



COMPREHENSIVE MASTER PLAN "CMP"

WetheHSVpeople.com

“The Problems and Promises of the CMP”

by Phil Lemler



WHAT IS THE CMP?

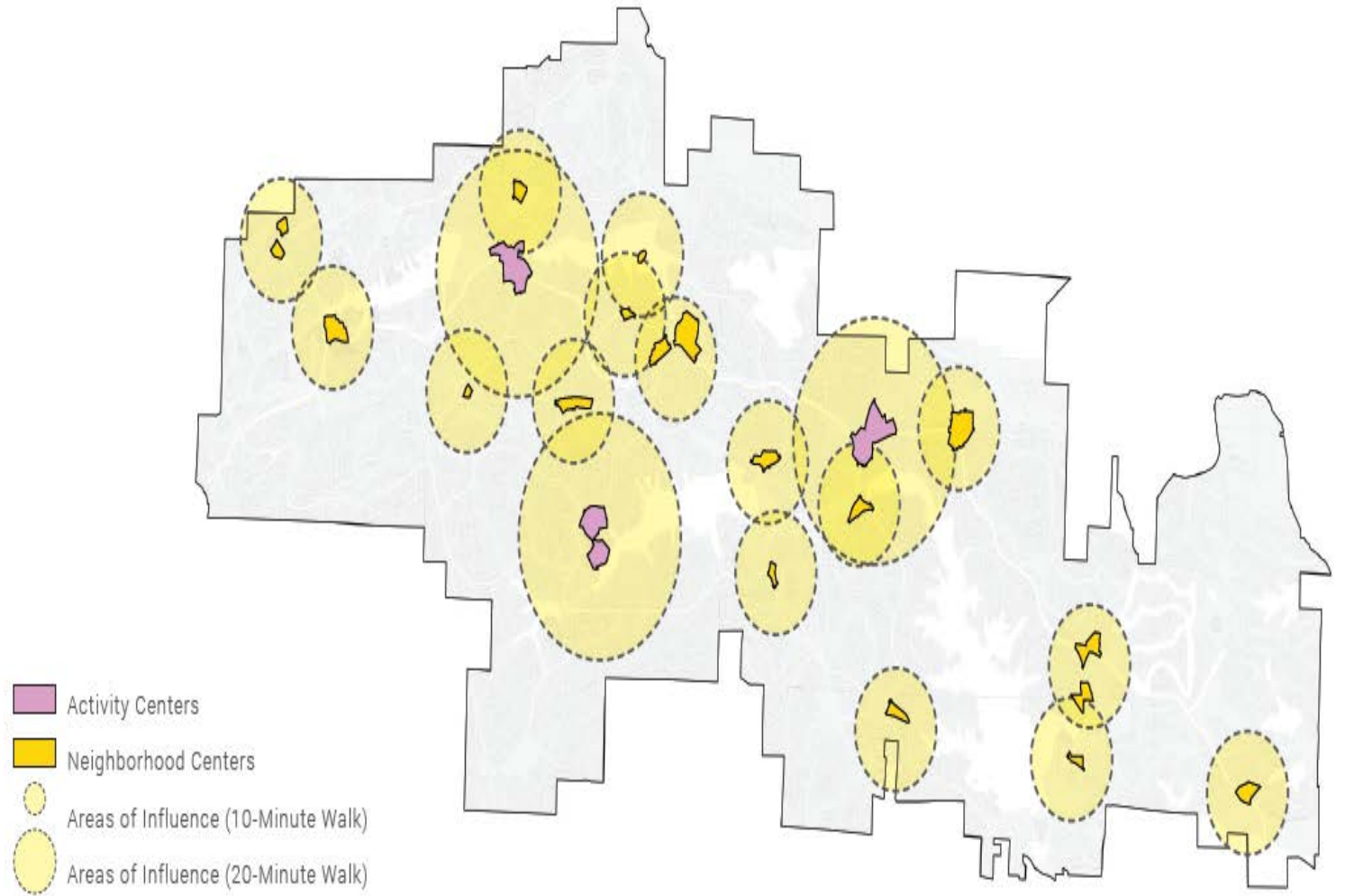
***The CMP is a long term HSV
development plan that will
“forever” change the way we live!***

WHAT IS THE CMP?

We will be forced to watch as the life we moved here to enjoy slowly and painfully slides away!

VILLAGE STRUCTURE

NEIGHBORHOOD CENTERS AND THE TOWN CENTER



WHAT IS THE CMP?

The CMP rebuilds much of the Village...

- **Town Center - Woodlands**
- **San Sebastian Center**
- **Coronado Center**
- **Waypoint Center**
- **Carmona Center**
- **\$4 million Plaza (at Town Center)**
- **East Gate Center**
- **Inlet neighborhood Center**
- **Kirk in the Pines Center**
- **Pocket neighborhood Centers**

Unknown amount of roadway/street rebuilding



The CMP rebuilds much of the Village...

12+ New Restaurants (10 in Town Center alone)

2 Grocery Stores

2 Hotels

2 Resorts

Theater

Amphitheater

Uncountable number of apartments, condos, and cottages

Industrial center - light manufacturing

Housing for workers



WHAT IS THE CMP?

The CMP rebuilds much of the Village...

SPECIFIC INTERVENTIONS

TOWN CENTER



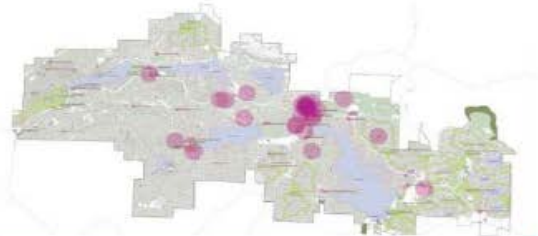
All plans and illustrations are conceptual in nature and are not intended as final designs.

OVERVIEW

Woodlands Town Center, the primary activity center for the Village, is located at the Woodlands Center along DeSoto. This location was initially identified by the POA as the primary candidate for a town center, and supported by residents in map activities during the charrette.

These directives led the consultants to answer the following questions:

- Is there support for a town center?
- Can a town center be built at the Woodlands site?
- Is the Woodlands site a good location for a town center?



Composite Town Center Map

TOWN CENTER

- **Need demand first - 400 people per day .. (*page 171)**
 - **Developer won't invest without this demand**
 - **Retailers won't sign leases without this demand**
 - **Banks won't finance without 60%+ of retail spaces leased**

“Where will 400 people per day come from?”



TOWN CENTER

- **We are inexperienced and will suffer greatly in the negotiations**
- **End up with inexperienced and/or under capitalized developer**
- **POA decides to develop it itself** (is considering, see page 165 and twice on page 171)
- **POA has been advised by consultants “not to develop”** (page 289 ... Page 83 ...)

***“Who will live
in and shop
at this Town
Center?”***

Entire plan is unclear and disorganized



OUR ALL OR NOTHING GAMBLE!

- **CMP requires and depends upon our ability to convince 20, 30 and 40 year old to move here**
- **A community of 14,000 people cannot support the CMP**
- **The CMP builds restaurants, shops, apartments, roads and many retail establishments ... **Solely on the hope these millennials will move here****



OUR ALL OR NOTHING GAMBLE!

Even though:

- **No Jobs**
- **No Friends**
- **No Reason to Live Here**
- **Nothing to do**
- **Life in a retirement community**

“Do Millennials/GenXers even want to live in Town Center?”



HARVARD STUDY

Most millennial stereotypes are not true!

It is a misconception that millennials want to live in urban locations closer to commercial and social centers (i.e., Town Center).

Of the millennials who moved last year:

- **64% stayed in the same city**
- **Only 7% moved out of state (probably for a new job offer)**

Yet, we will spend \$100,000 per year (and bet the future of the Village) trying to convince 20, 30 and 40 somethings to move here



WHY WAS THE CMP CREATED?

- **Mostly to solve our revenue problem**

“The amount of property owners and revenue streams do not support the amount of existing infrastructure.” Page 313

\$45 MILLION IN NEED MAINTENANCE FUNDING OVER YEARS AND...

2018 Summary Recommendation:

Currently, we are projecting nearly \$45mil worth of maintenance needs over the next three years. Considering that we have (in terms of original cost) over \$100mil in existing infrastructure that is as much as 48 years old, this amount appears reasonable. Yet, current operations only yield between \$4mil and \$5mil per year, leaving \$10mil per year unfunded. This difference directly points to the funding imbalance discussed throughout the development of this comprehensive master plan and previous capital plans dating back 15 or more years. In short, the current number of property owners and revenue streams do not support the amount of existing infrastructure.

**\$10 MILLION
PER YEAR
UNDERFUNDED**

REVENUE PROBLEM

- **\$ 7,000,000 short every year for HSV maintenance needs**
- **\$ 35,000,000 after five years**
- **Plus - CMP wants to spend millions, we don't have**

How does CMP address this shortfall?

\$1,765,000 ANNUAL REVENUE IN 2038 (TWENTY YEARS)

PROJECTED DEVELOPMENT-GENERATED REVENUES, Hot Springs Village PRIORITY MASTER PLAN PROJECT AREAS, 2038				
Type	Town Center	Coronado	Carmona	TOTAL
MF	\$304,749	\$100,960	\$112,177	\$517,886
MU	\$20,566	\$91,612	\$9,348	\$121,526
Mansion	\$774,024	\$145,831	\$33,653	\$953,508
TH	\$248,660	\$69,176	\$48,610	\$366,446
Duplex	-	-	-	-
Cottages	\$340,271	\$110,308	\$29,914	\$480,493
Tower	\$43,001	\$39,262	-	\$82,263
Small SF	-	-	\$35,523	\$35,523
Large SF	-	-	-	-
TOTAL	\$1,731,271	\$557,148	\$269,226	\$2,557,645
Cost	\$493,700	\$198,000	\$109,600	\$801,300
Net	\$1,237,571	\$359,148	\$159,626	\$1,756,345
Notes:	Revenues based on marginal assessments and recreation user fees on built lots only.			
	Cost based on average \$850 per-lot O&M marginal cost.			
	All figures are annual and expressed in constant 2018 dollars.			

Table 3: Projected Development-Generated Revenues

Source: Randall Gross Development Economics

CMP PROBLEMS

This does not even include CMP spending!

Doesn't solve revenue problem (page 83)

The CMP states we will still be **\$ 5.2 million short, every year, after 20 years.** Even if CMP works perfectly!

Where will this money come from?



CMP PROBLEMS

This does not even include CMP spending!

Over \$100 million in the hole after 20 years!

Current maintenance shortfall ... \$7,000,000 per year

Assessment increase after 20 years ... \$1,765,000 per year (page 83)

Annual deficit ... \$5,235,000 per year

Where will this money come from?



WHERE WILL THIS MONEY COME FROM?

- **From Existing Property Owners**
- **5% annual Assessment Increase**
- **Special Assessments**
- **More Taxes**
- **Higher Amenity Costs**

One way or another, if the CMP fails ...current Village property owners will pay for it!



CMP IS DESTINED TO FAIL

- **Thinking process and assumptions are wrong - Bad marketing**
- **Will never become “active lifestyle community” for ALL age groups**
- **CMP puts the Village farther in debt**
- **Based on communities that are not like us**

CMP USES GUIDEPOSTS THAT ARE **NOT** LIKE US

Boulder City, CO - 108,000

New York City, NY - Bryant Park

Detroit, MI - Campus Martias

Rapid City, SD - 74,000

Caldwell, ID - 53,000

Tinley Park, IL - 57,000

Michigan City, IN - 31,000



CMP USES GUIDEPOSTS THAT ARE **NOT** LIKE US

- **None of these are gated communities that limit tourism or outsider access.**
- **All have tourism, colleges or proximity to large markets**

WHAT IF THE CMP FAILS?

- **Empty and partially built buildings**
- **Torn up roadways**
- **Endless traffic, construction mayhem, lines and confusion**
- **Depressed property values**
- **Lawsuits - developers, construction companies, retailers and property owners**
- **Special assessments, more taxes, higher amenity fees and mounds of debt**

IF THE CMP FAILS, WHAT HAPPENS NEXT?

- **POA Board and POA Management will be long gone**
- **New Board/management must clean up mess**
- **Will have to help retailers survive - open gates**
- **We will have to pay off debts with special assessments and higher fees**
- **Property values will plummet**

NEEDED DEVELOPMENT

- **Internet Service**
- **Cell Phone reception**
- **Balboa renovations**
- **Numerous others**

These are all viable projects but we don't need CMP to achieve them!



LET THEM TRY IT

- **Once developer is signed, it is too late**
- **If POA decides to develop some parts, we will have spent \$ and made commitments**
- **POA is already hiring personnel to implement CMP**
- **POA Board and POA management are implementing CMP and have become distracted from managing the POA**

“We only approve in three year increments.”



ENTERPRISE GOALS



Protect
community wide
property owner
value & lifestyle



Strengthen the
financial health
of the Village



Build property
owner trust and
support

← Creating and protecting value through sustainable growth →

WHAT CAN YOU DO?

- **Get involved.**
- **Support the “We the People” movement and website: WetheHSVPeople.com**
- **POA Board needs to know there is a substantial number of Villagers against the CMP**
- **Don’t get complacent Form groups, contact friends, write letters, and attend all CMP and Board meetings**
- **Spread the message**