

Kiawah Island

~ DIGEST ~

The Official Publication of the Kiawah Island Community Association

Message from the Chair: *Member Vote on Amenities Approaching*



With the Annual Meeting now behind us and a new board member, Bruce Stemerman, in place, we continue to move toward a vote later this spring on KICA's amenity improvements.

I believe there is a compelling case to reinvest in Kiawah to maintain its world-class quality and relevance to prospective buyers, thus supporting property values. I encourage

you to read a great letter the board received from Scott Harvin on how the island has changed over the years and benefited from reinvestment. (*Page 3 - Letter to the Chair: As Expectations Change, So Must Kiawah*)

As we've stated on a number of occasions, efforts to improve KICA's amenities offerings started many years ago. I firmly believe that this process has been thoughtful, professional and transparent, with substantial community input. Obviously the ultimate community input is an affirmative or negative vote that will drive any next steps.

Before the board can solicit such a vote, it needs to flesh out its recommendation so the membership fully understands what is being proposed and what it costs. This process is underway. We have been working with two architectural firms to develop the schematic plans - one designing our Sandcastle site and the other designing our Rhett's Bluff site. These plans should be sufficient to convey key design features and functionality at each site. We will not incur, however, additional architectural fees for the necessary detailed designs until the membership votes.

We are also working with cost estimators to develop a construction budget for each site. We have a good idea of an annual operating expense budget, and we are having preliminary discussions with several lenders to understand our financing options for construction. We intend to borrow much of this cost so the resultant debt service will be paid over many years. This is the fairest approach to current and future

KICA members. The debt service and operating costs will translate into a recommended higher annual assessment. Our current belief is that the assessment will be within the financial tolerance expressed by the majority of the June 2014 survey respondents. We will provide all of these details when we send out information with the proposal ballot.

One element of the recommendation will be a significantly improved pool and beach experience at the Sandcastle, with related remodeling of the first floor for better meeting space. The second floor of the Sandcastle will stay essentially the same. We contemplate separate family and adult pools, substantially more pool deck, enhanced shower and restroom facilities, and a great casual bar and dining experience.

The second element of the recommendation will be to add a multi-use facility on KICA's 6.2-acre property at the Rhett's Bluff boat landing. The building will consist of two 6,000-square-foot structures connected by a common hall. This facility will host canoe and kayak storage, a small ship's store and coffee/juice bar, a fitness amenity, and small social gathering spaces. These spaces will be appropriate venues for groups such as the book, bridge, garden, photography and other member clubs. It will retain and enhance the existing pavilion, boat landing and trailer parking and will be designed to coexist sensitively with the neighborhood. For example, there will be more trees on the site after we are done than exist today.

"...there will be more trees on the site after we are done than exist today."

Our objective is to send information on the detailed recommendation with ballot by late April. We will hold several community sessions to present the information and answer questions as well. In accordance with KICA's governing documents, the voting period will extend 30 days and all ballots returned will be counted by the end of May. We have about 4,000 households eligible to vote, so we will need about 2,400 households to express their opinions in order to reach a quorum. A simple majority of those voting need to favor the proposal for it to pass.

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Message from the Chair *(Continued from Previous Page)*

As a part of the board's deliberations, we considered that some of KICA's membership may not want to improve KICA's fitness, meeting space, or pool and beach experiences. Individuals may feel that what we have is adequate; that they wouldn't use the facilities; that they have access to better amenities through the Kiawah Island Club; or they don't want to fund the requisite higher assessment. The board also understood that its decision to build on its property at Rhett's Bluff would bring controversy, based in part on the history between some Rhett's Bluff residents and prior boards. Also, some KICA members may feel the site is inappropriate on which to build. After extreme deliberation, however, the board concluded it could not house all desired improvements on the existing four-acre Sandcastle site.

There is a small number of individuals who have publicly stated that KICA does not have the legal right to build on its Rhett's Bluff property. Based on extensive research, and advice from outside counsel, we feel strongly that KICA does have the legal right to improve our common property there, and historical information supports this (*see KICA's Community Properties on pages 4-5*). These individuals have presented their opinion as a fact, while characterizing KICA's opinion as disingenuous and born of bad faith. It is unfortunate that there has not been a civil agreement to disagree. I can absolutely assure you, however, that the seven individuals on the board and KICA's Chief Operating Officer Jimmy Bailey

did not act casually or recklessly in arriving at its decision to recommend investment in amenities.

The board believes that using its property at Rhett's Bluff for the enjoyment of the entire membership would be a landmark for Kiawah. This would be *the only facility on the island from which members can enjoy the spectacular offerings of the Kiawah River*. It would benefit current and future KICA members. I speak for the board when I say I believe that in 10 years, virtually all KICA members will look back on a decision to build as the right one. The board, however, doesn't get to decide. Nor should a few individuals who are adamantly opposed. The entire membership should and will decide. The board feels this is too important a decision for owners merely to be shouted down. We need to decide, once and for all, how KICA can use its property at Rhett's Bluff. I strongly encourage you to carefully evaluate the detailed recommendation when it is distributed and vote on what you think is the right long-term solution for Kiawah.

Sincerely,



Dave Schoenholz
Chair, KICA Board of Directors