

# **Pool & Tennis Court Information Update February 6, 2025**

Birkdale HOA

Current offers and options for owning and maintaining a pool for shared homeowner use in Birkdale

## **Key Benefits:**

Property Value Retention: Homes with neighborhood amenities retain 5-20% higher value.

For homes valued at \$400,000, this equals a \$20,000-\$60,000 value. This makes spending the money to purchase and maintain the pool a great investment in our home values!

## **More Cost-Effective Than Other Alternatives:**

Building a new pool would cost significantly more (see cost comparison attachment A from Douglas Aquatics).

Nearby communities charge high membership fees, making this a more affordable option (see attachment B).

Investing in Our Community:

Instead of funding other neighborhood's amenities, we retain our own.

Creates a central gathering place for families and neighbors. Studies show that communities that are active have higher rates of health/happiness and also sell for a premium.

## **History:**

The Birkdale Golf Club has always been a separate entity from the HOA and the pool and tennis courts have been owned by the Golf Club and not the HOA. At some point in the last 10 years or so, the Birkdale swim team combined with the Collington neighborhood swim team and pulled many of the family pool memberships to Collington with it. Around 2019, the Golf Club started indicating that the pool was no longer profitable and there were multiple claims that it would close. Covid further complicated the business and golf was booming, so the ownership decided to focus its energy and money towards golf and officially did not open the pool for the summer season of 2024. In May of 2024 when this

became official, residents began questioning the future of the pool and if there was a way the HOA could become involved. At that time, the golf club was only interested in leasing the property to the neighborhood and that caused significant issues with our governing documents and ability to spend capital improvement money on property we did not own. Later in 2024, the golf club made the offer to sell the property to the HOA and also offered owner financing. The emails regarding the land that is included and the current asking details from Mike Hatch of Birkdale Golf Club are included in this report. There have been no negotiations, just fact finding to this point. Quotes have been provided by Douglas Aquatics (who have been maintaining and operating the Birkdale pool since at least 2006 - see pool maintenance history included in the quote) for improvements, both urgent and future, and also for the cost to operate the pool (providing insurance, lifeguards, cleaning, and maintenance) for the 2025 summer season at ~\$55,000-\$65,000 depending on the hours we wish to run the pool. An assumption of a \$100,000 annual operating budget is included in the calculations below to allow plenty of room for costs like additional insurance, cleaning and filling the pool with water, making any bathroom repairs, replacing furniture that may have deteriorated, etc. Quotes have also been provided by River City Tennis, LLC for the cost of renovating one of the two existing tennis court areas into usable tennis and pickleball courts at a cost of \$100,000-175,000, which would be a project for a future year. There would be remaining land at the site of the second existing tennis court (that is currently overgrown) that offers potential for other future amenities.

### **Purchase Details (per email attachment F2)**

Current Asking Price: \$1,200,000

Financing Option: Owner financing at ~5-6% interest (4-7 percent likely)

Down Payment: ~ \$250,000

Flexible Term Lengths: 5-10 years

### **Alternative Payment Option:**

A one-time assessment could allow the HOA to purchase outright if the neighborhood prefers.

### **Expense Breakdown Per Household (657 homes)**

See attached chart (attachment A) for quarterly, yearly, and monthly costs per home based on different term lengths. (\$30-\$38 per home monthly cost)

## **Estimated Operating Costs**

### **Annual: (see attachment E2 and E3)**

Total: \$55,000-\$65,000 per summer (this varies based on hours pool is open; assumption calculation includes \$100,00 annual operating costs to allow extra money for unforeseen expenses). This contract with Douglas Aquatics includes:

Lifeguards

Insurance (\$1-2 million dollar policy that covers all lifeguards and patrons during pool hours)

General pool maintenance and operations (cleaning pool and bathrooms, chemicals, etc.)

### **Repairs & Improvements for Pool and One Tennis Court:**

Estimated Cost: ~\$315,000 (Phased Improvements)

Planned Repairs Include:

Pool Replastering: \$80,000-\$130,000 depending on options (see quote from Douglas Aquatics)

Pool Furniture: \$20,000

Fence Repairs: \$5,000 (there is a possibility the fence would need to be replaced and if so, I think we should try to negotiate a lower purchase price or down payment to accommodate.)

Pump Repairs (New Pump, Electrical Upgrades, Sand in Filter): \$15,000-\$60,000 unknown exactly when these would be needed until pool is filled

Bathroom Upgrades: \$5,000

Tennis/Pickleball Court Resurfacing: \$125,000

Contingency Repair Fund: \$35,000

### **Financial Impact on HOA**

Minimal risk to the HOA or the Golf Club because the owner-financed structure means the down payment provides the seller security.

If we default, the owner retains the pool and courts; no financial liability for the HOA.

### **Options to Generate Additional Revenue:**

Sell additional memberships (if we did this it would require additional costs to be ADA compliant)

Rent the pool to residents for parties or local swim teams.

Guest passes sold to residents

Possible option to host an annual golf tournament to also benefit pool improvements

### **Cost Comparison New Pool vs. Purchase Existing:**

Douglas Aquatics provided a quote for a basic new pool at ~\$475,000 (see attachment A- note that this quote is from 2023 and they stated the price would be over \$500,000 now)

What That Includes:

larger pool shell, water filtration, and excavation.

What That DOES NOT Include:

The land (property) value

Pool decks

Baby pool

Fencing

Landscaping

Parking

Bathrooms

Equipment house

Tennis courts

## **Why Buying the Existing Pool & Courts is the Better Investment:**

The purchase includes all existing structures and infrastructure.

Saves hundreds of thousands compared to building from scratch, assuming we could even find and purchase a site.

## **Community Impact & Property Values**

Losing amenities negatively impacts property values, especially since surrounding neighborhoods have pools and courts. (see attachment B)

Alternative pool memberships are costly (see attachment B)

## **Alternative Funding Solutions**

Could we secure grants to offset costs?

Community fundraising opportunities

Golf tournament

Local business sponsorships

HOA-led fundraising campaigns

## **Ways to Fund the Down Payment**

One time assessment (\$250,000 divided by 657 = \$380.06 per home)

HOA Reserves or Surplus Funds (cashing in CDs to subsidize)

Financing through a short term loan (private or bank)

Pre-Selling Memberships (ie some homeowners may be willing to prepay for the next three years etc.) could be in exchange for reserved seating, reserved parking, guest passes, etc.

Negotiate a lower down payment in exchange for a higher interest rate

Combination approach of the above options

## **Next Steps**

1. Board approval to survey the community.
2. Confirm the board's authority to manage the pool and tennis courts.
3. Gather neighborhood feedback on financing options and overall interest.

## **Additional Attachments:**

- A.) Quote to Build a similar pool (only main pool)
- B.) Nearby Pool Membership Cost and HOA dues Comparison spreadsheet
- C.) Expenses for purchase and annual operating costs breakdown
- D.) Quote from River City Tennis
- E.) Quotes from Douglas Aquatics (E1 shows the history of the pool repairs and costs for improvements, E2 shows summer 2025 operating contract cost for pool to be closed on Mon and Tues as it was under the Birkdale Golf club and E3 shows summer 2025 operating costs if the pool is open 7 days a week as residents prefer)
- F.) Correspondence with Mike Hatch of Birkdale Golf club regarding the current offer as discussed (F2) and survey of land included (F1)

Sources for info on property values:

<https://timesproperty.com/article/post/impact-of-location-amenities-neighbourhood-on-property-value-blid7904>

<https://www.cedarmanagementgroup.com/hoa-increase-property-values/>

[https://robertlongconstruction.com/how-hoa-amenities-improve-property-value/?utm\\_source=chatgpt.com](https://robertlongconstruction.com/how-hoa-amenities-improve-property-value/?utm_source=chatgpt.com)

<https://www.nar.realtor/magazine/real-estate-news/study-homeowners-associations-are-booming>