Memo

To: Hot Springs Village Board of Directors
From: Lesley Nalley, Chief Executive Officer
Date: August 16, 2017
Re: Comprehensive Master Plan

The single greatest impact to growth that this generation of leaders and property owners will make on Hot Springs Village is to adopt a comprehensive master plan. I hope everyone will spend time reading the information below and envision how this road map will provide economic stability not only for Hot Springs Village residents but also for the surrounding stakeholders who depend on our prosperity.

This approach to our governance and operations is a first for the Property Owners’ Association. Previously, we relied on CCI for residential real estate development. Through the Cooper family’s courage and vision, Hot Springs Village has enjoyed 50 years of rich history. With an updated community plan and vision, we can honor that history by connecting it with our future.

➢ What is a comprehensive master plan?

Simply put, it is a blueprint for growth, illustrating the factors that influence life and development in the community. Such plans are the basis for coordinating physical development decisions and planning efforts, from a long-range perspective. This includes guidance on prioritizing the use of funds, acknowledging current residential and commercial development trends, preserving natural resources, keeping placemaking top of mind, and revitalizing older development. A comprehensive plan takes us beyond a maintenance or project level mind set.

➢ What are the benefits of a comprehensive master plan? (excerpts from www.extension.org)

- It provides a pathway for citizens to participate in the future of the community. A plan developed through a robust public input process enjoys strong community support. Subsequent decisions that are consistent with the plan’s policies are less likely to become embroiled in public controversy.
- It protects public investments. Well-planned, orderly and phased development patterns have a positive impact on property values. Such plans are also less expensive for a community to provide with public services than low-density, scattered development.
❖ **The plan provides continuity.** The plan provides continuity across time, and gives successive governing bodies a common framework for addressing land-use issues.

❖ **It helps a community balance competing private interests.** Planning seeks to strike a balance among the many competing demands on land by creating development patterns that are orderly and rational, benefitting both individuals and the community.

❖ **It allows communities to plan development in a way that protects valued resources.** Planning can identify environmental features like lakes, wetlands, woods and steep slopes and suggest strategies for preserving those resources from destruction or degradation by inappropriate development.

❖ **It provides guidance for shaping the appearance of the community.** A plan can set forth policies that foster a distinctive sense of place.

❖ **It promotes economic development.** The plan contains valuable information that drives the location decisions of prospective firms.

❖ **It provides justification for decisions.** Plans provide a factual and objective basis to support zoning decisions.

➢ **Why does Hot Springs Village need a comprehensive master plan?**

Creating and protecting value through sustainable growth can only occur through a comprehensive successional development plan. While we have made significant operational strides in the 17 years since the first internal strategic plan was discussed and CCI began winding down operations, anticipated future development has not materialized.

❖ There are currently over 10,500 unproductive lots (out of 34k) representing $5mil in lost assessments per year.

❖ In 2000, an internal strategic plan was completed that forecasted 250 new homes would be built each year throughout the following two decades. The plan noted by 2020, the community would be approximately 1/3 built out, or roughly 11,300 homes.

❖ There are 8,759 homes currently built, or 2,541 less than projected in 2000.

❖ The 2000 strategic plan focused on building or improving the infrastructure and amenities to support such growth and in the ensuing years much was accomplished in this regard.

❖ In 2004, another internal strategic plan was completed with the following areas of focus noted: amenities, finance, golf, governance (specific to the Declaration and certain easements and franchise fees retained by CCI), infrastructure, and water. It noted that “housing starts per year will remain in the low hundreds for the next 10+ years”.

❖ In 2008, a review and status update of the 2004 strategic plan was completed, again focusing on infrastructure and amenities, as well as the assessment funding imbalance.

❖ In 2010, an internal update of the strategic plan was completed with the following goals: achieve and maintain financial stability, strengthen property owner participation & market base, ensure infrastructure is responsive to current and future community needs, and establish efficient and effective self-governance. It projected new housing starts to be 100 per year. Between 2012 and 2016, we averaged 55 new homes per year.

❖ Between 2014 and 2016, a master plan workbook was created that identified property and amenity opportunities and constraints.
No comprehensive residential or commercial development and zoning plans were established by the 2000 strategic plan’s forecasted housing unit increases, or the 2004 strategic plan’s mention of “reducing delinquencies through marketing”, or the 2008 strategic plan’s declaration updates, or the 2010 strategic plan’s projection of 100 new housing starts per year, or the master plan workbook’s identification of “nonperforming areas” (i.e. areas where development had not materialized).

What is the difference between the master plan workbook and a comprehensive master plan?

The master plan workbook was an internally developed document that analyzed areas of significant delinquency and underdevelopment and introduced us to potential projects likely to reactivate unproductive areas. The comprehensive plan will take these efforts and, along with community input, drive us to land use and amenity decision points similar to those used by CCI in their original development phases. See example comprehensive plan here (it is a large document and will take a moment to load):


Wouldn’t it be less expensive to do more marketing like Cooper did?

Focusing on amenities, programming, and marketing is not enough to drive growth, as demonstrated by results over the last 10+ years. People do not purchase houses in the same way they did 10+ years ago, nor are they looking for the same housing options. The missing strategy for us is successional real estate development, focused on gaps in commercial offerings, current housing trends, and the land use policies and practices that will capitalize on those trends. In other words, those development activities that were previously driven and championed by CCI.

Past results spanning 10+ years have shown that it would be more costly to continue without a development plan. For instance, not having the 2,541 additional homes projected by the 2000 strategic plan equates to $2mil per year in lost assessments.

Doesn’t Cooper Communities already have a development plan for HSV?

CCI was invited to respond to the Comprehensive Master Plan RFP and declined. Upon closing their residential real estate office here, their interest appears to have shifted to commercial development.

Since CCI does retain certain land use authority and Developer rights under the declaration, as well as remaining reserved property, easements, commercial property, and residential property, they will be an important partner in this effort.

What is implied by the “development” and “land use” discussion?

The original development plan for Hot Springs Village included zoning and land use practices from the 1970s and 1980s. A key component of the comprehensive master plan will be to evaluate residential and commercial building practices and policies against current buyer expectations. Since our original zoning documents were crafted, best practices surrounding walkability, reducing
the impact of sprawl, smaller footprint housing, and mixed use development has become the
standard by which communities and cities are measured.

Here are two resources related to land use and real estate development:

http://formbasedcodes.org/

http://www.dpz.com/Initiatives/SmartCode

➢ What steps have already been taken towards this process?

On July 3rd, requests for comprehensive master plan proposals were sent to 13 firms identified as
having experience with cities and communities similar to Hot Springs Village. Proposals were
received from three project teams, who encompass 6 of the organizations originally invited to bid.
These proposals are being evaluated and scored by the Board and leadership team to determine
which of the recommended services best fit our strategic needs.

➢ What are the next steps?

At the September 7th budget meeting, we will have a presentation by the project team receiving the
highest score and the Board will vote on a path forward during that meeting.

Shortly thereafter, the chosen project team will begin the community collaboration portion of this
process, many of whom recommend a charrette. Director of Placemaking and Development,
Stephanie Heffer, will give us an overview of the charrette activities today.

Here are some additional resources on charrettes:

http://charretteinstitute.org/

http://www.dpz.com/Charrettes/About