




**WESTCHESTER
POOL & CLUBHOUSE**
— FREQUENTLY ASKED QUESTIONS —

 **GENERAL** 

① What is the case for remodel and adding a clubhouse?

The main asset of the Westchester neighborhood is the 5 lot neighborhood pool and tennis facility. It is the one community gathering space we have for developing connections and providing a feeling of belonging for our fellow homeowners and children. The pool area is not used outside of its summer season and provides no air conditioned space for the multitude of community events that occur on a weekly basis (neighborhood groups and clubs, birthday parties, etc.). In addition to this, the pool space suffers from significant disrepair in appearance and in operations due to a lack of investment over 50 years of operation.

② Were other options and proposals considered that are a different scope and/or cost profile?

The WOC used assumptions from the neighborhood survey conducted in 2019 that showed a strong preference for adding a clubhouse to any broader pool upgrade plan. We looked at trying to phase the project and were informed by multiple general contractors that this would cost more in the long run and be significantly more difficult to manage (they would no longer be interested in the project). The WOC sees the value in having a year round usable community area which puts us in line with a majority of West Memorial neighborhoods

③ How does this benefit my family if we don't use the pool or plan to use the clubhouse?

Although some say that this will raise property values, there is no statistical link to that per area realtors. However, the barrier to entry into this neighborhood rose dramatically over the last decade and especially in the last year (property values increased ~\$100/sq ft in the last 5 years). The majority of people paying those premiums for our homes have young children and the desire to use the pool/clubhouse/tennis facilities as they socially integrate into this tight knit community.

④ Have WOC funds been used for the “marketing” of this project?

No WOC funds have been spent on any pro-pool marketing such as signs, flyers, etc. The WOC, who fully supports this endeavor, has formed a Pool Committee. The Pool Committee collected private funds from neighbors who share the same enthusiasm for the project.

⑤ Will the Summer 2022 swim team season still continue as normally planned?

Yes, we anticipate no interruption to the swim team schedule as the construction will be staged so a full and uninterrupted Dolphin Swim Team season can take place in the summer of 2022. To do this, the demo and construction of the clubhouse area will begin in early 2022. This work will then be put on pause from ~May-July to allow for a swim season. We expect the pool to close early in August to allow for construction to recommence and finish by the following swim season. This is subject to the City's permitting and normal construction timeline constrains.

WPAC FAQs, continued

⑥ Did we compare ourselves to other HOA's?

We compared Westchester with the adjacent neighborhoods in west Houston to benchmark amenities and HOA dues. We found that the proposed increase in HOA fees puts us in line with the amenities offered in Nottingham Forest, Wilchester, Wilchester West, Yorkshire, and Ashford Forest. Thornwood was not included in the initial publication, so for information purposes here their HOA dues are \$995 annually.

It is noted that there was an error in the original presentation that showed increased costs for Nottingham and Ashford Forest to use the NFC club, which is not the case as they have access through their dues. This was a mistake, has since been corrected, and the newest updated comparable table is located on the website. It is noted that both NF and AF paid a one-time special assessment of ~\$1,600 to pay for their pool and clubhouse project which was approved in 2013.

⑦ Will the pool be available for additional hours without lifeguards to allow for exercise, etc.?

The Board is exploring expanding the hours of the pool facilities. Over the past few seasons, we have been systematically increasing hours with lifeguards on duty and in the proposed budget we have dedicated additional funds for more access. Additionally, we are also exploring options to include non-lifeguarded lap swimming hours.

⑧ What will need to be done to the pool and clubhouse if this proposal does not pass the neighborhood vote?

At this time, the WOC does not have the funds to do the necessary maintenance repairs listed below:

- The lifeguard building is in serious disrepair (both structurally and bathrooms) and the pool facility needs substantial work to remain operable.
- The slide is in disrepair and has fallen out of code. This will have to be replaced/removed.
- There are unlevel decking areas around the pool that have become tripping hazards. The lifeguard management group has brought this to our attention that it needs to be fixed.
- The diving board needs replacement/removal.
- The storm drains do not work properly and spill water into adjacent areas. We do not know if they have collapsed.
- Tree maintenance/removal due to safety concerns
- Aging pool equipment.

⑨ How will potentially expanding the access of the pool to other neighborhoods/users impact capacity limits?

Occupancy for the total site once the project is complete will be ~300 users, which is well above any projected use levels. Per the current pool contract, the capacity of the swimming area is limited per lifeguards on duty, we expect additional lifeguards at the facility based on predicted usage, this increase in cost is in the budgeted numbers.

🌊 PROJECT DETAILS 🌊

① Do we know all the details on the clubhouse?

WOC started the design process in 2019 with some constraints on the layout and footprint to limit the cost of the project. Since then, our neighborhood has changed how we socially interact and what we prioritize when hosting events. We are looking at other design options to maximize open space and utilize the ~30k sqft of land as best as possible in light of this "new normal."

② How final is the \$1.8MM total budget?

The budget reflects multiple indicative bids received by the board for the project and is the board's best current estimate on maximum project cost. Actual construction costs will not be finalized until the formal RFP process is complete later this year.

③ What is the size and capacity of the meeting area in the clubhouse?

In one design the clubhouse shows an 1,100 sqft space which can handle an occupancy of up to ~120 people.

④ Is there a good way to think of construction cost/SF of the project?

The construction of this project is more comparable and in line with commercial real estate shell space than residential construction given the large commercial bathroom footprint and the roof that covers ~4k SF of total hard/soft space. Finished/enclosed interior space is approximately 2500 sqft in one design.

⑤ Who will manage this project?

WOC recognizes the significant commitment of time required to successfully design and build a clubhouse and commissioned a team of neighborhood volunteers who report into the WOC on the project. WOC chose a diverse team that has backgrounds in project management, construction, design, and environmental impact.

⑥ Will there be a fee to use the clubhouse once complete?

The board is currently discussing the details around this, but there will most likely be a minimal cleaning/use fee for residents to use the clubhouse outside of pool hours to be finalized once the project is complete.

🌊 FINANCING 🌊

① How are we funding the renovation, if approved?

The increase in maintenance fees to \$1,200 will allow the WOC to secure a bank loan to fund 100% of the construction cost. The targeted terms for the \$1.8MM loan will be a term of 10 years, an interest rate of ~3.5%, and an amortization of 25 years. Prior to the end of the initial fixed 10 year period the loan facility will need to be extended and refinanced. These data points have been verified by lender proposals and interest in financing the project has been strong. The pool/tennis facility grounds would be used as the collateral and equity to secure the loan in addition to a partial pledge of the increased annual maintenance fee (the amount required to repay the debt service).

② What is the rationale behind using debt and the WOC's view of the risk associated with the structure as proposed?

Please reference the "Westchester Pool & Clubhouse – Pro Forma & Financing Addendum" document that is being simultaneously delivered with this FAQ to Westchester residents only through the RAP email list and Crest homeowner portal. If you have not received through this delivery method please email westchesterpoolclubhouse@gmail.com

③ How long will the \$1,200 maintenance fee remain in place?

The increase in the maintenance fee is being used to service and repay the project debt that the HOA will borrower to complete the construction and renovations. This debt will be repaid over a ~25-year amortization, so the increased fee will be in place over that full time period unless paid off sooner with excess cash flow (cash in reserve, other neighborhood users, etc.) which is currently projected at 19 years.

④ Will the proposed \$1,200 maintenance fee decrease if the total cost of the project comes in lower than expected?

The increase in the maintenance fee is based on three main factors – i) the cost of the project, ii) assumed terms and cost of the debt to finance it based on term sheets received, and iii) assumed cushion over the debt costs to be conservative and allow for excess cash flow to sweep the loan. The max maintenance fee will be the \$1,200; however, this could be revisited by the WOC once we receive all final bids and terms from lenders.

⑤ Was the use of an assessment versus an increase in the maintenance fee explored?

Yes, over the past two years through informal dialogue with residents the overwhelming preference was to increase the maintenance fee vs. a one-time assessment. Additionally, the maintenance fee is recommended as it both distributes the cost of the project to the neighborhood over the long life of the asset and aligns home ownership with that payment (i.e., if a homeowner sells their home over the near term then the new owner will bear the future cost through the assessment and not the existing owner who is moving.) An upfront special assessment would equate to approximately \$4.9K.

⑥ Did the WOC consider increasing pool use dues for Westchester residents to help pay for the project?

Prior to 2019 in order to be a member of the pool and tennis facilities Westchester residents had to pay a separate user fee; however, in 2019 the WOC board amended this to provide access to all Westchester residents for a nominal \$10 registration fee and this remains in place today. Reinstating a separate use fee is not a path the board recommends and it would not be able to support a pool upgrade and remodel.

⑦ What is the most current update on the discussions with Nottingham Forest 8 (NF8) in terms of partnering on the pool facility?

The WOC is the current 100% owner of the pool and tennis facilities and the current proposal that we are seeking approval for remains this way and will be fully funded through the increased annual maintenance fee and assumption of a \$1.8MM loan. There have been discussions with the NF8 board on what a partnership (sharing of costs and access) could look like between the neighborhoods, but at this point in time there is not official proposal in place or action being taken by NF8. If the proposed amendment is approved, then the WOC will continue to dialogue with NF8 to see if there is an agreement moving orward that would benefit everyone.



**QUESTIONS, COMMENTS, OR WANT MORE INFORMATION?
PLEASE CONTACT WESTCHESTERPOOLCLUBHOUSE@GMAIL.COM**