

Marina Cost/Benefit Analysis

Presentation to POASI Board

Revised 6/7/18 to reflect actual houses built 1976

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Purpose

Overall, we believe a more equal-participation of owners in Suissevale's value will lead to a better community

- We are not recommending taking member's slips away
- I, personally, do not want a Suissevale marina slip
- This presentation was triggered by the sale of Ambrose Marina, and the realization of the true value of the Suissevale Marina to all the members

Agenda

Marina Cost/Benefit Analysis Conclusion (One Slide)

Proposed Solution (Two Slides)

Analysis (Eight Slides)

Cost/Benefit Analysis Conclusions*

- Non-slip holders (366 Homes) will pay about \$112 per home per year subsidizing slip holders (60 Homes)
- Because slips “turn over” extremely slowly, and slip holders do not pay “market value” for their use, the marina value is not reflected in all Suissevale homes market value

*Possible positive effect of fees for land holders not calculated in this analysis

Proposed Solution

- Make a group deal with Matt Young for valet docking (now offered on an individual basis for \$1795)
- Charge Slip holders same price for slips as valet service, effectively increasing price of slip to “reasonable” market value
- Lower fees to all Suissevale owners by \$112 reflecting slip holders paying for their boat benefits

Effect of proposal

- Increases number of “slips” to 110 if all Ambrose valet is used
- Gives option of all home owners to use either valet or marina slip
- Increased Marina revenue which can be used to lower all POASI home owners fees by about \$112
- Marina fees still well below market value (\$141 per foot; \$3,243 for a 23 foot boat)
- Housing values of all POASI owners may increase as the wait for a slip or valet service will be reasonable and will make owning a Suissevale home much more desirable

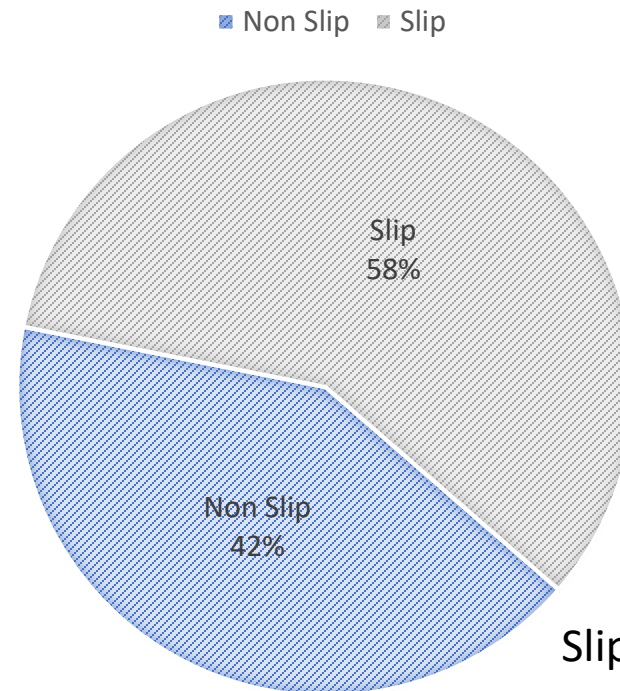
Cost/Benefit Analysis

A quick review of how we got here

- Suissevale was formed out of a number of individual and corporate lawsuits around the ownership land, houses, and common properties
- In 1976 (updated in 1986), POASI was awarded control of specific lots, common areas

In 1976, we estimate 103 total houses, and 60 houses with slips

**SLIP & NON-SLIP HOLDERS
103 HOUSES 1976***

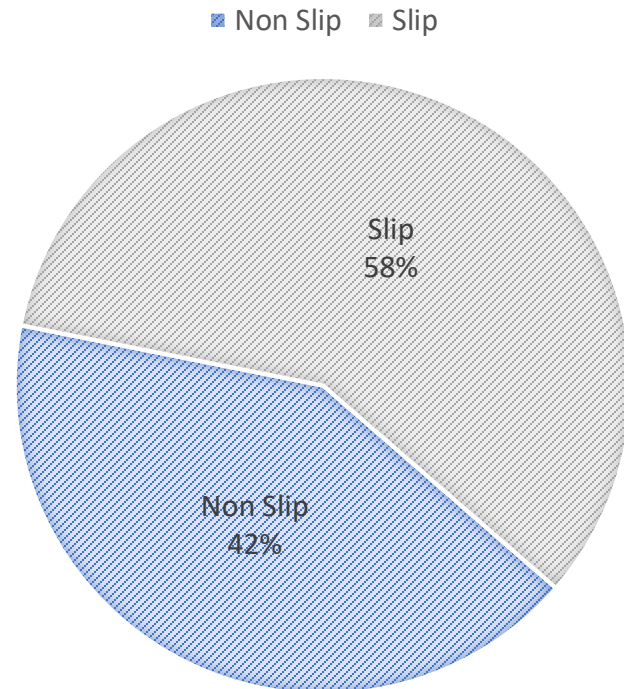


*Based on public tax records

Slip holders outnumbered Non-Slip holders

1976 Stipulation for Settlement, allocated all Common Property costs to all home owners

SLIP & NON-SLIP HOLDERS 103 HOUSES



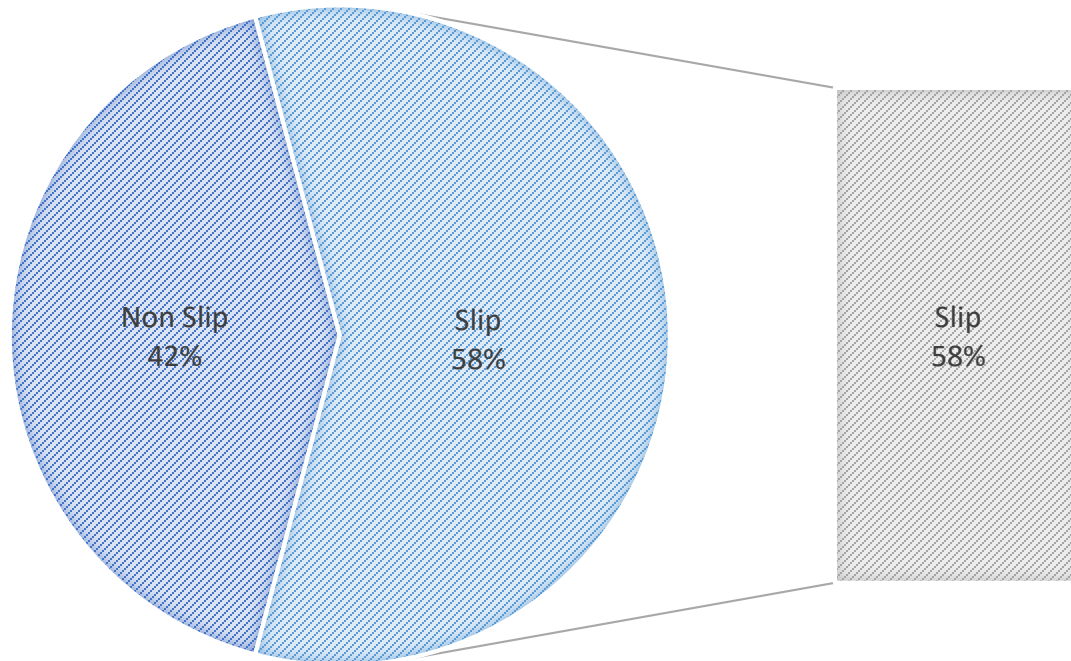
Suissevale Common Properties

- The Clubhouse
- Ski Slopes
- Community Beach (including family play areas) and docking area
- Parking area
- Pool
- The Playground Area

Slip holders would separately bear the costs of renovation/up-keep for the docks

SLIP & NON-SLIP HOLDERS 103 HOUSES

■ Non Slip ■ Slip



- ❑ Only slip owners would benefit from the use of the docks, so they bore the cost of the docks

1976 ruling

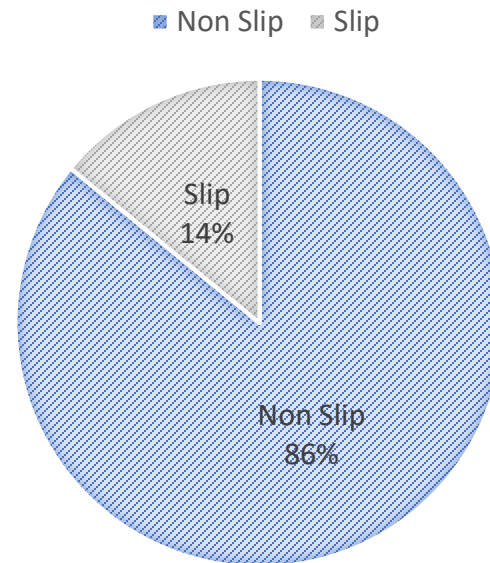
- Everyone paid for the areas of Suissevale at cost FOR AREAS THEY USED
- All users paid for the common areas
- Slip holders were required to cover marina renovation costs, as the only users

POASI was responsible for determining all future charges based on projected costs:
“self-sustaining, equally-participating, non-profit basis, with adequate provision for growth and replacement”

POASI is left to determining how the costs and benefits of Suissevale are shared in an **equal-participating** manner.

Fast forward to 2018; we have 426 total houses, and 60 houses with slips

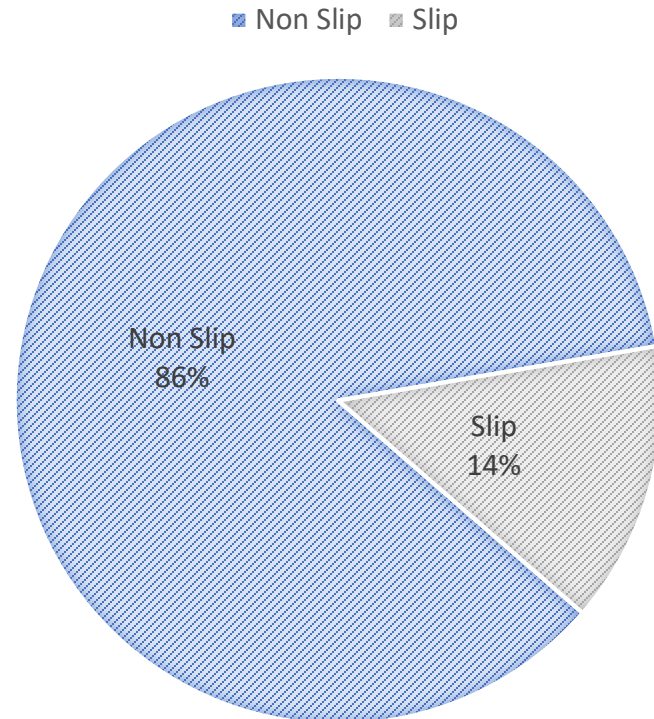
SLIP & NON-SLIP HOLDERS
426 HOUSES 2018



Non-slip holders are now **7 times** the number of slips

All Home owners equally-participate in the value of the common properties

SLIP & NON-SLIP HOLDERS 426 HOUSES



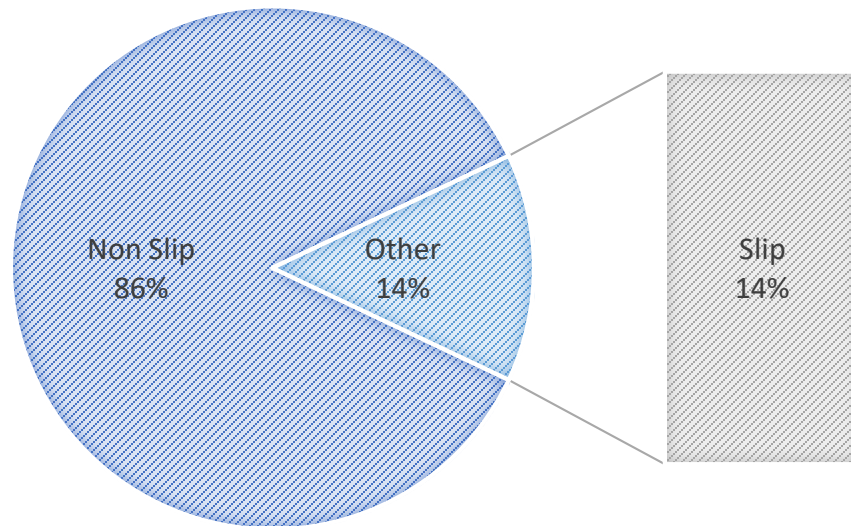
Suissevale Common Properties

- ❑ **All** home owners equally-participate in the cost of keeping Suissevale maintained as they all get the benefit of use.
- ❑ **All** home owners equally-participate in the growing market value of their homes as a result

Only slip holders benefit from the use of the marina, despite escalation of Marina value

SLIP & NON-SLIP HOLDERS 426 HOUSES

■ Non Slip ■ Slip



Slip holders do not share benefit of use with all POASI home owners

- ❑ Slip owners get slips valued in the open market at +\$3,000 for \$1,000
- ❑ Since slips do not turn over, **market value** of the Marina IS NOT reflected in housing prices of all POASI members
- ❑ All POASI members ARE NOT “**equally-participating**” (equally-benefiting) in the value the Marina provides

The Math

- 426 homes times \$950 equals \$404,700 from fees
- 60 slip holders times \$1,000 equals \$60,000 – current fees
- 60 slip holders time \$1,795 equals \$107,700 – fees equal to Ambrose
- Generates extra \$47,700
- \$404,700 minus \$47,700 equals \$357,000
- 426 homes would pay \$838 or \$112 less per year to fund Suissevale

- 23 foot boat would pay \$141 per foot for dock on open market or \$3,243 per year