

THE GREEN VALLEY STORY

**“When you take risks, sometimes you may lose.
If you never take risks, you always lose”.**

unknown

This is the story of the development of Green Valley in St. George, Utah. In writing this history, I have relived many incredible highs and devastating lows. There were times when the Green Valley story should have ended....and other times when I was surprised it even began. It has been an amazing adventure. Regardless of the many challenges---or perhaps because of them---I am grateful I was given the life I would have chosen.

Had I been smarter or tried to do less, I may have avoided many of the difficulties along the way. On the other hand, had I known the problems I would face, I may not have tried. And, had I not tried, I wouldn't have experienced the many challenges that forced me to persevere, and which now permit me the illusion of success just by knowing I'm still standing.

On reflection, I have decided I must be grateful for everything that happened, and instead of wailing. “Why God, Why me?”-- I offer a prayer of thanks for all I have received.

The Years of Preparation 1957-1969

After graduating from high school in Salt Lake City, I was sent to Germany to serve as a missionary for the Mormon church. Upon my return, I moved from Salt Lake City to Washington D.C. to attend George Washington University. After graduating with a Political Science degree, I returned to Salt Lake to enroll in the School of Law at the University of Utah. During my first year, I worked part time in real estate sales and concentrated my efforts on newly constructed homes. Whenever I saw a sign that said “For Sale By Builder”, I made a colored drawing of the home, showing how it would look if landscaped, and offered to landscape the front yard at no cost in return for a listing. Many builders saw this as a win-win situation. With the house landscaped,

it sold faster and I invariably earned a sales commission.

As a real estate agent, I became aware of the lack of ingenuity in the design of homes being built in Salt Lake and decided to try building and selling my own. At that time, California was the trend setter in home design, so I headed to the Irvine area and drove around until I spotted a home being built that I liked. I explained to the builder my reason for coming to California and asked him to sell me a set of his construction plans. It took me a couple of days, and after talking to a dozen builders, I finally found one willing to give me a set at no charge.

I returned to Salt Lake and began looking for a building lot. Although I had no money, I knew a developer in my neighborhood who was completing a new subdivision. I showed him my plans and promised to buy three lots if he would subordinate the first lot to a construction loan. Subordination meant he would need to give the bank a title to the lot, wait until the house was sold and the bank paid, before he could receive his land payment. What I was asking him to do was not as crazy as it sounds. Seeing a home under construction would interest other builders in buying additional lots and I was promising to buy two more lots.

With his agreement to subordinate, I had everything I needed to approach a lender for a construction loan. Prudential Federal Savings had dealt with other members of my family and was willing to make a loan on condition that a licensed contractor would help me build it. I went to a lumber supplier and asked him to recommend a quality builder. He gave me the name of Elliot Wintch, whom he said was an excellent builder; however, he was not a licensed contractor. I noticed a contractor's license pinned on the wall behind the counter and asked if he would sign as the contractor in return for my promise to purchase lumber supplies for three homes. He said he would do so if Elliot, whom he trusted to build a quality home, would be the on-site carpenter. I met with Elliot and explained that I was a novice to building and wanted a builder I could trust to help me build a top quality home, as well as take me on as an apprentice so I could learn the art of building. (Never having built a home before, I needed him to teach me the important things to know in building...like which end of the hammer to use when hammering nails). I came to work every day after class and tried not to get in his way. When the house was completed and sold, I had made sufficient profit to buy my second lot for cash. After selling my second home, I bought my third lot to build a personal home for my growing family.

After graduating from law school, I specialized in real estate and condominium law. (A brief history of condominiums and their influence on Green Valley can be found at the end of this

paper). Even as I began my law practice, Elliot and I continued working together, building a number of homes, office buildings and condominiums.

Another, seemingly unrelated, event happened during this time. In 1967, my brother Ken and I bought a vacation condominium in Sun Valley, Idaho. The route to Sun Valley went through Twin Falls where a large printing plant owned by Moore Business Forms sat in the middle of a pasture. I mention this because this plant would determine Green Valley's future nine years later.

The Georgetown Apartments—1969

In 1969 I was asked by Jim Kimball, the General Manager of Bloomington Development, to provide legal services pertaining to the construction of condominiums in the Bloomington development. During one of our conversations, I mentioned I had recently completed a student housing complex in Cedar City. Jim asked if I wanted to build student housing in St. George and offered me a building lot next to Dixie College in payment for my consultation fee. At the time, I wasn't familiar with St. George or the college. The only other times I had been to St. George were brief stop-overs on my way to California or Arizona. However, I accepted his offer and spent the next six months overseeing the construction of the Georgetown Apartments--the first privately owned student housing at the college. Since then, others have added more, allowing the college to grow to nine thousand students and is expected to achieve university status in 2013.

The Four Seasons Motel—1973

The problem with owning student housing is the lack of rental income during the summer. In order to solve this problem, I paid a motel owner to leave his "vacancy" sign on after his rooms were rented and allow me to sit in his lobby to greet people looking for a room. Because St. George is midway between Salt Lake and southern California, all of the motels were generally filled by dusk. Seeing a vacancy sign was like manna from heaven, and desperate travelers were happy to be referred to the Georgetown apartments. This experience convinced me to build my own motel.

I began searching for vacant lots and found two sites zoned for motel use. My first choice was a three acre site owned by St. George City. However, it was not for sale. The owner of a smaller lot across the street was undecided whether to sell the lot or save it for his retirement. I suggested he could do both by leasing the land to me for twenty years, after which he would own both the land and motel. I showed him a beautiful rendering of the motel and a certified appraisal estimating that it's future value in twenty years would be worth five million dollars---assuring him a comfortable retirement. The owner agreed to the lease and Prudential Federal Savings gave me a fifteen year loan to construct a forty room motel which I named "The Four Seasons". A local contractor was hired to build the motel, and I returned to Salt Lake.

While building the Georgetown Apartments and the Four Seasons motel, I had ample opportunity to explore St. George. I couldn't help but compare St. George to the rapid growth in other cities in the southwest---such as Phoenix, Scottsdale, Las Vegas and Palm Springs---which were exploding with large communities. It was only a matter of time before St. George would be discovered. I have a quote from a travel writer in 1970 hanging in my office describing St. George as, "a one night stop-over for travelers heading someplace else". Ten years later, the Salt Lake Tribune would name St. George, "Utah's favorite family destination".

The Convention Center—1976

A year later, I was surprised to read in the St. George newspaper that the City had decided to sell the three acres across from the Four Seasons, and that written bids needed to be submitted by four p.m. that very day. I spent the rest of day searching the records for recent land sales and speaking with commercial real estate agents to determine the amount I should bid. I also called my loan officer in Salt Lake to explain this new event and request a loan for the land. He couldn't give final approval until the loan committee met; however, he agreed to support the request. I took a chance the loan would be approved and submitted my bid an hour before the deadline. While waiting, I became concerned a competitor might gain access to the bids and out bid me. Just to be safe, I waited until one minute before the deadline and submitted a second bid five thousand dollars higher. Later, I found out my second bid won by two thousand dollars. My lender in Salt Lake approved the loans for the land and agreed to make a twenty year loan for the

building when the plans were completed. The final plans called for an eighty room motel, two restaurants and a convention center that would seat two hundred. The convention center was an important addition for the motel's occupancy as it provided an opportunity for businesses in northern Utah to host large gatherings in a warm climate and within close driving range. It also proved important to the growth of the city because conference attendees generally stayed two or three nights and spent more time exploring the beauty of the area. Many decided to spend the winter months and eventually purchased permanent homes. The name "Snowbirds" entered our lexicon.

The motel and convention center were completed in the spring of 1973. Northern Utah had experienced one of the worst winters on record and snow-bound residents were eager to find some sun. We took advantage of their bad weather by placing television commercials and full page newspaper ads in Salt lake and surrounding areas, showing golfers basking in the warm winter sun just five hours away. Our advertising helped make our grand opening a great success and increased the awareness of St. George as a vacation place. The city was on it's way to becoming a destination choice instead of, "a one night stopover on the way to someplace else." What I didn't count on was the oil embargo of 1976

Six months after our grand opening, Saudi Arabia, Egypt and Syria invaded Israel. America and many European countries supported Israel with arms. As a result, the oil producing countries imposed an embargo on shipments of oil to all countries supporting Israel. A panic spread across America as service stations ran out of gas. Long lines of cars formed at service stations and travel came to a halt. When the embargo was finally lifted, drivers saw the price of gas increase from \$.35 cents per gallon to \$1.50. (In today's dollar value, that would translate to \$10 dollars per gallon). America and Europe woke up to the danger of being energy dependent and the realization they could be held hostage to all future middle eastern demands. A world-wide effort to find alternative fuel sources began in ear

The Purchase of Six Hundred Acres and the Beginning of Green Valley Development 1976

A year later, Bill and Ron Snow, owners of a six hundred acre ranch near St. George, called to ask if I had an interest in purchasing their property for one million dollars. I told them I wasn't a land developer and that they needed to find someone who was experienced in installing roads, utilities and sewer systems. (And even more important, someone who had access to millions of dollars). However, they continued to express the hope we could work together and asked me to drive to St. George, meet with them, look at the land, and explore ideas.

When they drove me around their ranch, I was overwhelmed with the view of six hundred acres. Here was enough land to build a development equal to those I had seen in other parts of the southwest. I described to them my long time dream of building a community that would draw people from all over the region, making St. George a destination resort for families throughout the Southwest. The Snows liked the concept, expressed their desire to join me in that dream and asked me to make an effort to make it come true.

I agreed to meet with the city to explore annexation but cautioned them not to get their hopes up. The developers of Bloomington were unsuccessful in their annexation request and were having a difficult time meeting their development costs even with their large investors.

The next week, I met with Mayor Neal Lundberg and the City Counsel to explain my interest in developing the six hundred acre Snow Ranch, and that my ability to do so would require annexation of the land into St. George. I pointed out that the City would receive a huge benefit from the collection of permit fees, utility payments and property taxes on a thousand homes. To my surprise, they weren't adamantly opposed and agreed to consider the idea.

The larger problem was finding the money to build the roads and utilities. I had already talked to the local banks and was convinced financing would have to come from another source. Cities have the ability to borrow for city owned improvements, so I pushed my luck and asked if it would be possible for St. George to borrow for the improvements on my land. They weren't in favor of using the City's credit to borrow on behalf of a private developer--- to do so would set a precedent which every other developer could demand. It appeared that lack of financing would end the dream. Nevertheless, I hired a local engineering firm to make a preliminary master plan showing locations of roads and potential building sites and asked them to do a cost analysis.

Miracles Sometime Happen

A few months later, I drove to St. George to pick up a copy of the master plan and the cost analysis from the engineers. I spent the next week meeting with the various utility companies and City building department for the purpose of educating myself on the process of development and to possibly enroll them in the project. On the morning of my departure for Salt Lake, I decided to stop at Dick's Cafe for breakfast. Mayor Lundberg came in, sat down next to me, and mentioned that a representative of a company called "Moore Business Forms" was in town looking for a twenty acre site to build a new printing plant. Not finding a site he liked, he was preparing to leave town.

What are the odds I would be in St. George on the day Moore Business Forms was in town, with a master plan of my property in hand, sitting in Dick's Cafe when the Mayor drops in for coffee. Even more amazing, I was already familiar with their site in Twin Falls from years earlier and had seen a site just like it on the master plan.

We drove the representative to the Snow ranch, and with the help of the rendering, he was able to see the twenty acre site and its relationship to the roads and utilities and other developments. He even remarked that it reminded him of their Twin Fall's plant. He returned to headquarters with photos and a copy of the master plan. Within a week, he sent a letter agreeing to purchase the property for my asking price of fifty thousand dollars, subject to an agreement by the City to install the roads and utilities.

The City was now motivated to help the project succeed. The City Council met and formally agreed to the annexation and also the formation of a Special Improvement District which authorized the city to borrow the funds needed for the improvements, (on condition the six hundred acres would be held by the city to secure the loan). I met with the Snows and offered to give them the fifty thousand dollars paid by Moore Business Forms, and twenty percent of all future profits. I also offered to hire Ron Snow to assist me in developing the land, allowing him to watch over and protect their interests.

The Park...Green Valley's First Development—1976

We hired a team of architects and engineers to create our first development---“The Park at Green Valley”. We flew them to my favorite housing development in Mission Viejo, California where they spent two days studying every aspect of quality and design. This trip saved hundreds of hours in drafting time. After their designs were complete, we returned to Mission Viejo with a construction crew to show them first hand what the finished product should look like. Again, this saved hours of training time and building mistakes. While the plans for The Park were being drawn, we completed an eighty lot subdivision called the “Estates at Green Valley”, our first development in the new Green Valley area. The sales from this subdivision gave us the money to pay for the work on The Park

The grand opening for The Park was in 1978. This was the first housing development where buyers could walk through furnished models and see the actual quality they could expect in their completed homes. We also completed the clubhouse, swimming pool, racquetball courts and tennis courts, which were ready to enjoy as soon as they moved in. The Park introduced many firsts for St. George. It was the first development to include a swimming pool, clubhouse, weight room, owners association, tile roofs, solar heating and palm trees. Hundreds of people from northern and southern Utah toured the furnished models and returned home to spread the news.

The Park was a turning point for St. George building. In the coming months, beautiful homes and condominiums were under construction by other builders in St. George equaling the quality and innovations found in The Park. The drive for quality among builders became evident in many aspects around the City, as evidenced by national and state-wide awards acknowledging the quality of life that St. George offered its guests and residents.

The Sports Village---1981

By the time sales began in The Park, interest rates for mortgages had climbed from six to fourteen percent and were on the way to twenty. It was an interesting time to be a builder. Even though buyers wanted a home in Green Valley, the Federal Reserve was doing everything it could to halt sales by raising interest rates. At the same time, Savings and Loan companies were paying

ten percent to entice people to put their money in savings accounts. All the elements had come together to offer a vacation home at a price buyers couldn't resist----even if they had to pay cash.

We placed full page ads in the Salt Lake market announcing the Sports Village and offered a pre-construction discount of twenty percent. (St. George property had been appreciating by twenty percent and Green Valley was the desired place to own a vacation home because of the recreation amenities included with each development). When people read that Green Valley was offering a new project of vacation homes at a twenty percent discount for cash buyers, they withdrew the money from their savings accounts and drove to St. George ready to be one of the first to buy. We made buying even easier by allowing multiple families to combine their savings in order to share the costs of purchase and annual dues. Over fifty homes were purchased in the first month, and all two hundred and eighty homes were sold during the next two years. Bob Woody, the Salt Lake Tribune's business editor, was so intrigued with a "cash only" project, he wrote two full-page articles complementing the concept. His articles had the effect of granting the project credibility, and giving buyers more confidence to pay in advance. The Sports Village was our most successful project and made possible the completion of the golf course, shopping plaza and a subdivision of ninety building lots. To celebrate, we flew a hundred of our employees and sub-contractors with their wives to Mazatlan, Mexico. (Note: The reason we could give cash buyers a twenty percent discount was because construction interest and points added twenty percent to the cost of the home. By avoiding the necessity of a construction loan, we could pass that savings on to the buyers. Buyers understood the discount wasn't just a gimmick and were happy to save ten thousand dollars on a fifty thousand dollar home). During this time, Green Valley purchases more Building permits than any other builder in the entire state of Utah and Green Valley Real Estate was named the number one real estate company.

Las Palmas 1985

After eight years of building, we had one last project planned. Las Palmas was going to be our last and most ambitious condominium complex. In addition to one thousand deluxe condominiums, the plans called for a one hundred thousand sq. ft. Sports and Fitness Center, fifty tennis courts (including grass and clay courts), an Olympic size pool, a golf teaching center, a five thousand sq. ft. fitness center, a twenty- five thousand sq. ft. spa and hundreds of palm trees trucked to St. George from Palm Springs.

This time, we were not leaving anything to chance. In order to guaranty that nothing would go wrong, we paid two hundred thousand dollars to an established mortgage lender in Salt Lake to guarantee qualified buyers a twelve percent borrowing rate. Before construction began, we made certain we had one hundred condominiums pre-sold with a ten percent, non-refundable deposit and each buyer was approved by our lender. A ten million dollar line of credit was

approved to build the first phase of the planned one thousand units. The first phase called for one hundred and sixty condominiums, four swimming pools, twenty tennis courts and a fifty thousand sq. ft. sports center. As the buildings were nearing completion, the buyers began arriving to complete the closing process and take possession of their new homes. Green Valley's crowning achievement seemed assured.

A Nation in Free-fall

Without warning, we woke up one morning to the news that the Federal Deposit Insurance Corporation had issued new guidelines stopping lenders from making any mortgage loans on condominiums and second homes. The FDIC was facing the loss of billions of dollars due to fraudulent borrowing in second home markets. Green Valley's closings were stopped as were millions of others across the country. Rather than solving the nation's economic problems, the FDIC's action triggered the complete collapse of the Savings and Loan industry at a cost to the government of one trillion dollars. Home construction across the U.S. dropped to its lowest level since the second world war. Thousands of builders were caught with excess and unsellable inventory. Many resorted to auctions where they sold for pennies on the dollar, and condominium prices around the country plummeted, forcing thousands of builders into bankruptcy.

Green Valley returned deposits to the one hundred and thirty buyers who were prevented from purchasing their units. The two hundred thousand dollars we had paid to guaranty the loans for buyers was never returned. All our efforts to protect the company and assure success, had gained us nothing.

“Glory in tribulations,
knowing that tribulation produces perseverance;
and perseverance, character; and character, hope.”

Romans, 5:4

Twenty-five years ago, I purchased a marble slab engraved with a Chinese symbol. Translated, it means, “Adversity is the source of opportunity”. During the development of Green Valley, I was blessed with many opportunities to solve problems. The solutions to those problems often meant a change in the direction of the company and in my life. Through the years I have learned that obstacles are not life-threatening, perseverance will always lead to a solution, and although I am not always certain where the solution will lead, it is important to keep moving. As Yogi Berra said, “when you come to a fork in the road, take it”!

The Cottages—1989

It was important to assure the public that Green Valley was financially stable. We continued our holding weekend barbeques for home owners and announced construction of a new

development, called the Cottages. (To make land available for this new project, we reduced the number of units originally planned for Las Palmas). The Cottages was a town-home development of ninety-five single-family homes with a nostalgic cottage design. Green Valley's reputation remained strong and all ninety five homes sold. .

Eventually, the financing restrictions on condominiums were lifted and sales in Las Palmas improved. It would take six years, but eventually a total of three hundred units were sold.

The Spa—1989

In order to keep money flowing, we decided to rent the unsold condominiums to weekend and overnight guests. We obtained a business license to operate a Property Management and hotel operation, and began promoting Green Valley as an upscale alternative to the downtown motels. Our completed swimming pools and tennis courts helped to make Green Valley a popular place to stay and was beneficial to sales by adding a resort atmosphere and providing rental income to condominium owners.

My wife, Carole, had owned a popular day spa in Salt Lake City---Bel Viso---and began offering spa treatments to our home owners and renters. She sent invitations to her former clientele in Salt Lake, announcing the re-opening of Bel Viso at Green Valley. The news spread and Green Valley's reputation began to grow as a spa retreat. Carole moved the spa operation into one of the unsold four- bedroom condominiums, added a complete spa package of healthy meals, Pilate lessons, stress reduction, meditation techniques, and guided hikes.

The time had come for us to decide what we were going to do for the rest of our lives. We decided to explore the possibility of expanding the spa operation and traveled to the three major spas in the west---Canyon Ranch, Golden Door and Rancho La Puerta. These visits convinced us we could have a successful spa and improve people's lives by introducing them to a healthy lifestyle of natural foods, hiking in our beautiful red-rock deserts, teaching them relaxation and stress reduction techniques and offering spa treatments to heal the mind and body. The only thing we needed was financing to build a new spa facility. In the spring of 1998, the spa operation was out-growing the available rooms in the condominium. I met with our bank and agreed to assign my interest in the balance of the land platted for future condominiums in return for a loan to build

thirty-five separate hotel suites, a new restaurant, weight room, aerobic rooms, treatment center and indoor tennis courts. (Two years later the success of the spa required the construction of eleven additional grand suites).

Upon completion of the new spa facility, we launched a national campaign announcing the new Green Valley Spa with her vision to create "a place where the images in our mind and the dreams in our heart can come true." We invited editors from health, beauty, travel and fitness magazines to experience a complementary, luxury outdoor adventure in the beautiful red rock desert of southern Utah. They came, loved our spa, and wrote glowing reviews for their national publications. Their accolades and endorsements launched the spa across America, and today Green Valley is considered one of the premier spas. Carole has been a leader in the growth of the spa industry and a pioneer in developing treatment options beyond traditional massage--- including developing the senses to aid the healing of the mind and body through the use of sound, light and scent therapy.

The next twenty-five years were spent in a wonderful career of helping people overcome their fears, addictions, anxieties and feelings of hopelessness. We have been blessed to be in a business where we get to hear, "Thank you for saving my life"! As we come closer to retirement, most of our dreams have been realized. I have seen my dream of seeing St. George become a thriving, beautiful city; and Carole has seen her vision of creating "a place where the images in our mind and the dreams in our heart can come true". We can't ask any more from life than that.

Economic Impact

In the years between 1970 and 1987, One Hundred Million was spent in St. George in building:

120 student housing units; 160 motel rooms; convention center; golf course; shopping plaza; a sports and tennis complex; the Green Valley Spa and Resort; and one thousand homes and building lots.

Employee salaries and operating costs for the Spa has added an additional One Hundred and Fifty Million to the St. George economy.

More than One Hundred Thousand guests from around the world have discovered St. George as guests of the spa.

The history of condominiums should be of interest to every Utahn since our State was responsible for their creation and everything that came thereafter.

The term "condominium" didn't exist as a word in real estate until 1960 when the Utah legislature created the "Utah Condominium Act". This act allowed individual ownership of a living space in a multi-unit structure, and they named this new type of living arrangement a "condominium."

The primary reasons condominiums were created were to allow better use of land space and lower construction costs. Most condominiums today include recreation amenities to appeal to purchasers seeking an active lifestyle without the burdening the owners with maintaining acres of land by themselves. The new law required the creation of many new rules and regulations including devising the manner in which they could be financed. However, once the financing was figured out and new building codes established, the law was passed and every other state in the nation enacted a similar law. I doubt there was one legislator voting for this change, who had any idea of the effect it would have.

Condominium developments sprang up in every city in America. They were responsible for creating the largest population migration ever to occur in the history of the United States when families in the north moved to the southern states to enjoy warmer weather and maintenance-free living. They also created the largest construction boom America has ever known. Cities such as Phoenix, Scottsdale and Palm Springs immediately built large condominium developments. Previously barren deserts sprouted golf courses, pools and tennis courts ---all maintained by someone else---while the owners spent their retirement years basking in the sun, living 'the good life'. By 1980, more than twenty million condominiums had been built and the demand was increasing beyond the capacity of the nation's lending institutions to handle.

The condominium law doesn't change the existing building codes for those wanting a free standing home, however, for the millions of people who don't want to spend their time and money caring for a yard, or who desire a swimming pool and tennis court in their back yard---without paying the total cost ---or who want a maintenance free vacation home at their favorite resort, condominiums provide a wonderful option.

What does this have to do with the history of Green Valley? If condominiums hadn't been approved, the largest construction boom in America would not have happened; the migration

from north to south would not have happened; the barren deserts in the south would still be barren and Green Valley (like Camelot) would only be a myth.