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THE HIGHS AND LOWS FOR A DEVELOPER

By Del Lienemann, Sr. - Fall River Estates

Our family vacationed in Colorado every year beginning in 1951. We lost a 15 year old son from a brain tumor in March, 1968. That August, as we vacationed in Estes Park, I surprised my wife one day and said to her—"Let's look for a lot to build a home on, in memory of David". She looked at me in "awe" and liked the idea!

So we looked up a realtor by the name of Fred Steffins of Marden & Steffins. He gave us the location of three lots he recommended. On our vacations, we stayed at the YMCA. When driving to Estes from the Y, we always noticed a green house high on a cliff, and liked the idea of being up high to have a view of the Front Range. A lot, about 2 acres in size in Park Entrance Sub-division answered our prayers, as we could see the green house we always noticed. So we knew we had found the location. After climbing up to the lot from the road, it became obvious to us that this indeed was a lot we would be interested in. We drove back to the office of Marden & Steffins, and told Fred Steffins we have found our lot, and for him to prepare the contract for purchase. He said to come back in 2 days, and he would have it ready for us to sign. I also mentioned to him at that time, if he ever had a sizeable piece of land from an estate, I'd like to know about it. His first comment was "there isn't much land available in Estes Park".

Two days later, we arrived at his office to sign the papers for the lot in Park Entrance Estates. He was on the telephone as we walked in. When he hung up, he said "that call was from Howard James, manager of the Sheraton Hotel in Las Vegas, and their family, he, his sister and mother, had agreed to sell the last parcel of land in the Estate. He said if I was young like you (48 years old), I would snap this up. He said we can ride over the virgin area on horseback, so you get a good view". I said I wasn't interested in riding a horse, but could you drive me out to the area. He did, and when we got back to his office, I began asking questions. What did the frontage at Nicky's Restaurant sell for, and how much frontage was on U. S. 34. He said this virgin land had never been surveyed, so he said he could guess by putting a ruler on a County map. He came up with 2,500-3,000 feet of frontage. As a CPA, and having several clients in the developing business in Lincoln, I wanted to get some idea of value. He had quoted \$250,000. for the 100 acres. Using his frontage cost for Nickys, I quickly figured out I could divide the 100 acres into 4-25 acre parcels, and come up with \$1,000,000. in value. So I got very interested. I asked Fred Steffins if they would sell on contract? He said he didn't know, but we could send them what I had in mind. So I had my attorney prepare a contract for \$250,000., \$50,000. down, the balance payable over 8 years at \$25,000. per year, plus interest. They accepted our proposal, so a contract was drawn up, and Fred Steffins took the contract to Las Vegas for Howard to sign, to California for Eleanor to sign, and Mrs. James, the mother, lived in Estes. In preparing that contract, they would be required to have the 100 acres surveyed, and title insurance and an abstract on the property. In Nebraska, we still didn't use title insurance, but relied on an abstract. Later on, you will see why this was important in this transfer of property.

After returning with the signed contract, Fred Steffins said I have a buyer for \$500,000. I told him our family had walked the 100 acres several times, and that we felt the potential was greater

than that. Since the 100 acres had not been surveyed, I was introduced to Tom Brown of Estes Park Surveyors, to make sure this was completed. Tom Brown was my right hand person in Estes Park, since I lived 525 miles away. He arranged to have a helicopter fly over the 100 acres, and make a survey of 5 foot intervals, so we would have a topography map of the 100 acres. This map was given to our engineers and architects in Lincoln, NE. Prior to the finished product, I flew out to Denver with Larry Enersen, a Midwest landscape architect, so he could see the property. His immediate reaction was that this was too beautiful a piece of property to divide into 4 tracts, but I should plan on developing a sub-division.

Fred Steffens had told me the Estes Park sewer was extended to Nicky's restaurant at his expense, so I assumed that the same could apply to me. The Town of Estes Park water system was located on U.S. Highway 34 in front of our property, so I figured we would get water from their water system. I talked to Dale Hill, Town Administrator, and he informed me I would not ever get water, as we were located outside the City limits, and you could not tap off the main water line for property above the 7850 foot blue line.

That became shocking news to me, so we immediately contacted well drillers, and they all implied we could get well water. But that was not my vision of a state of the art sub-division, which I felt all utilities should be buried underground to preserve the beauty of the landscape.

Suddenly, things didn't look so rosey. I contacted the Estes Park Sewer Board, and was told they could not let me extend the line to my sub-division, because they did not have the capacity to do so. I insisted that I review their records, and found out that when they received the grant from the U. S. Government, they had an obligation to allow others to hook into their sewer lines. Then they said---we don't have the capacity. Again, my review of their records indicated they did have enough capacity. I even agreed to repair a downtown section that needed repair. The Colorado State Health Department, and Larimer County heard about this, and requested a meeting in Denver. I flew in for the meeting---everyone was present except the Estes Park Sewer District. This public meeting brought up a strong statement from the State of Colorado and Larimer County, that the Town should allow my sub-division to connect for sewage. However, they refused. A former Lincoln resident, Colonel Giles Gere, was president of the Hi-Drive Association, and they got interested, because they also wanted to connect, and do away with the septic systems. Pollution of water was becoming a problem. Colonel Gere took the "bull by the horn" and started an organization to be known as the Upper Thompson Sanitation District, and got recognition to have an impact study made, which included our 100 acre sub-division, which we told them could be used as a main line at no cost to them from the Rocky Mountain border through Fall River and Upper Thompson River. This study took about 18 months, but was finally completed. Colonel Gere formed the Upper Thompson Sanitation District, and called for an election. While this was important to my Fall River Sub-Division, Fall River Estates actually was indirectly responsible for the new sewer system for Estes Park. They published the boundaries for the new sewer district. Only Colonel Gere could have foresight to see the outcome. He also stated that anyone in this boundary that did not want to be included could have their property removed. Election came, and guess what? Those who withdrew came in to vote, but were politely told they couldn't vote because they had withdrawn. It passed by 75%. Now we had the

sewer taken care of. We gave the Upper Thompson right-of-way to put their main line of 1 mile through our property at no cost to them.

Next came the water situation. I was raised on a farm and was not an engineer. However, I talked to our engineers in Lincoln, and said that now that we have the survey and are below the 7850 feet at the lower bridge, why couldn't we pump water from that point to the highest spot on the 100 acres, and feed back by gravity. They thought it would work. I suggested they call the Town Engineer, Kemp & Co. in Denver, to review that with them. They came back with the conclusion this would be no problem.

The next step was to make application to the Town of Estes Park for permission to use Town water. The Town Board referred it to the Water Committee. The Water Committee referred it to their engineer in Denver. We already knew they saw no problem. Now the Town had to consider a water agreement with me for use of town water. This took months to finally get that all worked out.

Since we were located in the County, our plat for the sub-division had to be submitted to Larimer County. The plat showed all the lots, about 70, which in turn was helpful to the Upper Thompson Sanitation organization for final approval by the environmental study for a new sewer system.

To avoid problems with future annexation to Estes Park, we made contracts with firms both the County and City used for both the sewer and water. We insisted over objection by the Light and Power Company of Estes that we wanted these lines buried under ground. The same for gas, telephone and cable. So we succeeded in developing a "model" sub-division in Estes Park.

Once all the contracts had been signed, the work began. Contracts for water, gas, lights, sewer, bridges and street lights came to \$750,000. The community of Estes Park benefitted from the labor on these contracts, as workers temporarily lived in Estes Park. Approximately half of this would have been salaries. These employees spent money in Estes Park for rent, food, etc. It took until 1975 to complete the project, which you will recall began in December, 1968.

Now that all the infrastructure had been completed, which included all utilities paid for by the developer, sale of lots began. At first, residential lots, and several years later the river commercial lots began selling and developing. The Lawn Lake flood temporarily slowed the project, as we had to get the Corps of Engineers to allow us to rebuild the riverbanks, to which the flood had caused much damage. Incidentally, the bridges in Fall River Estates were the only two bridges along the entire Hiway 34 on Fall River that did not wash out from the flood. When we obtained contracts for building the bridges designed by our Lincoln engineers, the contractor complained they were over-built. The flood proved who was right.

You recall I mentioned an Abstract of Title. When I got this abstract, I noticed that in rebuilding U.S. Hiway 34, the government had to go through some of the James property, and for doing so, gave them a permanent easement off anywhere they needed to have access to the frontage along Hiway 34. Early on when developing the commercial began in this area, a buyer said he wanted access off of Hiway 34. Our Estes Park engineers wrote to the State of Colorado to get this

permission, only to find out that they denied the access, and quoted a law passed some-time after the James ownership. When informed I had a perpetual easement that was part of the purchase price, they backed down promptly, and issued the access. I have often wondered if we could have gotten this access with only a "title insurance" policy.

This brief history was prepared not only for my family, to realize the work in building a sub-division, but for the community of Estes Park, to realise the benefits to that community.

Here are some interesting figures. The real estate tax on the 100 acres when I purchased it were \$275.00. The current assessment on the entire 100 acres, which is not all developed for the year 2005 will bring in real estate taxes of \$182,132. Assessed value is \$2,816,210. today.

The water tap fees paid to the Town of Estes Park were approximately \$300,000., and sewer tap fees were \$30,000. Construction sales tax based on County valuations were about \$45,000. Sales tax paid to the Town on construction costs were approximately \$120,000. The developer's contribution to various community organizations, primarily the hospital, were approximately \$600,000, of which \$200,000. was for the United Methodist Church site in Fall River Estates.

A substantial Colorado income tax paid by all the residences, and Colorado tax paid by the developer to the State, would be added to this.

So in essence, you see a developer does not take everything away. He brings a lot of income into the community. The Del Lienemann family is proud of it's Fall River Estate development, which established a "model" for future sub-divisions in Estes Park, CO, with all utilities buried so as to not destroy the beauty of the mountains.