data. We were thrilled that several of the commissioners voiced opinions that mirrored the concerns of many of the Division I homeowners. After the P&Z Commissioners instructed Mr. Chery to work with Division I property owners to find a mutually acceptable resolution to a variety of issues that would negatively impact Division I HOA members in the proposed amendment, we left the meeting extremely optimistic and satisfied that our complaints had been heard and changes would be implemented. Our 'taxation without representation' would justifiably be ended.

As the only dues-paying members of the River Rim Ranch Master Association, the Division I property owners continue to remain at risk in terms of possible assessments and increased dues to fund maintenance and improvements in

Division II. Although the Big Sky Western Bank contends that this is unlikely, it has unilateral control over such a decision. As long as there is a Master Association, over which the Big Sky Western Bank (or a new owner) has full authority, Big Sky Western Bank can assess Division I property owners and/or increase dues whenever and however they see fit to support the development of Division II (e.g. maintenance of gravel road in Division II discussed above). Additionally, the Big Sky Western Bank, as the Declarant, with total control over the Master Association, can unilaterally amend the HOA by-laws and CC&R's without Division I HOA member knowledge, input or vote. This represents a huge financial risk to Division I property owners and is a principal driver of how the uncertainty surrounding the River Rim Ranch bankruptcy process and the actions of Big Sky Western Bank are impacting the property values within Division I.

It is our belief that if Division I is allowed to establish their own HOA and the ties to Division II are severed, several of the property owners will move forward with construction of homes. The uncertainty of what's happening with Division I, will be resolved. Construction of new homes is a win-win for all concerned. It brings fees and taxes to the county, jobs to the area and new residents to fuel the local economy.

We were told that following the May 14, 2013 P&Z Commission meeting, Mr. Chery indicated that he would support the establishment of a Division I HOA to eliminate the risk of assessments to Division I property owners to fund maintenance and improvements to Division II. He also agreed that the Division I property owner should have representation and voting rights within our HOA, that a Board should be established and that Big Sky Western Bank should have representation on the Board rather than control. We were sad to learn recently from a Division I property owner, that Mr. Chery has rescinded his position and does not intend to make any changes to the current Master Association structure.

Unfortunately, we are unable to attend the upcoming P&Z Commission Meeting on June 11, 2013. We ask that the P&Z Commissioners review the audio records and transcripts of the May 14, 2013 Meeting and hold Mr. Chery and Big Sky Ranch accountable for the directives issued at this meeting. Timing is everything. If approval is given to this project without the requested modifications to the HOA structuring and autonomy is not granted, we will continue to bear the burden of Division II's financial troubles and be subjected to potential liabilities.

Our sincere thanks for taking the time to consider our opinions and concerns.

Sincerely,

Lindsay & Kristy Brehm

From: Vance Caesar
Sent: Wednesday, June 19, 2013 6:29 PM
To: PZ
Cc: Caesar Carol Ann
Subject: River Rim

We own adjacent acreage to River Rim and want to express support for a plan to go forward. Sitting dormant isn't realistic, as no action IS an action. The problem is that deciding by not deciding has an environmental, fiscal and social cost to hundreds and maybe thousands of people and their families.

I invite you to create a plan that respects all constituencies, as every day you don't good people, many who are multigenerational valley residents and land owners lose.

Thank you!

Vance Caesar
Trustee: Caesar Family Trust