



# TELL-E-GRAM

**SPECIAL EDITION**

**AUGUST 11, 2017**



## **TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION AGENDA**

**WEDNESDAY, AUGUST 16, 2017**

**1:30 P.M.**

### **TELLICO VILLAGE YACHT CLUB**

	<b>Outcome</b>	<b>Responsible</b>
I. President's Announcements	Call to Order	Bruce Johnson
II. Minutes (July 19, 2017)	Approve	Bruce Johnson
III. Advisory Committee/Liaison Reports		
HOA - Update		John Bordelon
ACC		Steve Trudnak
Public Services (PSAC)		Charles Queener
Finance Report		Parker Owen
IV. TV Population Forecasting (LRPAC)		Bart Margoshes
V. Appoint New Committee Members		
LRPAC Member - Replacing Tom Greene		Bart Margoshes
CMAC Member - Replacing Linda Kaump		Beth Kuberka
VI. Loudon County Tax/Lot Sale Agreement	Approve	Bruce Johnson
VII. Other/Member Comments - Discussion		

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# TELLICO VILLAGE THROUGH THE YEARS

**By Winston Blazer, TVPOA General Manager**

*Editor's Note: 2017 marks the 30th Anniversary of the first residents arriving in Tellico Village.*

Tellico Village's 30 year history easily divides into four separate and fairly distinctive eras—an exciting but tumultuous infancy, a prosperous adolescence, a maturing but recession-scarred young adulthood, and a sturdy adulthood.

As part of the Village's observance of its 30th anniversary, I have prepared this story to recall some of those earlier years and to assess where we stand as we head into the future.

## **Infancy**

POA dates the Village's birth as Feb. 6, 1987, when the first residents moved in. Other residents quickly followed—more quickly, in fact, than the Village was prepared for.

In that first year, the developer, Cooper Communities, Inc., rushed to complete roads and install utilities in the Toqua and Chota neighborhoods. It also worked to construct a Visitor's Center complex and Toqua Golf Course. Private builders were putting up houses about as fast as roads and utilities became available. The pace was hectic.

The Visitors Center complex opened in May of that year and Toqua Golf Course in July. By the end of the year, there were 2,100 property owners and 59 resident families. Those first 59 families came to be known as "The Pioneers."

The pace continued in 1988: a community church was organized in March; the Yacht and Country Club opened in October and Chota Recreation Center in December.

This early success was both a blessing and a curse. On the outside, it stamped Tellico Village as a vibrant permanent landmark on the map of East Tennessee. But on the inside, the Village was hemorrhaging red ink at a rate that drove it to the verge of bankruptcy by the end of its fourth year.

CCI was a successful, experienced, and well-financed developer of planned communities, and the Village grew and prospered as a result. But Tellico Village turned out to be different from the three communities CCI was developing in Arkansas, and this difference was to extract a heavy price.

Based on its Arkansas experience, CCI expected to sell most of the lots in Tellico Village to future retirees from out of state, brought here through a vigorous direct-mail advertising campaign. It envisioned small 1,200- to 1,500-square-foot retirement homes and laid out small lots and narrow streets accordingly.

A delay of several years before the out-of-state property owners retired, built homes, and moved here was expected. This meant the demand for POA services would not be felt for several years. A low initial assessment rate of \$25 a month was based on this false premise.

The early Tellico Village residents enjoyed the bargain of a lifetime. For \$25 a month, they could live here and play all the golf they wanted for free. There were no user fees. It was too good to last.

Adding to the financial woes of the POA was the fact that, as part of the land purchase agreement with TVA and the Tellico Reservoir Development Agency, CCI was obligated to complete the first three amenities—a golf course, recreation center, and yacht club—within 36 months, regardless of the

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number of residents here to use them. The POA would have to equip and operate them.

As a result, the POA quickly found itself burdened with more than it could handle. The \$25-a-month assessment was not enough, and CCI arranged for a \$3 million line of credit for the POA to tide it over.

By 1989, the POA's financial condition had deteriorated to the crisis stage. It budgeted a loss of \$1,036,007 in 1989 and was \$2,862,000 in debt to CCI on its \$3 million line of credit. In fact, its line of credit would be exhausted in early 1990 if something wasn't done.

POA formed a finance committee of five property owners to work with CCI to develop financial changes that would stop the financial hemorrhaging. This plan was approved in a vote by property owners. It increased monthly assessments from \$27.50 to \$45, instituted the first user fee at the golf course, and won an advance of \$4.5 million from CCI. In return for the advance, POA awarded certificates to CCI that the developer would use in a strong marketing program.

## **Adolescence**

With an agreement reached in late 1989 to raise assessments from \$27.50 to \$45 a month and institute user fees in golf and recreation, the Village not only avoided bankruptcy, but, in fact, set itself on a course for a decade of unparalleled prosperity.

The impact of the financial makeover was immediate. The POA ended 1989 with a loss of "only" \$573,000, a vast improvement over its projected \$1,036,000 loss. By 1990, it was able to report a yearend surplus of \$592,000: a \$1.1 million turnaround. Member equity went from a minus \$2.2 million in 1989 to positive figures in 1994 signaling a full financial recovery. The POA had put financial deficits behind it.

During the 1990s, healthy year-to-year lot sales and new townhouse construction drove up annual increases in assessment revenues, ushering in a decade-long era of solid cash flows. The POA was awash in cash. It paid cash for its new fire truck; it financed new docks out of its check book; and it bought all its capital equipment with cash.

During this era, golf was the unquestioned king of amenities in the Village. The Village gained its second golf course, Tanasi, in 1996, and its third course, The Links at Kahite, in 2002. Before Kahite opened, many Villagers considered a good tee time as one of their most valued possessions. They arranged their appointments around their tee times. A British nurse who once worked in the Village commented that she didn't know Americans were so dedicated to their "tea." In 2006, the three Village courses recorded 92,258 rounds played, an all-time high and still the record as of 2016.

The first decade of the new century was a time of unparalleled growth for the Village. In addition to gaining a third golf course, the Village gained its second church, First Baptist Church of Tellico Village, in 2002, and in 2003 started a retirement neighborhood with an assisted living facility called The Neighborhood.

During this time frame, a long-sought goal of the Village was achieved. The state finally agreed to take over the Tellico Parkway, rebuild it, and designate it as Tennessee Highway 444. TVA worked with the state and counties to replace roads destroyed by Tellico Reservoir. The state and counties then took over the new roads and maintained them. Tellico Parkway was not a replacement road. TVA built it to open up the west bank of the reservoir for development. This left the Parkway with no one responsible for maintaining it.

By default, the job fell to the Tellico Reservoir Development Agency (TRDA), but TRDA had no tax source

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for road maintenance. As time went on and heavy trucks hauled building materials to the Village, the road deteriorated. TRDA patched the potholes and then repatched the patches.

Village leaders appealed to county and state leaders, including meetings with the governor, seeking relief, none came. One governor commented that he wasn't interested in spending state money just to make it easier for rich Villagers to get to their golf games. Villagers conducted traffic surveys to prove that the Parkway served many different purposes, including workers and suppliers to the factories in the industrial park.

But it took a flood to finally turn the state's head. A flood on the main river dislodged a barge from its mooring at Tate & Lyle's factory in Loudon and slammed it into one of the piers on the Interstate 75 bridge. The state had to close the Interstate bridge for a safety inspection. For a few brief hours, Tellico Parkway became the detour route for Interstate 75 traffic. It was not up to the burden, and the state finally got the message.

In the mid-2000s, POA added three significant facilities of its own: a family beach and pavilion in 2006, a Wellness Center with indoor pool in 2007 and a Kahite Activity Center in 2008. The beach and Wellness Center were quite controversial when they were built, but both have turned out to be extremely popular amenities. Chota Recreation Center was renovated in 2008 to make space available for a computer training room and for Art Guild and Quilters workshops. Food Lion Supermarket opened in the Village in 2008, filling a long-felt need.

The Village experienced a population boom in the first decade of the 2000s rising from 4,000 residents to 7,200. POA added more than 2,000 new assessments during the 1990s, an average of 200 per year. In its best years, it gained 430 in 1990 and 410 in 1994. This healthy pace continued into the new decade, with 248 new assessments in 2001 and 278 in 2002. The impact of all these new assessments on POA revenue was tremendous. Annual assessment revenue, boosted by both the new assessments and by assessment rate increases, climbed from \$1.8 million in 1990 to \$4.3 million in 2000, to \$5.3 million in 2003. Then suddenly, the bottom dropped out. Only 38 new assessments were added in 2003. A new era had begun.

Join us as we celebrate Tellico Village turning 30! We will be having a dinner celebration at the Yacht Club on August 24th. Tickets are now available to purchase at the Welcome Center. Tickets are \$35 per ticket. There will be tables of 10 and if you would like to sit with a group, those tickets need to be purchased together. If you have a group smaller than 10, you will be paired with another table. Along with dinner, Bill Landry will be our guest speaker and harpist, Amy Carty, will be playing throughout the evening. Contact Lisa McCray at 865-458-5408, ext. 4131 or LMcCray@tvpoa.org. Tickets will also be sold at tonight's HOA Social. All guests will receive a special commemorative gift.

The menu will be as follows:

- House Salad with choice of dressing
- Pan seared chicken breast, served with roasted fingerling potatoes & grilled white asparagus OR Grilled Bistro Steak, served with roasted fingerling potatoes & grilled white asparagus
- Chocolate Lovin' Cake, a giant mouthful of chocolate pudding between two layers of dark, moist chocolate drenched chocolate cake.

**\*This article will be broken into two sections. The next two sections (Young Adulthood and Adulthood) will be featured in the August 15th Tell-E-Gram. Make sure you keep an eye out for it!**