

Keewaydin Island Opportunity



History

- Windstar Master Association has owned 2 lots on Keewaydin Island since 1983.
- Of the 2 lots, the primary access and utilization has been on our Southern lot. The Northern lot has remained relatively undeveloped.
- Regularly utilized through Keewaydin Queen shuttle and member boats

Keewaydin Island

Changing Times

Over time, lots on Keewaydin Island have slowly been developed and/or changed in use.

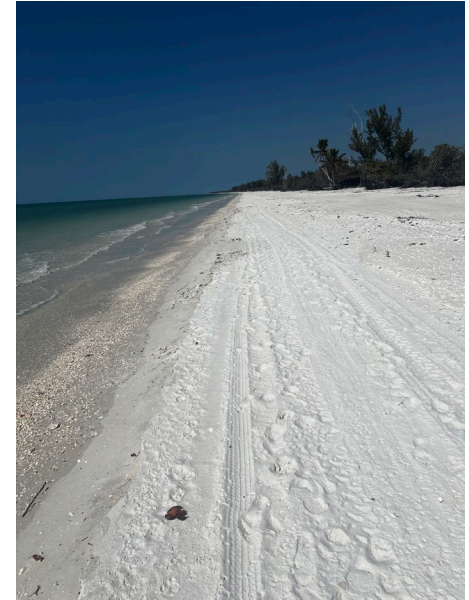
Approximately 4 years ago, a property to the south of the Windstar Master property was improved by a local boating club.

Since then, there has been a noticeable change in the number of people, boats, noise and activity near our property.

Properties rarely transfer ownership.

“They aren’t making any more beach front”

– Southpointe Marina owner



Keewaydin Island

Changing Times

The South end of the island has had building activity recently

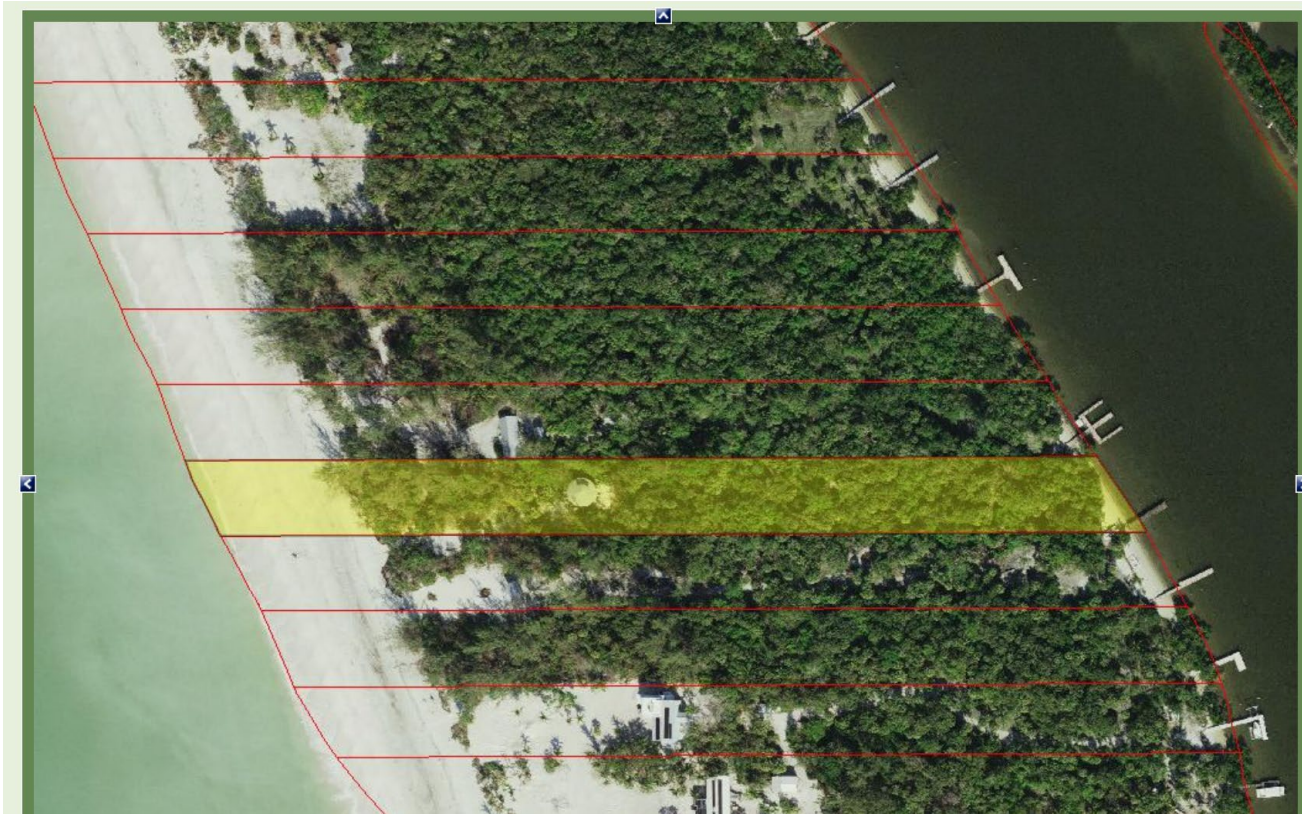




Opportunity



Windstar Master Association has been approached by the owner of the adjacent property to the South of our current Keewaydin property. The current owner would like to sell the property and is offering us right of first refusal. The rough terms are \$1,500,000 with closing TBD.





Opportunity

The property has a usable dock, water, septic, solar array and an 866 square foot raised home. The home has been damaged by various storms. The current owner has had contractors evaluate the structure and believe it to be “salvageable.”



Keewaydin Island Real Estate

Approximately 50 lots

Not all are "buildable"

Approximately 1/3 of lots
are owned by the State



10169 Keewaydin Island



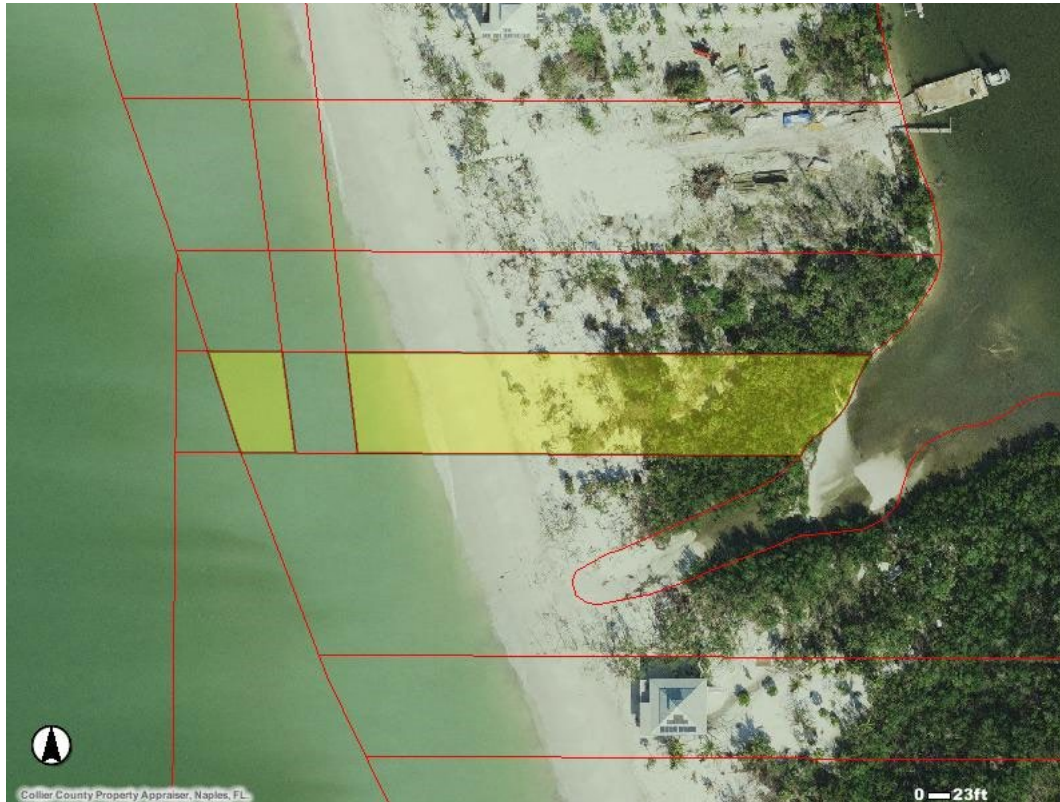
2.25 Acres, Sold August 2022, \$2,135,000

11231 Keewaydin Island



1.93 Acres, Sold March 2022, \$1,550,000

Parcel ID 74081120003



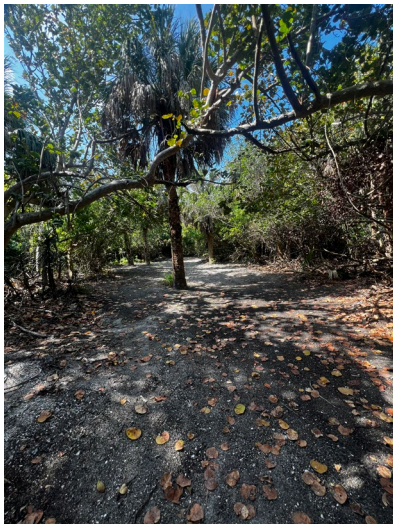
1.25 Acres, Sold May 2022, \$575,000, On Market now, \$850,000

Potential

Potential Options:

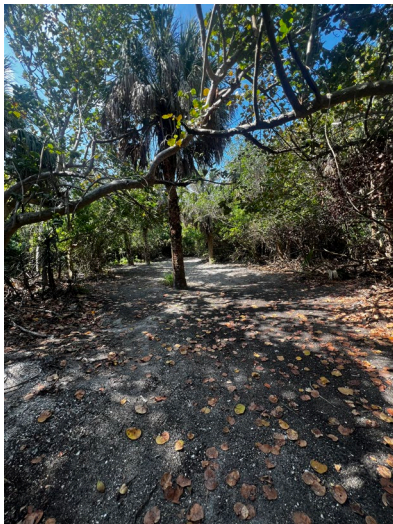
- Purchase and hold the property
 - Keep current Residential zoning
 - Zone similar to other lots as “Outdoor Recreational...” zoning
- Purchase and improve the property
- Purchase and hold for resale with strict covenants on future development.
- Other Windstar entity purchases (Club, Marina, neighborhood, group, individual)
- Allow sale on the open market and hope for good neighbors

A purchase would require a majority affirmative vote of all homeowners.



Potential Costs

- Current Annual Maintenance - \$15,000
 - Projected increase – \$5,000
- Invasive Removal, if needed - \$20,000
- Dock Renovation - \$3,000 decking, additional if structural
- Cottage Renovation - \$100,000
- Scheduling an engineering study for all structures - @\$5,000





Opportunity



Preliminary Financial Outlook

Purchase Price - \$1,500,000
Down Payment - \$300,000
Commercial Mortgage Loan - \$1,200,000
Loan Term – 7 years
Loan Rate – 8% estimated for reference
Loan Payment (monthly) - \$18,703
Loan Payment (yearly) - \$224,441

One Time Down Payment Resident Assessment* - \$500
Yearly Resident Assessment for Mortgage* - \$340

There may be additional legal and transfer fees. Property taxes would be waived once the HOA registers the property. This would require a vote of the owners to proceed. A majority (50%+1) of all owners would have to approve.

*Actual numbers may vary based on number of residents and actual charges.



Discussion

Pro

Protect our investment/key asset
Control the environment around sole amenity.

Additional Dock

Potential to expand services – building, water, septic

Missed real estate opportunities – Arboretum property, shoulda, woulda, coulda...

Harrington Sound partners example – protect the view & sound buffer

Yacht Harbor Cove example – owner purchased dock to avoid loud neighbors

Utilization data - TBD

Investment in the future, not a cost today

No more waterfront being made – Why we are in Naples

Con

Cost – Is \$500 down, \$340 a year a good investment?

*This purchase would have no effect on future maintenance projects or budget planning

Insurance? None unless we obtain a mortgage.

Maintenance? See previous estimates.

Improvement – This transaction offers the HOA time to determine the future.



Discussion

Assessments

Fiber Optic Internet and Entertainment

Current Homeowner Average Monthly Bill = \$155

Projected New Average Monthly Bill = \$85

Monthly Savings = \$70

Yearly Savings = \$840

Yearly Additional Assessment for Keewaydin purchase = **\$340**

Average Homeowner will still be saving money while building equity in our community!



Motion

Motion to Move forward with the acquisition of the Keewaydin Property.

WNB Master Board Meeting of

February 28, 2024

I move that the Windstar Master Association approve a special assessment of the owners to fund a down payment on the purchase of property on Keewaydin Island by Windstar on Naples Bay Master Association, In.c for the use and benefit of its owners, their guests and invitees. The remainder of the purchase price shall be funded by a loan to be paid o? in 10 years or less from increased regular assessments levied against owners. The o?er to include the appropriate contingencies with a final vote of the owners.

Motion made by Lee Kraus, Vice President, seconded by Denice Swanson.