

# CONDO BOARD REPORT

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## **Purchase of VO Land Offer Declined**

On March 19, 2003, Venture Out received a written offer to purchase 91,000 square feet of VO property at the corner of Higley and Broadway. The offered price: one million dollars (\$1,000,000). Board members unanimously declined the offer because for now, and into the foreseeable future, we need all the space we have. However, this offer points up the increasing value of Venture Out property and that we should continue to make every effort to enhance our already valuable park.

## **Goals for Next Year**

President Houghton identified four major goals for the year ahead.

“1. Our number one priority for the year is the Rec. Hall. We are already well along with architect selection. Both the planning and implementation phases will take time and attention. We have been forewarned that our time lines will be difficult to meet.

2. Long Range Plan. It will be critical to give thoughtful consideration to what we learn from our long-range plan. As we review our data we must continually remind ourselves to look to the future.

3. Water and Sewer. We must consider all of our options and come forward with a plan of action for implementation one year from now.

4. Money. We must be creative in realizing cost savings, but more importantly, we must be creative in finding the money to keep our park vital, in particular, money for our Recreation Center.

“As I mentioned at the Town Hall meeting, we have named special committees for three of these goals. The other, Long Range Planning, will be receiving our collective attention and the attention of the Planning Committee. I see the Planning Committee addressing the front entrance, the pull-through area and the corridor from the front entrance to the Rec. Hall. This planning will move us into the next phase of our park’s development.

We are on the verge of significant change at Venture Out. There is little doubt that this will be a pivotal year in our park’s history. During the year, our communications will be paramount. We must seek ways to involve our residents and keep them informed.”

## **Income Exceeds Budget**

Treasurer Bill Weiss reported, “Financial statements for the period ending February 28, 2003, show year-to-date revenue has exceeded budgeted amounts. This additional revenue is the result of increased usage of our pull-through sites, higher rental revenue than budgeted and increased use of our laundry facilities.

Expense categories are on budget with the exception of utilities and insurance. The utility figures are seasonally higher at this time of year, but by year-end will be close to our budgeted numbers. Insurance, however, is over budget due to an unexpected increase in workers’ compensation premiums and a larger than forecast increase in medical insurance premiums.”

## **Architects, Activity Office, Rentals, Resident Marketing**

General Manager Mary Schmit reported, “During the last two weeks, the Condo Board has interviewed five different architectural firms to address the issues raised with the recreational facility. All firms that presented suggested removing the berm and opening up the lower facility to the outside. All noted the need for additional exits and fire systems. The requirements from the Maricopa County Health Department will necessitate restructuring of the interior spaces.

In order to be on line with construction next summer, the design process must begin this summer. Designs must be complete in January of 2004 in order to have adequate time to go through the City for approval and permits pulled to begin construction by April 1<sup>st</sup> of next year. A minimum window of six months would be required for this work.

The Board, over the remaining few weeks of the season, will choose and then meet with the firm selected. Guidelines will be given to the firm as to the minimum requirements. In addition, this firm, through the process of schematic drawings, will also give options for enhancing the facility and updating the look.

At this time, it is a fairly safe assumption to state that the Activity Office will have to be relocated to make way for an exit and possibly the kitchen.

We have met with Teresa and the officers of the Social Board and have discussed the time line for the next year. It is anticipated that the Recreation Hall will be shut down for the entire summer of 2004. Teresa's office will have to be moved to remain operational. In order to facilitate this, we are looking at moving the office this summer, as we do not want to move in the middle of next season.

Many of the ideas that were brought out in the architect interviews were exciting and practical relating to how the space could be better utilized and enhance the residents' enjoyment of VO. These meetings will continue to be publicized and the residents are encouraged to join in the process and participate in this most important project.

At the last Board meeting, I reported that the average age of residents in the park is 75. A few hours later, after completing our tallies, we realize the average age of a seller is 77. We can now anticipate that combined with "Sale by Owners," we should expect to see somewhere between 150 to 200 units for sale each year. This trend will continue for at least the next five years and more likely ten years. In addition, since the average age of the new buyer is mid-60s, we will see this cycle continue unless we start to attract the baby boomer generation and push back that demographic.

The good news is that Real Estate sales are at 44 for the year, which is five ahead of last year's total sales. We expect them easily to reach 50 sales before the end of June and possibly greatly exceed this. Last Friday, we had three co-broker sales in which outside Realtors sold the units listed on the MLS (Multiple Listing Service). Outside Realtors are now touring the park on a regular basis which we encourage. As we will be looking at heavy listings over the next several years, using every avenue possible to sell units will be key.

This past year, an additional 30 units were added to the Rental Office's portfolio. More importantly, the gross revenue to residents doubled over the prior year. This was due to Phyllis working extremely hard to pair renters with owners and trying to get every owner at least three months' income. This income helps to defray an owner's expenses. I expect the rental department to continue to grow for several years and increase in importance to the park.

Overnight pull-through revenues have also exceeded last year. Through the peak season, we have averaged 30 units per night. In discussing the RVs with the Woodall's Campground representatives, I was told that some parks were down 20% this year for the winter visitation. Some parks they visited in Arizona were virtual "ghost towns".

I believe Venture Out's success this season in seeing more people and raising revenues in all these areas is a direct result of two things: the first ever real marketing that was done last year in which display ads were placed in major advertising pieces such as Woodall's and Trailer Life, as well as residents taking brochures home this past year and heavily promoting the Park."

### **Condo Board and Social Board Budgets**

The Social Board presented its 2003/2004 budget to the Condo Board. This budget and that of the Condo Board will be voted on at the April 3<sup>rd</sup> Condo Board meeting.

Florence Brownridge

Dave Green