



Chair Note

Dear University Park Homeowners, Residents and Members,

On behalf of UPRD's Board of Supervisors we hope you and yours are having a wonderful holiday season.

By now, every UPCC Homeowner should have received their Bond Referendum Voting Ballot. As we move towards the January 16, 2024, Vote Date, UPRD is providing the following Bond Referendum Q&A.

This document provides detailed information on UPRD's Capital Improvement Plan, the Bond Referendum, Proposed Projects, Relative Costs, and other data and insights. As a supplement to the Information Packet shared earlier this month, the Bond Referendum Q&A addresses additional outstanding questions some Community members may have.

As you know, the UPRD remains committed to meeting the needs of UPCC, all of which are consistent with those identified by the Community beginning in 2019. With just three weeks away from the Bond Referendum Vote date, we understand the importance of having all of the information each Homeowner needs to make an informed and important decision for the future of University Park. This Q&A is our continued commitment to ensuring communications transparency and accessibility through this entire process, and UPRD will continue our engagement and communications with all of you.

Thank you for your continued dedication to UPCC. We look forward to your active participation and Vote on Tuesday, January 16, 2024.

Respectfully,

Sally Dickson

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UPRD Chair

UPRD PROPOSED CAPITAL IMPROVEMENT PLAN

Q. What is the UPRD Capital Improvement Plan?

A. UPRD has prepared a multi-phase, multi-year Capital Improvement Plan (“Plan”) to commence in 2024. This is the culmination of four-years of evaluating Club needs and priorities, as identified by all of us who live, play, and work at University Park, to ensure the continued success and value UPCC brings to our community and members.

The five core projects within the Plan include:

- Golf Course Irrigation Replacement with Lake Banks & Bulkhead Improvements
- Kitchen Renovation & Modernization
- Fitness Centre Renovation & Modernization
- Activity & Administration Centre Development
- Additional Parking/Resurfacing

CAPITAL PLAN PROJECT COSTS & CALENDAR

Q. What is the cost of the Plan projects?

A.

Plan Projects	Costs
Golf Course Irrigation and Infrastructure	\$6,000,000
Kitchen Renovation/Modernization	\$3,000,000
Fitness Centre Renovation & Modernization	\$3,500,000
Activity & Administration Centre	\$5,500,000
Additional Parking	\$500,000
TOTAL:	\$18,500,000

Q. What is the timing for completion of the projects?

A.

PROJECT	DATE
Golf Course Irrigation System	Summer 2024
Kitchen Renovation	November 2025
Fitness Centre Expansion	Summer 2026
Fitness Centre Renovation	November 2026
Activity & Administration Centre	November 2026

Q. How is the Plan proposed to be funded?

- A.** UPRD proposes to issue a Series 2024 Bond of \$20,600,000 with net proceeds of \$18,500,000. The median cost per home is estimated to be \$1,222 per year. Each homeowner's individual property cost can be found in the Master Assessment Methodology which was sent by mail in December. This information can also be found on the UPRD website.

Q. Are all Capital Improvement Projects necessary? Can just a portion of the Plan be executed?

- A.** UPRD is fully committed to all five proposed projects based on Club needs, member feedback, and operating for the long-term future and success of University Park Country Club.

The proposed Plan is the result of exceptional due diligence, community input, and is in the most fiscally responsible interest of University Park and its homeowners, residents, and members. It focuses on University Park's continuing financial success, longevity, and enhanced property values for UPCC's homeowners.

REFERENDUM

Q. What is the purpose of the Bond referendum?

- A.** A referendum is required to authorize UPRD to issue long term bonds in support of UPRD's Plan. This plan outlines capital improvements researched and deemed necessary for the long-term sustainability, growth, and value of University Park Country Club.

Q. Why is UPRD proposing to issue a Bond?

- A.** To complete necessary renovations and new facilities outlined in the UPRD Plan. This includes installing a new Golf Course irrigation system, repairing lake banks and bulkheads; renovating and expanding the Club's outdated and small kitchen and kitchen area; expanding and renovating UPCC's Fitness Centre, developing a new Activity and Administration Centre; and increasing/resurfacing the Club's parking areas.

Q. Why is UPRD issuing a second bond after the initial 2019 bond?

- A.** The initial bond allowed the purchase of UPCC from the original developer, as well as funding Phase I capital improvements which included the renovation of the Park Grille Café and Lakeside Room, the building of the outdoor Cafe dining area,

four state-of-the-art pickleball courts, relocated/enlarged croquet pitch, and resealed parking lot.

Q. Why didn't UPRD raise more funds through the first bond?

A. Under municipal bond offering terms, capital raised is required to be spent or committed to specific projects within three years of the offering. Raising incremental funds without a diligently researched and vetted Plan was not fiscally responsible or in the best interest of the Club, homeowners, residents, and members. The Master Plan was created after takeover and Phase 1 projects had a budget of \$4.2 million dollars earmarked from the first Bond for capital improvements.

Q. What funding alternatives are there to a bond if the Referendum is not passed?

A. Funding alternatives to a Bond are limited and generally include an assessment or short term bank loan, each of which would be repaid by homeowners, similar to the Bond offering.

Q. When is the referendum?

A. The referendum vote is scheduled for January 16, 2024.

Q. Who is eligible to vote?

A. ALL homeowners are eligible to vote; every residence may cast one vote.

- You do not have to be a registered voter in Florida.
- You do not have to be a member of UPCC.
- You do not have to be a year-round resident.
- Renters must receive the Proxy from the resident homeowner in order to vote.

Q. How is voting conducted?

A. There is no electronic voting due to Manatee County regulations. Paper ballots were mailed to every homeowner on December 15, 2023.

- Ballots can be returned by mail and to be received no later than January 15, 2024, by 5:00 PM EST.
- A Ballot box will also be placed in the UPRD Office Center, outside of the Membership/Ann Backus's office next to the Varsity Club beginning December 15, 2023, for those who wish to drop their Ballot in-person.
- Ballots can be deposited in-person until January 15, 2024, at 5:00 PM EST.
- Ballots can also be hand delivered on Election Day scheduled for Tuesday January 16, 2024, from 9:00 AM to 12:00 Noon at the Varsity Club.
- Final counting will take place after polls close on January 16, 2024, at 12:00 Noon EST.
- UPRD has retained the CPA firm of Suplee, Shea, Cramer and Rocklein, P.A. to conduct the actual Ballot counting and results reporting.

Q. How will Referendum results be determined?

A. There is one vote per residence and only votes that are cast will count toward the final Referendum results. If a homeowner does not vote that vote will not accrue to a Yes or a No vote. A simple majority is required: 50% of the votes cast plus 1 vote.

Q. What will happen if the Bond referendum is not approved?

A. Each homeowner will be assessed by December 30, 2024, for the cost of the Irrigation system and Kitchen renovation. UPRD estimates this to be \$7,500 per home. A second assessment would have to be made to complete the remaining projects.

Q. Can I pre-pay my Bond obligation at any time?

A. Yes. At the passing of the bond, homeowners are provided with documentation stating the origination of the bond date, its remaining term, and the payoff balance that will enable a homeowner to retire their share of the note if electing to do so.

Q. Will there be additional warranties or are there warranties covered under the bond to prevent future assessments?

A. There are no warranties covered under the Bond. UPCC is well managed and profitable. Capital reserves are growing through prudent financial planning in order to fund on-going maintenance and replacement needs.

Q. I do not use some of UPCC's amenities or facilities that are proposed to be improved? Why should I support the bond?

A. Capital Projects preserve the value of University Park Country Club, homeowner property values, and the value of experience for all members. This includes the quality and attractiveness of UPCC to prospective home buyers.

Development of new communities in surrounding areas around UPCC is at an all-time high with clubs investing millions in their facilities, amenities, and programs. This is to attract prospective buyers. Maintaining the value of UPCC and providing exceptional offerings is paramount and supports home values and appreciation. As bricks and mortar costs continue to increase due to inflation and land prices continue to escalate, UPCC properties should appreciate considerably. Support for the bond will ensure the financial means for UPRD's continued investment in University Park Country Club.

FINANCING

Q. Did the Board consider other financing options for these projects?

A. Yes. UPRD evaluated several types of loans, a “pay as you go” financing model, member assessments, and the municipal bond.

A key benefit of being a Recreation District is the ability to issue municipal bonds, which are offered with the lowest interest rates on the market, providing residents with the lowest annual payment.

The “pay as you go” financing model is not feasible as it would take far too long to generate the necessary funds from an operating surplus to address UPCC’s capital improvement needs. UPCC is operating profitably. However, given the scope of our needs, we could not generate enough excess capital to fund projects in a reasonable period of time.

The Board did not want to move the Plan further down the road and delay progress. The projects being addressed are the same projects and issues that existed at the turnover from the original developer. They need to be addressed. UPRD’s Plan allows for all 5 projects to be completed by the end of 2026.

Q. What will the Bond cost?

A. The median cost of the Bond is estimated to be \$1,222 per year. The methodology used was identical to that used for the turnover of the Club. Fifty percent of the Bond cost is shared equally by all 1,201 homes as every homeowner’s home value will benefit from the Capital Improvements. The other 50% is based on each specific home market value stated in the 2022 Manatee County Tax records.

The specific annual cost per home is available on the UPRD website under the “What’s New” tab. Click the link titled “Draft Master Assessment Methodology.” This lists all homes by neighborhood. Each homeowner can locate their property under their Parcel ID. This number appears on your most recent tax statement.

Q. When will the first payment be due?

A. November 30, 2024, if you elect to take the full 4% discount offered by Manatee County. Otherwise, payment could be as late as March 31, 2025.

OTHER OPTIONS CONSIDERED

Q. What options did UPRD evaluate before making this proposal?

A. Over the past 14 months the board has evaluated virtually every possible solution to meet the Club’s capital improvement needs. UPRD has determined that its current proposal is the best choice in terms of feasibility, functionality, cost, and

alignment to University Park's club aesthetics.

Options reviewed included:

- Relocation of the Administrative Offices to the UPCA Business Center
 - Not enough space in the current building.
 - Current building won't support a second story.
 - An adjacent building on the lot would not have enough space for adequate parking.
 - Impractical to shuttle staff back and forth to the Club, especially for member-facing and F&B staff.

- Renovation of current Admin offices in their current location
 - Extremely expensive with unknown outcome.

- Building a two-story building for Activity and Admin Space on Parcel L
 - Concern about disrupting the look and feel of the UPCC campus.
 - Strong negative feedback from the community about large, two-story buildings.

- Combining Activity Space and Fitness Classroom Space
 - The two spaces require significantly different flooring, walls, and other interior features.
 - Logistics and labor costs of constantly resetting rooms for activities after Fitness Classes.

- Moving the Pro Shop to the Varsity Club
 - This would offset gains made with the new Activity space.
 - Many members want to continue the unique experience provided by the Varsity Club versus the Café or Grille.

- Creation of a "Members Only" Bar in the current Pro Shop
 - The move of the Pro Shop to the Varsity Club will be evaluated again after we have had sufficient time to utilize and understand use of the new Café area. UPRD believes it may not be as desirable to have a Members Bar so close to the Café Bar with an identical view and overall experience.
 - To the extent this change may be made, costs would be funded from ongoing operating income of the Club.

- Relocation of the Kitchen and expansion of the Lakeside Room to provide additional space for outside events
 - This requires building an addition to the back of the current building to house the Kitchen, as well as a complete renovation of the current Kitchen space to convert it to dining space. The estimated cost of this is approximately \$3-4 million in additional expense, as compared to the current Kitchen plan.

- To the extent that UPRD may consider increasing the number of outside events (such as weddings) at UPCC, UPRD believes it would be more cost effective to expand the current footprint of the Lakeside room at some point in the future.
- UPRD will continue to evaluate the potential incremental profit of additional events versus disrupting the current member experience.
- Outside event professionals will be asked to evaluate UPRD with our current dining room footprint and the planned kitchen renovation as a baseline for projecting additional revenue.

Q. Why can't we vote on each Capital Improvement Projects on an individual basis?

A. All projects are necessary to preserve the quality of amenities and member experience stated in our Mission Statement and 5-year Plan.

- Amenities such as Fitness and Activity Space were identified via Member surveys as being deficient five years ago. They have since deteriorated further and are now ranked far below every other amenity of the Club. In the meantime, new Clubs and Communities have been developed in our area and offer significantly upgraded amenities as compared to UPCC.
- The Irrigation system has been repaired on a break/fix basis for several years and its current condition jeopardizes UPCC's largest source of income, as well as aesthetic beauty and quality of UPCC's Golf Course.
- When the Kitchen was originally built it served one dining area- The Grille. Currently it serves the F&B demands of The Lakeside Room, Café, Varsity Club and Fire pit area. It is inefficiently laid out and has obsolete – and in some cases, non-functional equipment.
- Activity Space has increasingly become inadequate as more members join UPCC and the range of clubs and groups continues to grow. A considerable number of activity space requests are denied monthly due to lack of space. Everyone who is a member of a group can relate to this challenge.
- The Administrative Space is completely unacceptable by every objective measure. UPCC offices lack natural light, have no running water, no meeting or break rooms, and are accessible only through a steep set of stairs. The offices are unproductive, unprofessional, and an issue when trying to recruit and retain quality personnel at UPCC. Rehabbing the current space and adding an elevator and basic necessities has been deemed less efficient financially and structurally than a shared new structure.

GOLF COURSE IRRIGATION

Q. Will the Golf Course need to be shut down for irrigation system replacement?

A. No. 18 holes will remain open during the installation.

Q. Why aren't Golfers paying for the Irrigation system?

A. Golf revenue supports every other amenity at UPCC. It covers the costs of Tennis, Pickleball, Dining, Fitness, and Activity Spaces.

Q. Describe the value of spending for the golf course irrigation system.

A. The current irrigation system is outdated with certain parts no longer available and approaching beyond repair. Irrigation is critical to the quality, vitality, and beauty of the golf course -- a significant source of revenue to UPCC, property values, and the beauty and ambiance for our community. A modern irrigation system solves these issues while also improving water use efficiency and savings, labor savings, and improved landscape maintenance and protection.

Q. Is UPCC's Golf Course and Club self-sustaining?

A. Yes. As shown in the budget summary for the club, it covers 100% of costs and generates net income. The net income provides a stream of funds for capital reserves and smaller projects.

FITNESS CENTRE

Q. How large is the proposed Fitness Centre and what is its capacity?

A. The current Fitness Centre is approximately 2,700 sq. ft. and the proposed new 3,000 sq ft building will have two large classroom spaces divided by a moveable wall, with each side having a 15-20-person capacity depending on the type of class conducted. The combined capacity will hold 30+ people. The current classroom space provides room for 6-9 people depending on the type of class conducted.

Q. What changes will be made to the current Fitness Centre?

A. The current Fitness Center was initially designed as a café which is why it still has a large wooden bar. The plan is to return it to an open box and optimize the space as a true Fitness Centre. Additional and updated equipment will be obtained to augment existing equipment. All other changes will be decided through input from UPCC's Fitness Staff and members.

Q. Will the Fitness Centre be shut down during this time?

A. Our plan is to build the expanded classroom centre initially and move the exercise equipment into that space so members can continue to work out during the

renovation of the current Fitness Centre. Once renovations are completed, the equipment will be moved back into the current facility and classes can begin in the new classroom space.

Q. Why bother to build a new facility? No one uses the current one.

A. That actually is not true. Based on UPCC member survey feedback, UPRD found UPCC's Fitness Centre is the 3rd most used amenity after Golf and Dining, but unfortunately the lowest ranked in terms of satisfaction of all UPCC amenities. When members who participate in each activity were asked to rank the quality of Club facilities, fitness participants responded with a 15% two top box rating (compared to 90% for Golf and 85% for our tennis facilities). Surveys also indicated that additional classroom space is the top requested amenity among UPCC members.

Space and class options are severely limited, and equipment is outdated. Further, wellness and exercise are #2 next to dining in amenities members value most when evaluating high-end communities. The Fitness Centre, along with other recreational and social activities and amenities, are the foundation for resident and member social engagement, health and lifestyle pursuits and the primary avenue for engagement. The proposed Fitness Centre supports member desires.

Our residents prefer classes geared to their fitness needs and abilities, rather than classes designed for a much younger group.

At the other end, we also recognize that as properties change ownership, the expectations and desires of new residents are different than those who purchased 15-20 years ago.

PRO SHOP

Q. Are we moving the Pro Shop to the Varsity Club location?

A. Not at this time. With the outside Café now open, UPRD believes it may be redundant to have a Members Bar in the same general area with the same view. The Varsity Club provides a different member experience than the other spaces and is very popular with our current members. We will re-evaluate use of the Varsity Club next year. In the meantime, we plan to modestly refurbish the Varsity Club furniture and wall coverings.

ACTIVITY & ADMINISTRATIVE CENTRE

Q. Why are we building new offices?

A. UPCC's current administrative offices are inadequate by every objective measure. Offices are accessed through steep stairs, provide no natural light, no running water, and no functional space to operate in a professional and efficient manner. We welcome members who have not had an opportunity to engage with staff to visit our current offices.

Q. Why can't we have the staff work in the building by the gatehouse?

A. This space is part of UPCA and is not part of The Club's property. Further, there is not adequate space in this building to meet our staffing needs.

Q. Why don't we add a second story to the existing building?

A. The building structure will not support a second story.

Q. Why don't we build the new Administrative Space next to the current building near the gatehouse?

A. If we add necessary square footage to this lot, there will not be adequate parking for staff, members, and residents conducting business.

Q. Why can't staff work remotely to reduce space needs?

A. Approximately 3 current staff members could potentially work remotely. For staff, it is important to be located on campus with access to our members, teams, and facilities.

Q. Why do we need an additional Activity Centre? Why not just use the Varsity Club and Lakeside Room?

A. We will continue to use the Varsity Club for activities. The Lakeside Room is oversubscribed for events and activities. Turnover logistics, set-up, cleaning, and maintenance have placed undue pressure on staff and our facilities, and it is time to address current and future needs. The proposed new facility will provide for much needed activity space on daily basis.

To note, University Park is a growing Club. There are a growing number of diverse social clubs. On a weekly basis we cannot accommodate these needs.

Q. Will amenities be closed during the construction period?

A. UPRD's plan is to minimize the disruption of amenities as much as possible.

- We will take advantage of seasonal work being done on a given 9 holes to install the irrigation system at the same time. This will allow 18 holes to remain open.
- The Kitchen will either (1) be replaced on a modular basis, or (2) be replaced while we rent a portable kitchen to maintain food service during construction. Both of these options are reflected in the estimated cost for the Kitchen.



Referendum **Q&A**

- To reduce interruption to the Fitness Centre, UPRD plans to develop the Fitness Centre Expansion first. Upon completion, UPRD will move equipment from the existing Fitness Centre into the new building so members can continue to exercise during the renovation of the current facility. Once that space has been renovated, equipment will be moved back, and members will be able to begin using the new Centre for classes.