



Dear University Park Homeowners, Residents and Club Members,

At the UPRD Board of Supervisors Workshop on October 27, 2023, a proposal for a 5-Year Business Plan was presented for the Board's review and consideration.

The Board wishes to acknowledge the dedication of the Business Plan Advisory Group. The proposal reflects months of time and effort by a volunteer group consisting of a cross section of homeowners and club members with professional experience in business planning. Board Supervisor Rusty Piersons and John Fetsick, UPCC General Manager, have actively participated in this group, with John providing detailed information and other business resources to assist the group's efforts.

The Board embraces the need for long range planning. As this was the Board's first introduction to the proposal, recommendations contained in it have neither been accepted nor rejected. The document deserves and will receive the Supervisors' unhurried and focused review. Future discussions will be scheduled in the Workshop format and available for participation via Zoom.

Your feedback is welcome. Feel free to email Merci Harrod mharrod@universitypark-fl.com.

Sincerely,

Sally Dickson

UPRD Board of Supervisors Chairperson

**University Park Recreation District
University Park Country Club
(UPRD / UPCC)
Five-year Business Plan**



Oct 2023

Business Plan Advisory Group

Russell Piersons (UPRD Board Supervisor), John Fetsick & Merci Harrod (UPCC General Manager/Admin), and Ted Baumen, Kristi Christianson, Chris Edwards, Henry King, Cathie Schaffer, Greg Selep, Tim Tevens (resident volunteers).

Table of Contents

1. Executive Summary
2. Overview and Context (background and history)
3. Annual Business Plan Development Process (including achievements & learnings since last update)
4. UPRD Key Roles & Responsibilities
5. UPRD Vision, Mission and Core Values
6. Resident Survey Results (extract)
7. Market Analysis (local benchmarking)
8. Strengths, Weaknesses, Opportunities and Threats (SWOT)
9. Key Themes for Business Plan
10. Business Model (including key assumptions and financial model)
11. Key Success Factors and KPIs (operational and financial)
12. Communication & Engagement (including Change Management)

1. Executive Summary

This proposal for a 5-year evergreen UPRD/UPCC Business Plan has been the culmination of collaboration with the UPRD Board of Supervisors (BoS) and UPCC management. Various sources of data, including existing planning documents, external benchmarks, and valuable insights gleaned from resident surveys, have been drawn upon.

It is important to recognize that the UPRD operates as a government entity and conducts business under the name UPCC. As such, the implementation of plan recommendations must take into consideration this distinction.

Five Key Themes emerged from a refreshed SWOT analysis:

1. **Membership Structure Alignment:** Aligning UPCC's membership structure with local benchmarks and the evolving expectations of our homeowners, ensuring sustainability by closing the capital gap and improving member satisfaction.
2. **Capital Planning and Execution:** Setting the stage for successful project development with a transparent, substantiated capital plan as well as successful project delivery by implementing the key steps identified by the Project Management Advisory Group to augment capability and controls.
3. **Profitable Revenue Opportunities:** Identifying and implementing new revenue-generating initiatives with our existing facilities that offset costs for homeowners and members.
4. **Effective Communication:** Creating a comprehensive communication campaign that fosters two-way engagement with homeowners, members, and the broader community to keep stakeholders well-informed and engaged in decision-making processes and capital improvements.
5. **Preserve/Enhance Property Values:** Continuously refreshing the UPRD vision and value proposition to preserve and enhance home values, with an emphasis on the UPRD/UPCC's role in an enriching lifestyle and a thriving community.

Three Key Areas of Focus were prioritized for this iteration of the Business Plan:

1. **Evolving Our Business Model:** A new Blended Business Model (with key assumptions and a financial model) is recommended to close the capital gap while enhancing member satisfaction and meeting homeowner and member expectations.
 - a) **Capital Gap:** Financial modeling has identified a capital gap, currently in the range of \$500 per residence, which is not included as part of the Capital Improvement Plan (CIP). Sufficient capital reserves are critical to fund the ongoing investments necessary for a sustainable future for UPRD. This capital gap should be made transparent to homeowners, specifically noting that options are being evaluated to address it (e.g., incremental assessment or perhaps a transfer tax on new home sales).
 - b) **Member Satisfaction:** Survey results underscored the need to acknowledge the different preferences for current Social members and the different situations under which those current homeowners bought into the community over the years.

As a basic principle, all homeowners remain invested in UPRD success; notably, the natural beauty and attractive country club facilities that underpin home values in the community. To preserve and maintain this general benefit, a base UPRD assessment applies to all homeowners regardless of membership status.

Above that base level of investment, several options would be offered to current Social members under the new model. Social members could upgrade to a new Lifestyle membership that would combine Social, Fitness and Racquet amenities into one (including the planned new facilities). A one-time option would also be offered to remain as a Social member or downgrade to a Homeowner Non-member, with both categories closed but grandfathered and with attrition expected to decrease over time.

Point forward, all new homeowners would be required to become an enhanced Lifestyle member as a minimum, with the only alternative being a Full golf membership. This is more in line with local benchmarks.

The introduction of a new Lifestyle Membership requires the development of facilities and amenities commensurate with that level of membership, recognizing that it will take some time to complete those capital improvements for members to realize full value. Any gap until facilities are fully available may impact member satisfaction in the short term.

Specific details for the new Blended Business Model require comprehensive review and collaboration with homeowners and members. Communication and planning ought to begin in Nov 2023, with progress in earnest in early 2024 leading to implementation in 2025. As part of this natural path of evolution for the new Business Model, early communication will be essential to share context with homeowners and members and minimize any misunderstanding from the outset.

2. **Supporting Our Capital Improvement Plan:** To build trust and confidence in the community, the existing capital gap that is intended to be addressed by a new Business Model should be communicated (i.e., acknowledging the likelihood of an additional assessment beyond the currently proposed bond assessment).

The broader value proposition that led to the creation of UPRD should be continuously reinforced; i.e., preserving natural beauty, enhancing home values (and mitigating homeowner liability), managing development and investments through an elected Board of Supervisors (BoS), and accessing lower-cost financing.

3. **Enhancing our Project Management Process:** In support of a more holistic and systematic way of working, advisory groups should be established leveraging the wealth of expertise and experience that resides in our community.

Advisory groups are part of an iterative process that shares expertise and analysis to recommend and support the best decision. To ensure alignment along the way, each advisory group would include both a BoS and management representative.

- a) **Business Plan Advisory Group** to maintain a dynamic 5-year evergreen UPRD/UPCC Business Plan that meets evolving community needs, refreshes the Mission, Vision & Values, identifies key strategic themes as required to enhance homeowner and member satisfaction, and updates a 5-year

financial and operating framework to guide future actions for income and expenditures.

- b) **Long-Range Planning Advisory Group** to update the Master Plan with transparency on future improvement and long-term maintenance projects, and to maintain an evergreen annual and multi-year capital project budgeting process.
- c) **Project Management Advisory Group** to improve the rigor and discipline in project execution, providing advice and support so that facilities will be delivered as expected and intended, on time, and within budget. This advisory group is already in place and has already begun making improvements.

Formalizing the distinct roles for oversight, expert advice and business / project delivery is a key to success. Specifically, BoS oversight should focus on assuring process discipline and decision-making rigor as well as transparent communication of business and project status. To create more space for deliberation and oversight, the BoS should rely on management to deliver the business / projects as directed and rely on the Business Plan and Project Management Advisory Groups to provide independent and objective expert advice in support of BoS assurance and decision-making.

Regular points of BoS engagement with management already occurs, and the same is recommended for the Advisory Groups to ensure shared context and alignment along the way.

Additional recommendations are inserted throughout the document, and most can be implemented seamlessly and in the near term. To assist with implementation, members of the Business Plan Advisory Group are available to discuss the full Business Plan document and assist as required.

2. Overview and Context (background and history)

Four years ago, a herculean effort by volunteer residents completed the due diligence and negotiations required to create the UPRD. Since its inception in 2019, the UPRD Board of Supervisors (BoS) has continued the transition from being 'developer led' to being 'resident led' by the 1201 homeowners.

The value proposition that led to the creation of UPRD and acquisition of the associated assets was based on: preserving natural beauty, enhancing home values (and mitigating homeowner liability), managing development and investments through an elected Board of Supervisors (BoS), and accessing lower cost financing.

Assets include: • 27-hole Golf Course, including - driving range, cart paths & putting facilities - golf course irrigation system - cart barn and maintenance facilities • tennis courts, croquet & bowling areas • Fitness Center • Park Grill & Café, including Lakeside Room • Varsity Club & Card Room • Pro Shop • Administration Offices • club parking lot & access road • Parcel L-south • Conservation & preservation areas • FPL power-line easement • Parcel 7.


Priorities for 2020-2023 are either delivered or well underway, specifically:

- Completed Phase I Projects
- Improved Communications & Engagement with Residents (including a survey of residents to determine satisfaction with facilities and amenities)
- Revisited Master Plan and determine process for advancing Phase II Plans

This Business Plan is a priority in service of the above.

3. Annual Business Plan Development Process

This document is intended to be an evergreen Business Plan that explains who the UPRD is (current state), where it's going (future state) and how it's measurably going to get there (gap analysis). It is part of the existing planning framework:

Strategy & Planning	Stewardship
Mission, Vision & Core Values Strategic KPIs	UPRD Board of Supervisors (BoS)
Business Plan 	
Financial, Operational and Project Plans	UPRD / UPCC Management

It serves as a road map that provides direction to the business to:

- Support the UPRD journey including Board responsibilities for strategic guidance and fiduciary oversight.

- Improve the common understanding of the UPRD / UPCC among residents (e.g., increase transparency and help improve consensus).
- Highlight operational and financial metrics as a basis for improving the enterprise and for communicating success.

RECOMMENDATION: Establish an Advisory Group, which leverages resident expertise, to conduct ongoing review of the 5-year evergreen UPRD/UPCC Business Plan.

Since the development of the previous 2020 UPRD Strategic Plan, the following significant accomplishments have been delivered in accordance with that plan.

- Membership and Operating Revenue has grown.
- Annual Capital Income is lower than reference clubs (Full Member Initiation Fees Lower than Comparable Clubs, Operations generating less Capital than other Clubs).
- Financial KPIs (Gross Profit/Fixed Expense/Payroll Expense, etc.) all in line with other Clubs. F&B Subsidy consistent with other clubs; but accelerating. Golf Course management consistent; G&A consistent.
- The following is a summary of Phase I Projects that have been delivered:

Sources and Uses of Funds (Nov 2019 – Dec 2022)	(\$000)
Sources: Total Bond proceeds	\$24,000
Closing Costs	-3,189
Purchase Price	-16,750
Net proceeds from Bond available for Projects	\$4,061
Club Revenues designated for Projects	2,355
Sources available for Projects	\$6,416
Uses for Projects and Reserves	
Parking Lot (reseal, repaint)	-101
Pickleball & Croquet	-447
Golf Course (infrastructure repairs and maintenance)	-1,883
Equipment (F&B, Golf, A/C Roof)	-420
Dining Renovations (indoor & outdoor)	-3,000
Funds designated for reserves (Operations and District)	-500
	-\$6,351
Balance	\$65

Sources: RD Historical Review, January 2023; UPCC Management Summary above has been created for informational purposes only. It is not an accounting statement and has not been audited.

RECOMMENDATION: Leverage the existing Project Management Advisory Group for project post-appraisal of key projects to identify lessons learned and strengthen future project management (planning and execution).

Additionally, formalize the distinct roles for oversight, expert advice, and project delivery. Specifically, BoS oversight should focus on assuring process discipline and decision-making rigor as well as transparent communication of project status. The Project Management Advisory Group should provide independent and objective expert advice in support of BoS assurance and decision-making.

4. UPRD Key Roles & Responsibilities

The Board of Supervisors (BoS) governs the UPRD recreational facilities and services for the health and well-being of the residents of University Park and to serve a public purpose (charter requirement). Key activities include:

- developing and approving an annual operating budget
- providing financial reports and audits in compliance with Florida Statutes
- maintaining a 5-year plan with financial projections for the operation and maintenance of the recreational facilities and the development and delivery of new projects
- holding referendums for the incurrence of long-term debt (accompanied by detailed plans for the expenditure of bond proceeds and for repayment)

Park Boulevard Management (PBM) employs and manages the people who manage and operate UPCA and UPRD. A Mutual Cooperation Agreement enables cooperation and synergy between the two entities. John Fetsick is the General Manager of PBM.

Oversight of PBM is through a 3-person committee, which currently includes the UPRD Chairperson as a member.

RECOMMENDATION: Use existing oversight to verify that management job descriptions, annual goals and performance objectives are aligned with the UPRD Board and the Strategy and Business Plan.

Advisory Groups are essential to help the BoS oversee the breadth and depth of the UPRD / UPCC operations and improvements. Provisional advisory groups would tap into relevant expertise and experience in the community as required to

assess a specific situation and offer advice to the BoS for their consideration and decision-making. This would free up more time and space for the BoS to focus on higher-level strategic guidance and oversight.

RECOMMENDATION: Leverage the existing roster of volunteer expertise and experience in the community as required to support and advise the BoS. Formalize the distinct roles for oversight, expert advice, and delivery. Specifically, BoS oversight should focus on assuring process discipline, decision-making rigor, and transparent communication. Advisory Groups provide independent and objective expert advice in support of BoS assurance and decision-making.

It is also expected that resident involvement would help improve engagement and alignment in the community.

5. UPRD Vision, Mission and Core Values

Mission (2020)	interpretation for 2023 Business Plan
Deliver to members and guests ever evolving lifestyle experiences that are engaging and inclusive by providing exemplary service, facilities and amenities	By continually striving for excellence, we ensure that our offerings remain dynamic and meet the evolving needs and preferences of our community.
Vision (2020)	interpretation for 2023 Business Plan
To be the preeminent gathering place for members and guests to meet, socialize and enjoy lifestyle opportunities that exceed their expectations in a modern club environment that enhances our residential community	To be a vibrant gathering place for members and guests to meet, socialize and enjoy a quality golf, health & wellness, food & beverage and social experience.

Source: Strategic and Financial Planning, UPRD Workshop – January 31, 2023

UPCC Core Values	interpretation for 2023 Business Plan
Integrity, Trust & Mutual Respect – Acting ethically in the best interests of our members, staff and community	We act with integrity, ensuring that all our actions and decisions are guided by ethical principles that serve the best interests of our members, staff, and community.
Quality – Striving to be the best that we can be in all that we do	We are committed to excellence and high standards in all that we do. We strive to provide exceptional service, maintain high-quality facilities, and offer current amenities.
Fiscal Responsibility and Transparency – Openly communicating our financial position and ensuring that operating budgets and	We practice fiscal responsibility by diligently managing our financial resources to meet both current and future financial needs. We openly communicate our financial position,

reserves are sufficient to meet the current and future financial needs of the Club	ensuring transparency and accountability to our residents.
Environmental stewardship – Commitment to preserving our natural landscape and considering the environmental impact of our decisions	We are committed to preserving the natural beauty of our surrounding landscape and to being responsible stewards of our environment.

Source: Strategic and Financial Planning, UPRD Workshop – January 31, 2023

It is believed that upholding these core values will help to create a culture that fosters integrity, trust, respect, and a commitment to excellence. Further, it will support delivery of exceptional experiences that enrich our member experience and will ensure long-term sustainability and success.

RECOMMENDATION: Given that it has been 4 years since the UPRD was created, establish a Long-Term Planning Advisory Group of volunteer residents to revisit the Mission, Vision and Values to ensure that they remain current and adequately reflect the current needs and desires of Homeowners.

6. Members Survey 1 of 2 (extract for Business Plan)

Based on the current and previous survey, Social members are less satisfied than the other member classes. This finding is a critical consideration when evaluating the Business Model, and it emphasizes the importance of effective change management strategies.

Given the significant number of Social members (more than twice the number of Full members), their satisfaction levels and feedback become vital factors to consider in any upcoming votes or referendums. It is essential to recognize that while data suggests that Social members are still "proud to tell people they are members of UPCC" (albeit at a lower rate), this sentiment may be more indicative of the club's brand reputation rather than their overall satisfaction as members. An open question that remains is the likelihood of Social members recommending to friends, neighbors, or new residents that they join the club as a Full or Racquets member, as that would represent an essential measure of satisfaction, akin to a net promoter score, for each member class.

It is important to acknowledge that participating and non-participating Social members constitute a substantial population within University Park (some may only be Social members because of current rules). Consequently, the Business

Model should strive to strike a balance between the value received and the cost to the member.

RECOMMENDATION: Consider an annual survey to determine satisfaction with facilities and amenities as well as management and governance to better understand the evolving needs and desires of homeowners and members.

7. Market Analysis (local benchmarking)

Heron's Glen is a similar member driven country club community with 1,300 homes. It established a Recreational District in 1999 and manages similar amenities as UPCC.

Over the last 23 years, it has simplified its membership structure and refined its communications so that it enjoys high ratings of resident and member satisfaction.

Its business model can be summarized in three key principles that are broadly applicable for UPRD/UPCC:

1. Collect a base assessment to preserve and enhance the general benefit to those who pay the Recreational District assessment (includes access to standard community center facilities and services).
2. Assess a fee to those residents and members who wish to access premium club activities, services and/or special privileges (e.g., priority booking)
3. Pursue profitable revenue opportunities to improve asset utilization and offset costs to residents and members (e.g., weddings, large events).

In part, the high ratings of resident and member satisfaction for Heron's Glen is attributed to simplified communications and communication channels for easy access to current information with minimal clicks.

RECOMMENDATION: Integrate and simplify the website communications for UPRD and UPCC to make it easier for residents and members to find current information and engage in the strategy and planning process.

Further, simplified communication explaining and integrating UPRD/UPCC and UPCA will help residents understand and appreciate that we are one community. While there is a clear legal structure in place for UPRD and UPCA as separate

entities, it is a difference without meaning to many residents and members of UPCC.

To assist the BoS in its decision-making process regarding the long-range plans of the community, the HGRD Board of Supervisors has established a Long-Range Planning Committee. This Committee's basic function is to serve as a review, research, and analytical arm of the Board. Responsibilities include:

- Review current Capital Expenditures and Deferred Maintenance activities as part of the Master Plan.
- Conduct a Strategic Planning Survey as a basis to recommend items for inclusion or removal from the plans.
- Assist management by assuring that estimated costs (capital, operating, and maintenance) and useful life are accurately reflected in the plans.

Independent Project Analysis (IPA) Project Management Best Practices identifies this front-end engagement as the time of greatest influence and impact on project outcomes (e.g., delivering the agreed scope on time and on budget).

RECOMMENDATION: Establish a UPRD Long-Range Planning Advisory Group to assist the BoS in its decision-making process regarding the long-range plans of UPCC. The Board of Supervisors shall retain the right and responsibility to make final decisions regarding adjustments to the Long-Range Plans.

8. Strengths, Weaknesses, Opportunities and Threats (SWOT)

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Convenient Location • Natural Beauty (environment) • Premier Golf Course & Racquet Facilities • Enhanced Food & Beverage Facilities • Operating Financials, with efficient access to Bond Market 	<ul style="list-style-type: none"> • Unclear Value Proposition for all residents • Ineffectual Communication & Engagement • Aging Infrastructure and Facilities • Insufficient Capital Reserves for current and future needs (operating and capital) • Gaps in Project Management rigor and discipline
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Adjust UPCC membership structure so that it is more aligned with current needs and local benchmarks. • Deliver (evergreen) strategy/business plan with substantiated capital requirements to successfully execute. • Generate profitable revenue opportunities to offset costs for residents and members. • Implement exceptional communication and engagement campaign for residents, members, and surrounding community. • Maintain and enhance club assets. 	<ul style="list-style-type: none"> • Dependency on outside golf (market conditions can impact ability to attract non-resident members and public golf) • No control over who lives here (varied interests) • Labor market constraints (ability to attract quality staff to support our offerings) • Changing demographics (evolving expectations) • Outside competition from newer communities (newer homes, more attractive amenities)





9. Key Themes for Business Plan

Key themes have been derived from the SWOT analysis and are presented in comparison to the existing themes developed in 2020. These emerging key themes set the stage for the Business Model and recommended improvements.

Strategic Themes (2020)	Five Key Themes emerging from 2023 Business Plan
Finance & Membership:	Membership Structure Alignment:
<ul style="list-style-type: none"> Financial Health Membership Growth Membership Retention 	Review and adjust the UPCC membership structure to align with current expectations of residents and local benchmarks, ensuring that it provides sustainable revenue streams (operating and capital).
Strategy & Planning	Capital Planning and Execution:
<ul style="list-style-type: none"> Update Facilities Strategic Planning Obtaining Quality Staff Members 	Develop a comprehensive and substantiated plan that outlines the capital requirements to address aging infrastructure and facilities, ensuring access to financing and project resources to enable successful execution.
Outside Revenue	Profitable Revenue Opportunities:
	Identify and implement profitable revenue-generating opportunities appropriate for our existing facilities that offset costs for residents and members, without unduly affecting the homeowner and member experience (e.g., innovative events, marketing initiatives, partnerships with local businesses).
Communication	Effective Communication & Engagement Plan:
<ul style="list-style-type: none"> Governance and Leadership Member Participation/Usage 	Implement a regular and ongoing communication campaign that encompasses improved 2-way engagement with residents, members, and the surrounding community. Utilize various channels and platforms to keep stakeholders proactively informed and involved.
	Change Management (subset of Communication Plan)
	Acknowledge the diverse views and expectations of residents, especially given changing demographics, by engaging them (at a neighborhood level) in policy development as well as operating and financial decision-making processes.
Property Values:	Preserve/Enhance Property Values:
<ul style="list-style-type: none"> Maintaining property Values 	Continuously refresh the UPRD/UPCC vision and value proposition to preserve and enhance home values, highlighting the benefits of the UPCC as an essential component of an enriching lifestyle in a thriving residential community. Reinforce the importance of continued investment to maintain the natural beauty and attractive facilities in University Park.

10. Business Model

A Business Model describes how UPRD/UPCC will create, deliver, and capture value. Given the emerging key themes, the following four models were considered, with the Member Focused Blended option deemed the most suitable.

Business Model	Pros / Cons	Considerations & Challenges
1. Current 'Developer' Model (Base Case) 	Pros <ul style="list-style-type: none"> • Revenues cover operating expenses • Reasonable cost Cons <ul style="list-style-type: none"> • Reliant on outside golf • Does not cover capital needs 	<ul style="list-style-type: none"> • Simple, do-nothing option • Initiation fees, capital dues, and outside play insufficient to support existing infrastructure • Lower level of Social Member satisfaction
2. Low Cost (no obligations) 	Pros <ul style="list-style-type: none"> • Lowest cost, most flexible membership options Cons <ul style="list-style-type: none"> • More reliant on outside revenue 	<ul style="list-style-type: none"> • May appeal more to non-participating Social Members, but may lower satisfaction for others • Likely adverse impact on property values • Unlikely to achieve Vision
3. Private Club (limited/no outside play) 	Pros <ul style="list-style-type: none"> • New Owners to be Full Members, with Annual assessment to meet needs Cons <ul style="list-style-type: none"> • More expensive, uncertainty with aging infrastructure 	<ul style="list-style-type: none"> • Complicated Change Management (with specifics to ease the transition) • More expensive for all residents
4. Member Focused, Blended Private-Public (viewed as a natural evolution of the Base Case) 	Pros <ul style="list-style-type: none"> • Allows for the necessary operating and capital required to meet ongoing needs • Allows for growth in active member, both resident and non-resident, participation in the club Cons <ul style="list-style-type: none"> • Complicated Change Management 	<ul style="list-style-type: none"> • Complicated Change Management (with specifics to ease the transition) • Simplified and flexible to meet evolving needs • Better balance between the needs of members and membership costs

Value Creation (i.e., attracting new homeowners and members and supporting appreciation of home values):

- 1) Natural beauty of surrounding community infrastructure and landscape (integrated responsibility with UPCA).
- 2) Comprehensive Country Club facilities and amenities:
 - a) Top-tier golf facilities,
 - b) Top-tier racquet, pickle ball and fitness facilities,
 - c) Breadth of social activities,
 - d) Updated dining facilities, with varied menu and dining options
- 3) Facilities and marketing to generate profitable revenue opportunities and to enhance our Brand (offsetting costs for residents).

Value Delivery (i.e., offering a value proposition that is fitting for all homeowners):

- 1) Collect a base assessment to preserve and enhance the general benefit to the homeowners in the UPRD. This element of the business model is the minimum required to maintain the standard community infrastructure expected for a community like University Park (i.e., the basics required to preserve and enhance home values)

e.g., natural beauty, community/country club setting and lifestyle, recreation district structure to control development, access lower cost financing and mitigate homeowner liability.
- 2) Assess a fee to those homeowners and members who wish to access premium club activities, services and/or special privileges. This element of the business model ought to be self-sustaining and enduring, with fees offsetting the incremental life-cycle costs.

e.g., golf, lifestyle and fitness offer, special events
- 3) Pursue profitable revenue opportunities to improve asset utilization and offset costs to residents and members. This element of the business model ought to generate a positive contribution margin for every event while limiting any impact on the homeowner and member experience.

e.g., weddings and large events, higher food & beverage costs for the public, real estate transaction fees.

Value Capture

- 1) Board of Supervisor (BoS) oversight of operations, development, and financing.
- 2) RD structure that enables sales tax savings and access to lower cost financing as well as mitigating homeowner liability.
- 3) Long-Range Planning Advisory Group to assist the Board in its decision-making process regarding the long-range plans of the community.
- 4) UPCC management, organization, and established operating and maintenance practices.

The remainder of this Business Plan describes how UPRD/UPCC can implement the business model (e.g., 5-year Financial Framework, Strategic KPIs, and Communication & Engagement).

Key Assumptions and 5-year Financial Framework

The existing 5-year financial plan “Strategic and Financial Planning, UPRD Workshop – January 31, 2023” is a comprehensive financial projection and has been reviewed and endorsed by the BoS.

The underlying financial models are robust, with the depth of detail and the breadth of modeling capability required to assess the options and opportunities identified above. As such, this Business Plan focuses on defining a Financial Framework for more detailed assessment by that existing model.

The Member Focused Blended Model was reverse engineered to deliver sustainable operating revenue and capital reserves.

A financial model is only as accurate as the assumptions used to produce the financial result. As such, below are the assumptions considered when building the model:

- A glaring gap in the current UPCC financials is the need to pay for Deferred Maintenance. These are capital items that are in desperate need of replacing. Additionally, the need to upgrade some facilities is needed to meet the mission of UPCC.
- The Capital Improvement Plan (CIP) was presented to this Business Plan Advisory Group as a given. The Advisory Group was asked not to

change or adjust the CIP projects. As a result, all costs and benefits are as determined by the BoS.

- For current homeowners and members, there are choices, including the existing categories:
 - Full, Racquets, Social and all current member add-ons and pre-paid player cards will be available as well
 - And a new category – Homeowner, non-member
 - There will be a one-time option to become a homeowner, non-member or remain at the current membership level. Once selected, the choice will be grandfathered for as long as the Homeowner owns their home in UPCC
 - All future membership categories should be reviewed and adjusted by a Business Plan Advisory Group and the BoS
- For future homeowners and members there are two choices
 - Full and Lifestyle, with Lifestyle being the minimum level of membership
- All fees are similar to the marketplace in which UPCC operates
- UPCC will continue to allow outside public play on the golf course when available
- A Capital Fee is recommended in the range of \$500 per home per year (which should be reviewed and adjusted annually) will be assessed to each homeowner in UPCC and an additional Capital fee will be charged to non-homeowner members
- 4% increase in annual operating dues, capital dues and operating expenses
- Expect Social and Homeowner Non-member categories will diminish over time
- Expect increase in Full members (approx. 5 per year) and Lifestyle members (initially 60)
- Passes and temporary memberships will remain in place for grandfathered categories
- Public play remains at the same number of rounds per year, but fees increase 3%
- Food & Beverage minimums are removed for all categories
- Additional revenue streams need to be identified and determined to help offset additional costs to our Homeowners and Members. We recommend that a future Business Plan Advisory Group address this need.

ANNUAL DUES	Family*			Single*			
	FY'23 Actual	FY'24 Actual	FY'25 Proposed	FY'23 Actual	FY'24 Actual	FY'25 Proposed	
Full	\$ 9,500	\$ 10,075	\$ 10,500	\$ 7,200	\$ 7,635	\$ 8,000	**
Racquets/Lifestyle	\$ 4,100	\$ 4,350	\$ 4,500	\$ 3,075	\$ 3,260	\$ 3,375	
Social	\$ 1,025	\$ 1,125	\$ 1,500	\$ 775	\$ 850	\$ 1,150	
* F&B Minimum to be removed starting in 2025 (\$900/Family & \$450/Single)							
** Excludes Trail & Cart Fees							
*** Homeowner and non-homeowner dues are equivalent							

Initiation Fees	Resident		Non-Resident	
	2023 Fees	2024 Fees	2023 Fees	2024 Fees
Full	\$ 10,000	\$ 12,500	\$ 12,500	\$ 20,000
Racquets	\$ 2,500	\$ 3,500	\$ 3,000	\$ 4,000
Social/Resident	\$ 1,500	\$ 2,000	\$ 2,000	\$ 3,000

CAPITAL DUES	Family			Single		
Resident (5%)	FY'23 Actual	FY'24 Actual	FY'25 Proposed	FY'23 Actual	FY'24 Actual	FY'25 Proposed
Full	\$ 475	\$ 504	\$ 525	\$ 360	\$ 382	\$ 400
Racquets/Lifestyle	\$ 205	\$ 218	\$ 225	\$ 154	\$ 163	\$ 169
Social	\$ 51	\$ 56	\$ 75	\$ 39	\$ 43	\$ 58
Homeowner	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 500
CAPITAL DUES	Family			Single		
Non-Resident (10%)	FY'23 Actual	FY'24 Actual	FY'25 Proposed	FY'23 Actual	FY'24 Actual	FY'25 Proposed
Full	\$ 950	\$ 1,008	\$ 1,050	\$ 720	\$ 764	\$ 800
Racquets/Lifestyle	\$ 410	\$ 435	\$ 450	\$ 308	\$ 326	\$ 338
Social	\$ 103	\$ 113	\$ 150	\$ 78	\$ 85	\$ 115

With these assumptions identified, below are a number of charts which outline the financial projections over the next five (5) years:

University Park Operating P&L Projections (\$ thousands)

SUMMARY STATEMENT OF OPERATIONS						
FISCAL YEARS ENDING SEPTEMBER 30	2024	2025	2026	2027	2028	
COUNTRY CLUB OPERATIONS:						
TOTAL REVENUE	12,600	13,076	13,809	14,550	15,299	
TOTAL EXPENSES	(12,137)	(12,622)	(13,327)	(13,860)	(14,415)	
FUNDING OF UPRD GENERAL FUND	(175)	(175)	(175)	(175)	(175)	
OPERATING INCOME/(LOSS)	265	279	307	515	709	

University Park Capital Projections (\$thousands)

Without Bond

WITHOUT BOND	2024	2025	2026	2027	2028
CAPITAL FUNDS:	BB: 1,000				
INITIATION FEES	481	761	824	886	949
CAPITAL ALLOCATION- GOLF OPS	270	284	296	307	320
CAPITAL DUES	314	327	355	383	411
CAPITAL- NON RESIDENT MEMBERS	-	125	130	135	141
HOMEOWNER CAPITAL ASSESSMENT	-	600	600	600	600
Total Sources from Capital fees	2,064	2,098	2,205	2,312	2,420
Capital Account Balance					
Total Sources from Capital fees	2,064	2,098	2,205	2,312	2,420
Net Income (less \$100k)	165	179	207	415	609
Annual Capital Needs Per CRS	7,970	2,602	1,995	2,898	214
Annual Capital Needs Per CIP	-	2,600	3,400	5,500	-
Net Capital Account Balance	(5,741)	(8,666)	(11,650)	(17,322)	(14,507)

- a) Capital Reserve Study (CRS) includes golf course irrigation and infrastructure and kitchen equipment.
- b) Capital Improvement Plan (CIP) includes predetermined projects including new fitness center expansion and renovation, activity, and administration space.

University Park Capital Projections (\$thousands)

With Bond

WITH BOND		2024	2025	2026	2027	2028
CAPITAL FUNDS:	BB:	1,000				
INITIATION FEES		481	761	824	886	949
CAPITAL ALLOCATION- GOLF OPS		270	284	296	307	320
CAPITAL DUES		314	327	355	383	411
CAPITAL- NON RESIDENT MEMBERS		-	125	130	135	141
HOMEOWNER CAPITAL ASSESSMENT		-	600	600	600	600
MUNICIPAL BOND PROCEEDS		18,500	-	-	-	-
Total Sources from Capital fees		20,564	2,098	2,205	2,312	2,420
Capital Account Balance						
Total Sources from Capital fees		20,564	2,098	2,205	2,312	2,420
Net Income (less \$100k)		165	179	207	415	609
Annual Capital Needs Per CRS		7,970	2,602	1,995	2,898	214
Annual Capital Needs Per CIP		0	2,600	3,400	5,500	0
Net Capital Account Balance		12,759	9,834	6,850	1,179	3,994

RECOMMENDATION: The blended model ensures annual and future financial obligations are met to sustain and enhance homeowner value and the member experience. Closing the Capital Gap should be the top priority from a financial perspective.

1. BoS will need to describe and justify each project and the costs/benefits and revenue streams to the homeowners/members.
2. Project sequence and scope should be reviewed and adjusted as driven by homeowner and member preferences.

11. Key Success Factors and KPIs (operational and financial)

Regular monitoring and analysis of Strategic Key Performance Indicators (KPIs) will provide insights for strategic decision-making and continuous improvement towards fulfilling our mission and achieving our vision.

KPIs (2020)	Interpretation for 2023 Business Plan
Member satisfaction and Guest experience rating	Resident and Non-resident Member Satisfaction Index: Measure the overall satisfaction level of members through surveys, feedback, and ratings to ensure that their expectations are being met or exceeded.

	Guest Experience Rating: Evaluate the satisfaction and experience of guests visiting the club to gauge the effectiveness of the services and amenities provided.	
Membership growth / Membership retention	New Member Acquisition Rate: Measure the rate at which new members join the club, indicating the effectiveness of marketing and membership acquisition strategies.	
	Resident and Non-resident Membership Retention Rate: Track the percentage of members who renew their memberships annually to assess member loyalty and satisfaction.	
Member participation	Resident and Non-resident Member Engagement Metrics: Track member participation in club activities, events, and programs to evaluate their level of engagement and identify opportunities for increasing involvement.	
Staff satisfaction / retention	Employee Satisfaction and Retention: Monitor employee satisfaction levels and turnover rates to ensure a positive work environment and a motivated team delivering excellent service.	
Financial strength / accountability	Financial Performance: Assess financial indicators such as revenue growth, profitability, and return on investment to ensure the club's financial sustainability and success.	
Long-term Property values	Long-term annual appreciation: Assess market	
	Facility Utilization Rate: Monitor the usage and occupancy levels of various club facilities, such as golf courses, fitness centers, and dining areas, to optimize resource allocation and identify areas for improvement.	
Environmental Stewardship	Environmental Impact: Track metrics related to sustainability efforts, such as energy consumption, waste management, and carbon footprint, to ensure the club's commitment to environmental stewardship.	
Financial	Change in Net Assets over time:	
	= (End. Net Assets – Beg. Net Assets) / Beg. Net Assets	Provides picture of Club's overall financial health.
	Revenue Growth: Total Revenue Growth; Revenue Growth by source	
	Labor Related Costs: % change and as a % of Revenue	
	Profitability: = Net Income/Total revenue	
	Return on Assets: = Net Income / Avg Total Assets	
Operations	Dues to Operating Revenue:	
	= Operating Membership Dues Revenue / Total Operating Revenue	Important indicator of the approach a club takes to covering operating expenses necessary to deliver its member experience. Clubs

		which rely more on dues as a “recurring” income rather than activity-based fees are more member-experience-centric and are more able to sustain the expected standard of service and member experience.
	Reinvestment Ratio:	
	= Capital Improvements for any given period/ Department Exp. for same given period	Shows how much money was reinvested into club amenities as compared to depreciation of those amenities. Should be calculated in the cumulative over an extended period of time. Shows whether club improvements are keeping up with pace of depreciation.

Source: Strategic and Financial Planning, UPRD Workshop – January 31, 2023

RECOMMENDATION: Request Management further define specific measures including current baseline, targets, and timelines, and establish annual reporting of progress.

12. Communication & Engagement

To effectively rollout and gain buy-in to the 5-year evergreen UPRD/UPCC Business Plan, the Board of Supervisors should implement an overarching Communication Plan that fosters and encourages 2-way dialogue and discussion between the Board of Supervisors, Homeowners, Residents and Members, including Special Interest Groups.

The Communication Plan should continuously share at both a summary and detailed level and in a clear and compelling manner:

- Why and how the UPRD/UPCC Business Plan was created.
- Who UPRD/UPCC is (current state,) where it’s going (future state) and how it’s going to get there (gap analysis).
- Why and how the community benefits from the operating changes being adopted.
- How the Business Plan will be used to guide UPRD/UPCC going forward.

- And, as needed, other key messages.

The Communication Plan should also include well-designed state-of-the-art communication channels that can be easily accessed and serve as easy-to-use feedback mechanisms. The communication channels should include, but not be limited to:

- A single UPRD/UPCC brand
- Better coordination with the UPCA to not confuse Homeowners
- A single website with relevant documents, including FAQs
- Newsletters
- Email blasts
- Board of Supervisors Meetings and Workshops
- Town Hall Meetings
- USPS mailers
- Neighborhood / Special Interest Group Ambassadors / Meetings
- Popular social media apps
- New Homeowner / Resident / Member Welcome Packages

RECOMMENDATION: The new Business Model is recommended to address the capital gap. Provide transparency on remaining capital gap as an integral part of communications around the capital improvements.

RECOMMENDATION: Specific details for the new Blended Business Model require comprehensive review and collaboration with Homeowners and members. Communication and planning ought to begin in Nov 2023, with progress in earnest in early 2024 for implementation in 2025.

Begin progressive Change Management (2024)

- Preliminary communication to residents (introduction)
- Peer Review of Business Model (including timing, optics, implications for Master Plan)
- Professional Review (e.g., McMahon Group)
- Resident Survey (including pre-communication)

- Formal roll-out to residents, using multiple formats and points of engagement (e.g., community Townhalls)

RECOMMENDATION: As part of effective change management, clarify the value proposition and manage expectations as part of proactively improving social member experience and satisfaction levels.

RECOMMENDATION: Synchronize and integrate the Business Plan with UPRD Master Plan and strategy and establish evergreen process for 2024 iteration.