

Cypress Creek Zoning Modification – HOA Town Hall Discussion

Proposal

To modify existing zoning conditions/proffers related to size of lots, size of houses and elimination of current maximum number of units to facilitate the development of age targeted homes in Phase VI tract of Cypress Creek. Units are proposed to be detached, fee simple, single family homes – no attached units.

Modification would only apply to Phase VI tract – 75+ acres behind 12th hole. Currently this parcel is not included within the existing HOA. Best outcome for everyone is to include the parcel and the residential units within Phase VI within existing HOA, subject to revised Architectural Guidelines. Proposed Architectural Guidelines would apply only to Phase VI; all current architectural standards for community would remain unchanged in previous Phases.

Proposing two types of units in Phase VI – “Cottage Homes”; age targeted; must have living functions on the first floor. Exterior maintenance of “Cottage Homes” is included via increased maintenance fee associated with these units. The exterior maintenance will be at no additional costs to existing HOA. “Manor Homes”; more typical of homes currently existing in Cypress Creek. “Manor Homes” will be oriented along Cypress Creek waterfront and large park area. “Cottage Homes” intended to diversify housing types; expand target market. Varying unit types serves to preserve long term values in communities by offering varying unit types and price points.

Including various product types in Phase VI also drives need to expand amenity offering within Cypress Creek. Zoning modification would also include the plan to invest \$500,000+ in additional amenities and renovate/enhance existing amenities. Additional amenities would include additional pool facility; +/- 20 acres in parks/open space – currently Cypress Creek has no open space or parks offered. Proposal would also include major renovation of existing pool facility, tennis courts and basketball court. The Phase VI area would also include an exercise facility and other outdoor recreational amenities (e.g. bocce court and fire pit). Expansion of amenities enhances/preserves long term values within Cypress Creek. Renovation of existing amenities requires coordination with existing HOA of Cypress Creek.

Typical Concerns

Additional traffic; construction traffic – we have commissioned a traffic study (attached). Based on proposed plan and proposed product type, there will be only one (1) additional traffic trip per day. We specifically balanced additional product type and density so there is no / negligible impact on traffic patterns within the community. The impact on construction traffic is also de minimis. There is no requirement for the import/export of material (i.e. site neutral), so once construction equipment is staged on site, it will remain on site until development work is completed.

Effect on existing values – there is a misconception that reducing the required lot sizes and reducing the required square footage is a “downgrade” to a community. This is not true. The vision for this zoning modification is to introduce a new product entirely that is targeted to “empty nester” and “move down” buyers. Homes that offer smaller yards and smaller footprints to ease maintenance demands of homeowners. Further, the pricing on a per square foot basis is proven to be higher on smaller age-

targeted units, serving as a catalyst for values within the neighborhood. The “age-targeted” product will be an “apples to apples” comparison when it comes to values.

Probable Benefits

Expansion of amenities creates value for ALL owners within Cypress Creek. Offering additional amenities makes the community more appealing helping both new home sales and re-sale activity within the community. An additional \$500k+ in amenity investments at NO initial cost to HOA.

Additional owners within Cypress Creek help support HOA finances, which in turn provides necessary resources for the proper long term maintenance of HOA amenities.

Additional owners within Cypress Creek also helps long term prospects for success of golf course (and restaurant - ?).

Timing

Submit rezoning application when resident comments/concerns are addressed – May 2017.

Projected to take +/- 6 months to work through zoning process with Town of Smithfield. If approved, we would anticipate development work on Phase VI to commence in first quarter 2018.

Currently we have +/- 40 developed lots in inventory. Once this inventory falls below 30 units, we will begin development of Phase VII – 3rd quarter 2017? The proposed zoning modification will not change this timing.