

Email Subject: Lot 394 Informational Session - December 2, 2021

Indian Pointe Homeowners,

The attached materials are available for your review as the Indian Pointe HOA Board of Directors prepares to determine development options for Lot 394 – the five-acre lot adjacent to the park.

We ask that you please review the material in-depth so you can be informed of planning and progress to date. The Board will hold an informational session via Zoom, on Thursday, December 2nd, at 7:00 p.m. The purpose of the informational session is to answer homeowner questions regarding Lot 394 development options and provide more clarity on the materials attached. We ask that you please be prepared to ask any questions you have at the informational session, or homeowners can submit questions in advance, via email, at IndianPointeHOA@gmail.com. We look forward to answering your questions regarding Lot 394 development options.

Below is the date and link for this important informational session.

Thursday, December 2, 2021, at 7:00 p.m.

Zoom meeting link: [Zoom Meeting Link](#)

If the above does not work, then copy/paste this url:

<https://us02web.zoom.us/j/82415861564?pwd=b1JaNHdoclhudWc1ZzhnU3VITWhvZz09>

Following the informational session, we will take an opinion poll in December to inform the Board of homeowner preferences and guide the next steps for the development plan for Lot 394.

We are so excited to explore and finalize development opportunities for Lot 394 to continue to improve and beautify our community and improve the value of our homes.

Regards,
Indian Pointe HOA Board of Directors

Attachments/Enclosures:
Final Lot 394 Development Option Overview
High Level Cost Estimate for Development Options
Overview of Lot 394 and Potential Development Options

Indian Pointe HOA - Overview of Lot 394 and Potential Development Options

Lot 394 Background:

We want to ensure that all Indian Point Homeowners have full context and background regarding Lot 394, so the below outlines a quick overview.

- The Developer, FRK Development LLC originally owned Lot 394 – the 5-acre lot adjacent to the neighborhood park.
- In December of 2020, Indian Pointe homeowners voted to purchase Lot 394.
- A contract was signed, and the HOA put a \$30,000 deposit down.
- After careful evaluation, the Board selected Pinnacle Bank as the lender for financing Lot 394 and used loan proceeds to purchase the lot, for \$354,760.
- The Indian Pointe HOA is the legal owner of Lot 394, as of June 2021.
- The plan is for the HOA to pay off as much financial principal each year, for the next five years, with the goal of paying off the loan within 24 months. With that said, at the end of five years, if the loan is not paid off, we will refinance.

The exciting part (and the reason you're receiving this overview) is that the purchase of Lot 394 allows Indian Pointe Homeowners to have input on the development of Lot 394.

So that's what we did, and that's where we started ... with getting your input.

Development Sentiment Survey:

In March 2021, the Indian Pointe HOA Board of Directors shared a survey to gauge interest on homeowner preferences for the development of Lot 394. The ask was that neighbors designate one individual from their residence to complete the survey.

The survey was intended to narrow homeowner preferences for development of Lot 394, so we could work to provide a robust overview of associated costs and development timelines for the top-voted opportunities. 264 individuals completed the initial sentiment survey.

Neighbors were provided a list of future development options for Lot 394, and they were asked to review them and rank their preferences for development, with 1 being the most preferred and 7 being the least preferred.

Below were the options presented in the survey:

- Green space with expanded sidewalks, walking trails, landscaping and possible pond
- Green space with added soccer fields, baseball fields, walking trail, etc.
- Expanded park playground and picnic areas
- Splashpad
- Clubhouse/Community Center
- Clubhouse with additional sport courts and fields
- Clubhouse with pool(s)

Sentiment Survey Results:

The following indicates the percentage of respondents who voted the below items as one of their Top 3 preferences. These were the top voted items from the Sentiment Survey and have been the areas of focus when working to prepare a development and cost overview for neighbors:

- Clubhouse with pool(s) – 57%
- Green space with expanded picnic areas, landscaping and possible pond – 50%

- Splashpad – 49%

Lot 394 Subcommittee

Following receiving the feedback shared from homeowners via the Sentiment Survey, the Board established a subcommittee. The Board has been partnering with the subcommittee to put together a detailed overview of options for homeowners so they could be informed of all potential development opportunities, including the impact to HOA dues, prior to coming together for a final decision for Lot 394 development.

The below outlines a high-level timeline of upcoming events to ensure neighbors are provided the opportunity to get more information and ask questions regarding the development of the lot, in advance of the final opinion poll.

- November – Share an estimate/overview for all Lot 394 development options and associated costs with homeowners. (That's what this is.)
- Thursday, December 2, at 7:00 p.m. – Informational session via Zoom for neighbors to ask questions regarding Lot 394 development and get clarity on materials provided.
- Tentatively December 2021 – Board to take an opinion poll, to understand homeowner preferences, and decide on final development plan for Lot 394

Overview of Development Options

There has been much conversation between the Board and the subcommittee regarding what would be included, or not included, with the potential development options. We've also talked about ideal scenarios for building/aquatic occupancy, parking, security and monthly repairs and maintenance required with each development option. You can see some of that outlined in the attached pdf documents.

Below you will see the three top-rated development options from the sentiment survey and the associated estimated impact to Annual Dues.

Before reviewing the below charts, please note the following:

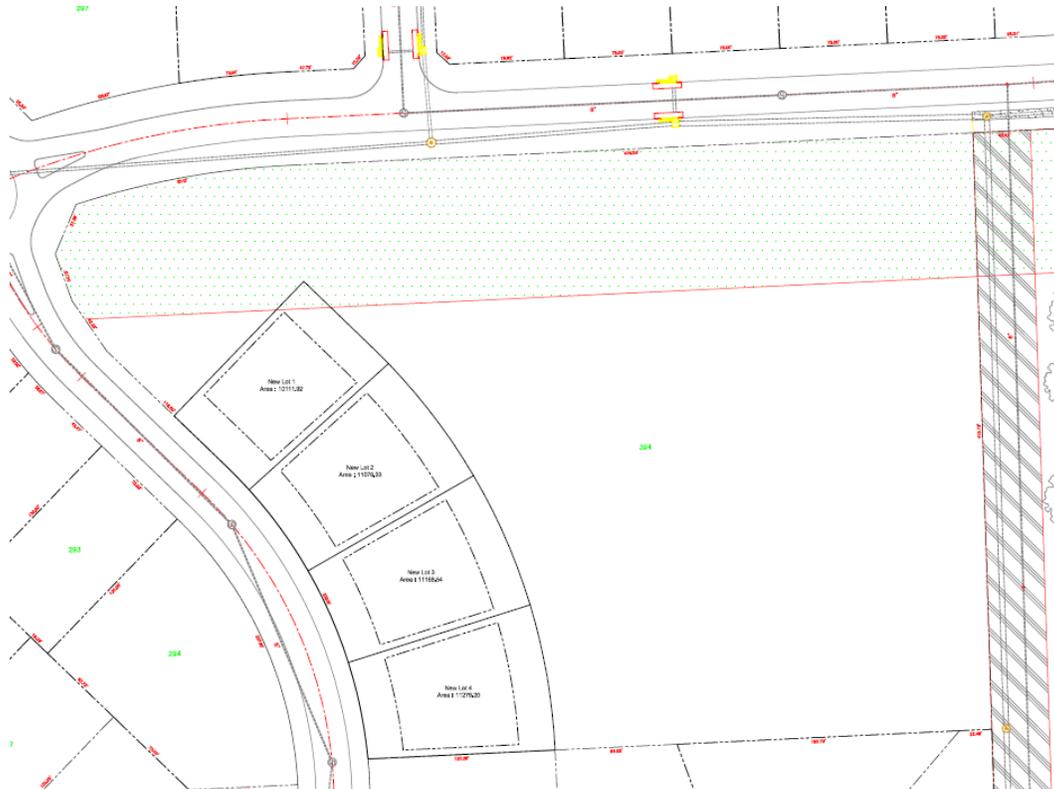
- All dollar amounts shown are informed estimates only, and the final amounts may be subject to change.
- There are currently 440 developed lots in Indian Pointe, and the numbers in the charts below reflect estimates from the assumption that we will have 500 developed lots at the time of Lot 394 development. (There are 560 lots total in Indian Pointe.)
- As a reminder, in 2021, Annual Dues were \$420. The Annual Dues column reflected below are for 2023, as development would not begin until later in 2022, at the earliest.
- Additionally, you will see a column noted in the chart below as Special Assessment. This references a need for a one-time assessment to be collected in 2022, to help fund the development of each respective project, in addition to the increase in Annual Dues beginning in 2023.

The below reflects the estimated total cost associated with each development option:

- **Clubhouse with Pool:** \$2,735,000
- **Greenspace with Trails and Landscape:** \$880,000
- **Clubhouse with Splashpad:** \$3,001,000

After further evaluation of Lot 394, and robust discussion around how to minimize the financial impact for homeowners, there is also the potential to divide out a small portion of Lot 394, sell four lots to builders to be developed, and then use the funds from the sale of those lots to kickstart the development of the final project and offset a special assessment and some of the estimated impact to annual dues.

Please see the below rendering for where the lots could potentially go on Lot 394, and how much additional space would be available for development, after lots for homes were sold.



The below chart reflects the development options and estimated impact to HOA dues, with the sale of the four lots on Lot 394.

Development Options	Amount Financed	Monthly Payment	Monthly Repairs & Maintenance	Annualized	Additional Dues Required	Annual Dues 2023	Special Assessment 2022
Clubhouse with Pool	\$1,826,250	\$11,554	\$6,667	\$218,645	\$437	\$857	\$768
Greenspace Trails and Landscape	\$435,000	\$2,752	\$646	\$40,774	\$82	\$502	N/A
Clubhouse with Splashpad	\$2,025,750	\$12,816	\$6,667	\$233,791	\$468	\$888	\$901

The following chart reflects how each development option would potentially impact HOA annual dues, without the sale of the four lots to builders.

Development Options	Amount Financed	Monthly Payment	Monthly Repairs & Maintenance	Annualized	Additional Dues Required	Annual Dues 2023	Special Assessment 2022
Clubhouse with Pool	\$2,051,250	\$12,977	\$6,667	\$235,727	\$471	\$891	\$1,368
Greenspace Trails and Landscape	\$660,000	\$4,175	\$646	\$57,856	\$116	\$536	\$440
Clubhouse with Splashpad	\$2,250,750	\$14,239	\$6,667	\$250,872	\$502	\$922	\$1,501

As you can see, the proposed sale of the four lots significantly reduces the amount required for the special assessment, as well as slightly reduces the impact to estimated annual dues. There is a direct homeowner benefit to sell these lots in an effort to help fund the development project for Lot 394.

All dollar amounts shown above are estimates only. The final costs are subject to change and may be impacted by additional factors to be determined in the course of development, including factors not yet known to the Board.

Next Steps:

Please see the attached presentation for additional information regarding the top-voted items to be considered for lot development. We ask that you please review the material in-depth so you can be prepared to ask any questions at the upcoming informational session, which will be held via Zoom on Thursday, December 2, at 7:00 p.m. Additionally, feel free to send in questions in advance of the meeting to IndianPointeHOA@gmail.com. We look forward to answering your questions and providing more clarity on the materials provided.

Following the informational session, we will take a final opinion poll in December, so the Board can be fully informed regarding homeowner preference for development options for Lot 394.

We are so excited to move forward with understanding homeowner development preferences as we continue to enhance and beautify our community and improve the value of our homes through the development of Lot 394.

You can look for more information coming soon regarding the December 2 Informational Session.

We look forward to connecting then!

Regards,
Indian Pointe HOA Board of Directors

Indian Pointe HOA

LOT 394 OVERVIEW

Background for Lot 394

The Indian Pointe HOA Board of Directors has been working to put together a detailed overview to inform homeowners of all potential development options for Lot 394.

Please reference the Lot 394 written overview in advance of the following slides.

These slides were prepared to supplement the information provided in the written overview.

Disclaimers:

- Images in this presentation are general concepts, not the actual design for the property.
- Costs outlined in the charts are estimates and subject to change.

Clubhouse for Pool or Splashpad Options

EXAMPLE DESIGN CONCEPTS

Clubhouse Design to Potentially Include:

- Roughly 5,000 sq. ft.
- One story with potential walk out basement
- Gathering Areas
- Kitchenette
- Appliances - Refrigerator, Microwave, Stove
- Entertainment/Lounge Space
- Furniture and Fixtures
- Parking Lot
- Security
- Bathrooms and Showers for Pool or Splashpad
- Storage for Pool/Splashpad Equipment
- There will be no fitness area or equipment as part of the clubhouse



Pool and Clubhouse Option

Pool Design to Potentially Include:

- Zero Entrance
- Wading Area
- Areas No Deeper Than 5 Feet
- Pool Chairs and Lounge Areas
- Clubhouse
- Landscaping
- Fence

Pool Considerations:

- No Diving Board
- No Water Slides
- No Lifeguard on Duty
- Children Under 16 Years Must be Accompanied by an Adult

EXAMPLE DESIGN CONCEPTS



Splashpad and Clubhouse Option

Design to Potentially Include:

- Splashpad
- Outdoor Seating Area
- Walking Trails
- Clubhouse
- Landscaping

Splashpad Considerations:

- The development of a splash pad will need space for the mechanical equipment, as well as adequate parking. Most municipalities require a certain number of parking spaces for these types of amenities.

EXAMPLE DESIGN CONCEPTS



Green Space Option

EXAMPLE DESIGN CONCEPTS

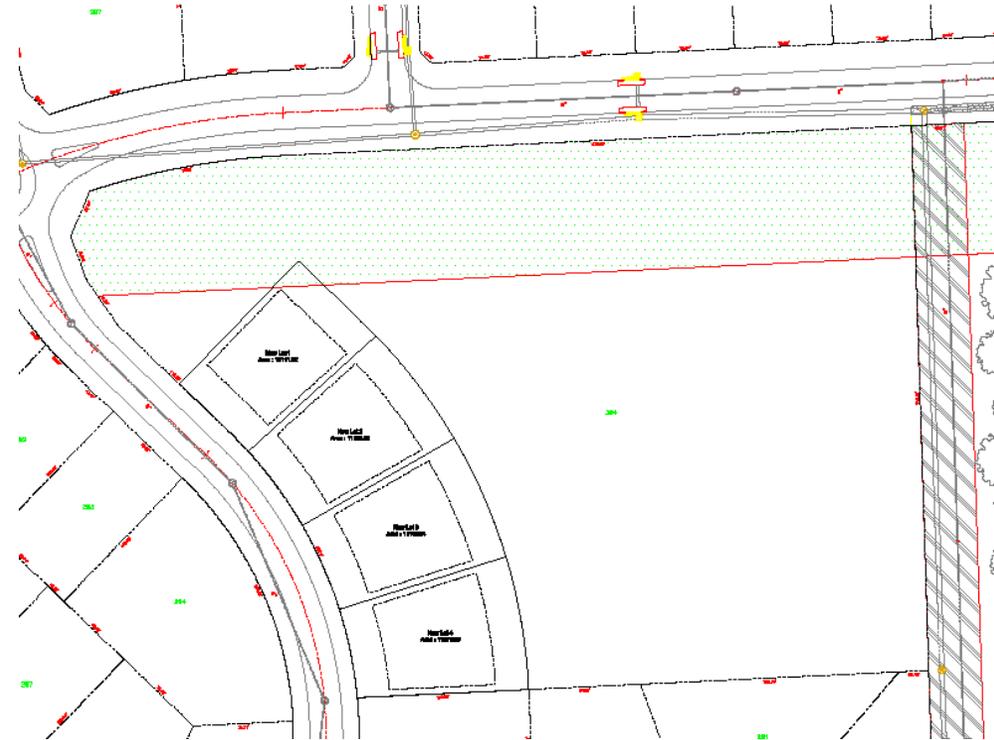


Design to Potentially Include:

- Leveling Ground
- Outdoor Shelters
- Outdoor Grills
- Walking Trails and Sidewalks
- Landscaping and Trees
- After further evaluation of the lot, it cannot accommodate a pond

Sell 4 Lots on Property Option

- After further evaluation of Lot 394, there is the opportunity to potentially sell 4 Lots along N. 189th Street to builders to be developed.
- We could then use the funds from the sale of four lots to builders to kickstart development and minimize the financial impact to homeowners.
- If the 4 Lots are sold, that would leave roughly three remaining acres to be developed.
- Those three remaining acres could be developed as one of the following options:
 - Clubhouse and Pool
 - Clubhouse and Splashpad
 - Green Space
 - Leave Undeveloped



Lot 394 Development Options and Estimated Total Cost

The below reflects the estimated total cost associated with each development option:

- **Clubhouse with Pool:** \$2,735,000
- **Greenspace with Trails and Landscape:** \$880,000
- **Clubhouse with Splashpad:** \$3,001,000

Clubhouse with Pool

Item	Associated Cost
Clubhouse w/ pool	\$2,168,395
Signage / Landscaping / Site Improvements	\$100,000
Parking/Walks	\$110,000
Soft Costs	\$356,759
Total Cost (Rd.):	\$2,735,000

Greenspace with Trails and Landscape

Item	Associated Cost
Typical costs based on \$/SF land area @ approx. \$5.00	\$880,000

Clubhouse with Splashpad

Item	Associated Cost
Clubhouse w/ splashpad	\$2,399,635
Signage / Landscaping / Site Improvements	\$100,000
Parking/Walks	\$110,000
Soft Costs	\$391,445
Total Cost (Rd.):	\$3,001,000

Lot 394 Options and Potential Impact to HOA Dues

The below chart reflects the development options and impact to HOA dues, with the sale of the four lots to builders.

Development Options	Amount Financed	Monthly Payment	Monthly Repairs & Maintenance	Annualized	Additional Dues Required	Annual Dues 2023	Special Assessment 2022
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Clubhouse with Splashpad	\$2,025,750	\$12,816	\$6,667	\$233,791	\$468	\$888	\$901

The below chart reflects the development options and impact to HOA dues, without the sale of the four lots.

Development Options	Amount Financed	Monthly Payment	Monthly Repairs & Maintenance	Annualized	Additional Dues Required	Annual Dues 2023	Special Assessment 2022
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Clubhouse w/ Pool Cost Estimate:**MARSHALL VALUATION SERVICE COST SCHEDULE**

Primary Building Type:	Multifamily	Height per Story:	10'
Effective Age:	0 YRS	Number of Buildings:	15
Condition:	New	Gross Building Area:	293,854 SF
Exterior Wall:	Siding, stone veneer	Net Rentable Area:	246,432 SF
Number of Units:	294	Average Unit Size:	838 SF
Number of Stories:	3	Average Floor Area:	97,951 SF

MVS Sec/ Page	12/16/2020
Quality/ Bldg. Class	Good/D
Building Component	Multiple Residences (352)
Component Sq. Ft.	5,000 SF
Base Square Foot Cost	\$300.00

Square Foot Refinements

Heating and Cooling	\$2.59
Sprinklers	\$4.50
Splashpad / Pool	\$60.00
FF&E	\$8.00
Subtotal	\$375.09

Height and Size Refinements

Number of Stories Multiplier	1.000
Height per Story Multiplier	1.000
Floor Area Multiplier	1.000
Subtotal	\$375.09

Cost Multipliers

Current Cost Multiplier	1.23
Local Multiplier	0.94

Final Square Foot Cost \$433.68

Base Component Cost \$2,168,395

Base Building Cost \$2,168,395 *(via Marshall Valuation Service cost data)*

Additions

Signage, Landscaping & Misc. Site Improvements (not included above)	\$100,000
Parking/Walks (not included above)	\$110,000
Other	\$0

Direct Building Cost \$2,378,395

Indirect Costs \$356,759 *15.0% of Direct Building Cost*

Direct and Indirect Building Cost \$2,735,155

Rounded \$2,735,000

Compiled by CBRE

Clubhouse w/ Splashpad Cost estimate:

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building Type:	Multifamily	Height per Story:	10'
Effective Age:	0 YRS	Number of Buildings:	15
Condition:	New	Gross Building Area:	293,854 SF
Exterior Wall:	Siding, stone veneer	Net Rentable Area:	246,432 SF
Number of Units:	294	Average Unit Size:	838 SF
Number of Stories:	3	Average Floor Area:	97,951 SF
MVS Sec/ Page			12/16/2020
Quality/Bldg. Class			Good/D
Building Component			Multiple Residences (352)
Component Sq. Ft.			5,000 SF
Base Square Foot Cost			\$300.00
Square Foot Refinements			
Heating and Cooling			\$2.59
Sprinklers			\$4.50
Splashpad / Pool			\$100.00
FF&E			\$8.00
Subtotal			<u>\$415.09</u>
Height and Size Refinements			
Number of Stories Multiplier			1.000
Height per Story Multiplier			1.000
Floor Area Multiplier			1.000
Subtotal			<u>\$415.09</u>
Cost Multipliers			
Current Cost Multiplier			1.23
Local Multiplier			0.94
Final Square Foot Cost			<u>\$479.93</u>
Base Component Cost			<u>\$2,399,635</u>
Base Building Cost			<u>\$2,399,635</u>
<i>(via Marshall Valuation Service cost data)</i>			
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$100,000
Parking/Walks (not included above)			\$110,000
Other			\$0
Direct Building Cost			<u>\$2,609,635</u>
Indirect Costs			15.0% of Direct Building Cost
Direct and Indirect Building Cost			<u>\$3,001,081</u>
Rounded			\$3,001,000
Compiled by CBRE			