

Borrego Springs estate sold; Montesorio in escrow

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A Nevada buyer has purchased a large estate property overlooking Borrego Springs for \$1.45 million, and a partnership of the seller -- **GH Capital** of Sherman Oaks -- is about to sell Montesorio, the former Rams Hill property that has been languishing for years.

A GH Capital-controlled entity known as **Borrego Air Ranch Investors LLC** just sold an estate property and approximately 1,400 acres known as the Desert Sky Estate at East Stinson and Borrego Springs roads. The property was purchased by Peter Cole Jensen, of Glenbrook, Nev.

Desert Sky Estate features access to a 4,600-foot runway and a 5,000-square-foot hangar.

The 5,100-square-foot home has five bedrooms and six baths, an eight to 16 car subterranean garage, a pool and spa, an indoor/outdoor fireplace and a second story observation level.

The property also has a 1,600-square-foot guesthouse, and its own water well and water rights.

The San Diego firm of **Hubbell & Hubbell Architects** designed the estate.

The 1,400-acre Desert Sky property was purchased by the GH Capital entity for \$4 million in December 2006.

For the current sale, the property's core 160-acre portion had been offered for \$1.99 million.

The surrounding 1,234 of the acres that were part of the original Borrego Air Ranch purchase had been offered separately at \$1,000 per acre.

In the end, Jensen acquired the entire property for the price of the house and its 160 acres, less than half of what the GH Capital entity paid for it about 4 1/2 years ago.

GH Capital had planned a major mixed-use development on the remaining acreage, but those plans never materialized.

The Desert Sky purchase also includes a membership to the Monteroso Golf & Social Club, which features a Tom Fazio-designed golf course.

Rick Vesci, **Borrego Ranch Properties** president and broker of the property, noted the house was built by Charles Brandes, of Rancho Santa Fe, in 2005.

Vesci said the Desert Sky estate purchase, coupled with the pending sales of both the 3,100-acre Monteroso (formerly Rams Hill) property and the now-closed Borrego Ranch Resort (formerly known as La Casa del Zorro), "represent a trifecta of sales for Borrego Springs."

Marcus & Millichap is handling the sales of both Monteroso and the former Casa del Zorro, now expected to re-open under its old name.

The former 100-room Casa del Zorro, long owned by the Copley family of *San Diego Union-Tribune* fame, was sold to GH Capital for \$2 million in January 2008, but a bad economy and some management decisions -- including not allowing children -- may have doomed the resort which closed in 2009.

Monteroso was having no shortage of problems of its own.

Lots weren't selling, golf course watering was cut back, and taxes and water bonds weren't getting paid.

Like the previous owners of then-Rams Hill, GH Capital was unable to realize the property's hopes for potential.

Ram's Hill, pioneered by the DiGiorgio family in the 1980s with the intent of developing between 750 and 1,000 lots and homes, stalled in the 1990s after about

275 homes were developed.

The property would go through a couple of bankruptcies before Sherman Oaks-based GH Capital, Inc. paid \$14 million for the undeveloped portion of Monteroso and its golf course in September 2004.

GH Capital managed to sell about 50 lots and homes, but never really got the project moving.

"There are about 250 lots to sell in the current phase," Vesci said.

While the name of the Monteroso buyer hasn't been disclosed, Vesci said the purchasing group is a San Diego-based holding company with about \$500 million in capitalization. Escrow could close as early as Friday.

Although Montesoro will be separately owned, Vesci said he expects there will be reciprocal arrangements between the golf course, residents and resort.

It wasn't the first time the Montesoro property had been in escrow.

Vesci said an Orange County investment group tried to close the deal last year, but failed in part due to unresolved issues concerning water bonds on the property.

Those issues have reportedly been resolved, clearing the way for the current sale.

So why has first Rams Hill and then Montesoro had so much trouble over the years?

"Access is difficult. We've never had a major highway," Vesci said, adding people do come to Borrego for that very reason. "I also think Borrego has never been marketed very well over the years."

That said, the Borrego Springs Chamber of Commerce is developing a new marketing campaign, and Vesci said people can and will get to Borrego Springs.

"We're in a three-hour radius from 2 million people," he said.

The new owners of Montesoro and Casa del Zorro are banking they will be coming soon.