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## Dream project became star builder's nightmare

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First the banks took away C.C. Myers' pride and joy. Then they moved to take away nearly everything else.

The result was bankruptcy.

Stripped of his beloved Winchester Country Club housing development and facing the potential seizure of numerous personal assets, Myers filed for Chapter 7 personal bankruptcy protection last month. It marks a devastating chapter in a life spent conquering huge obstacles.

An almost mythical Sacramento highway and bridge contractor, Myers, 70, was forced into bankruptcy by the heavy debt load he accumulated developing Winchester, an opulent golf development in the foothills northeast of Auburn.

A little-known Nevada lender, Security Savings Bank, had obtained a court order that could cost Myers many of his personal assets. A bigger lender, Wachovia Bank, had foreclosed on Winchester and was also taking steps against Myers' own assets.

Those include portions of his bank accounts, several personal residences, his Oklahoma oil wells, rural acreages in Shasta County and Utah and his ownership stake in the company that made him famous, Rancho Cordova construction firm C.C. Myers Inc.

The bankruptcy puts a halt, for now, to any effort to seize Myers' assets, although a Chapter 7 bankruptcy generally results in the liquidation of many of a debtor's assets to pay creditors. And in some ways much of the damage has already been done: Although Winchester will go on, it will do so without the man who brought it to life.

"I think this was his baby," said Donna Lucas, a retired Winchester homeowner whose living room overlooks the Sierra. "I just can't imagine the pain of putting your heart and soul into something at his age and losing it all. It's just tragic; it really is. This place is about as close to heaven you can get without dying."

Myers has said he spent "many millions" of his own money developing Winchester, including \$40,000 digging an automobile tunnel at the 8,800-square-foot home he's been building for himself and his wife, Janelle. He declined to be interviewed for this story but said through a publicist, "It was always a dream to live at Winchester, and it's a dream I'm hoping I can someday make happen," he said.

Myers is hardly the first construction tycoon in Sacramento to fall on hard times lately, following the demise of Dunmore Homes and the personal bankruptcy of home builder John Reynen.

Dean Wehrli, a vice president with the Elk Grove office of Sullivan Group Real Estate Advisors, said it's not unusual for a massive real estate project like Winchester to sink its original developer before eventually prospering under new ownership. Wachovia has hired real estate broker CB Richard Ellis to market Winchester's golf course, clubhouse and unsold lots as a single package.

In 1989 Myers purchased the Winchester site, a former hunting preserve west of Interstate 80. He overcame opposition from the Placer County Planning Commission and a Sierra Club lawsuit, finally winning approval after a decade – an eternity for a man who rebuilt the earthquake-damaged Santa Monica Freeway in just a few weeks.

Lot sales were strong in 2000 and 2001 but fell off sharply after the Sept. 11 attacks, according to a statement released by Myers' son Clinton Myers, who runs the company's home-building division.

Business began to recover in 2004 and 2005, although not to the level reached in 2000-01, according to an offering sheet produced by CB Richard Ellis. Then it tailed off again starting in 2006.

One problem may have been location. Greg Paquin, a Folsom-based home-building consultant, said Winchester may be a little too far from Sacramento but not high enough to appeal to those interested in an alpine mountain setting.

Clinton Myers said Winchester's location has hardly been a handicap. To the contrary, he said the project's easy access to I-80 has been a plus.

The elder Myers, raised on a farm east of San Bernardino, left home when he was 16 and wound up working construction in Long Beach. In 1994, he became a hero when C.C. Myers Inc. finished repairing the Santa Monica Freeway 74 days early. He earned a \$15 million bonus from the state Transportation Department and a thank you from Vice President Al Gore.

His firm's residential subsidiary has built projects in Orland, Oroville and Natomas. Winchester was conceived as the capstone of his career, a 1,200-acre Shangri-La featuring rolling hills, a swimming and tennis club and an 18-hole golf course co-designed by Robert Trent Jones Sr. and Jr.

The 409 lots, some as big as 5 acres, were designed for mansions. The premium lots would go for up to \$1 million. The target market included the well-to-do from the Bay Area and Los Angeles seeking vacation or retirement homes.

Winchester bespeaks wealth. The 125 homes that have been built so far wouldn't be out of place on Pebble Beach's 17 Mile Drive. Deer and wild turkeys populate the area. Inside the wood-paneled 20,000-square-foot clubhouse, where memberships have sold for \$60,000 or more, the golf shop sells shirts with the Winchester logo for as much as \$100.

"I'm a golfer and I'm a builder, but I've never seen it get much better than this," said Keith Rosendahl, a contractor who lives in a home he built at Winchester. "Whatever he did here, he did right."

But a closer look reveals problems. Rosendahl said the country club has stopped selling memberships; the dining room is closed. The elegant bar is fully stocked but sits idle. The club itself is losing money, says the CB Richard Ellis offering sheet.

In October 2005, Myers borrowed \$70 million from Wachovia and Security Savings to move the development along. A few months later, the housing market went sour, starving Myers of the cash needed to pay his debts.

In May Wachovia foreclosed on the Winchester golf course, clubhouse and unsold residential lots, taking control at a proceeding on the Placer County courthouse steps in Auburn.

Foreclosure didn't end Myers' troubles, though. Wachovia said Myers still owed \$40.8 million. Security Savings wanted to collect on its loan, which came to \$4.8 million. And the banks began going after Myers' personal wealth.

In June, Security Savings obtained writs of attachment on many of Myers' personal assets. A writ establishes a legal claim to property that would go into effect if the bank wins its lawsuit.

In early August Wachovia obtained a court order that serves as a kind of preliminary writ of attachment, said Myers' attorney David Meegan. Wachovia's order includes a potential claim on Myers' personal ownership stake in his namesake firm.

Meegan said Myers filed for bankruptcy protection because Security Savings was trying to stay a "step ahead" of other creditors.

"He wanted everybody to be treated fairly," Meegan said.

Meanwhile, life goes on at Winchester, even in a bleak housing market. About two dozen homes are under construction. Residents say a few houses are undergoing short sales, and Lyon Real Estate agent Marti Messina,, who's listing a home for a client at nearly \$2.2 million, said the weak economy has slowed the market. In a short sale, the house is sold for less than what is owed on the mortgage.

Nonetheless, there may be no shortage of bidders as Wachovia attempts to sell the project. Bill Parker, the Sacramento developer behind the Serrano Country Club project in El Dorado Hills, said through a publicist that he'd be interested in Winchester "at the right price." In its foreclosure proceedings, Wachovia valued the property at \$25 million, a fraction of what's been invested at Winchester.

Rosendahl, the golf-loving home builder, said the project is tailor-made for a deep-pocketed investor to buy the property on the cheap and wait out the downturn. "Somebody is going to come in here and just make a killing," he said.

Paquin agreed the long-term prospects are great. "The funny thing is, you'll look back on this in five or 10 years, and it will be one of the premier communities in Northern California," the real estate analyst said. "It's going to be spectacular. you'll never know it had a rough patch."

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