

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



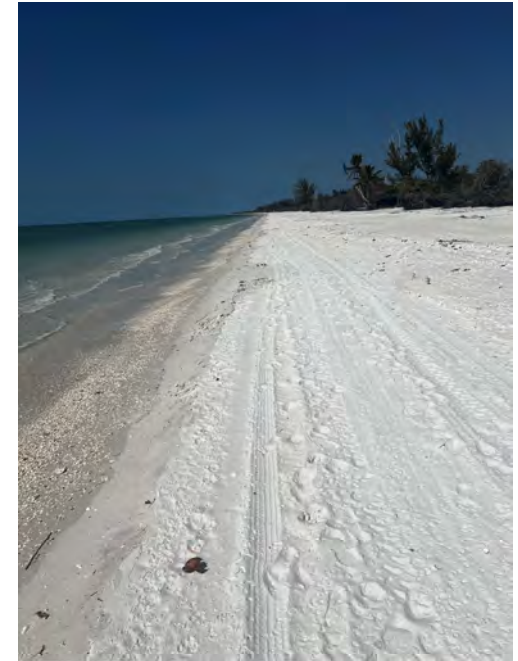
Changing Times

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 acquired 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

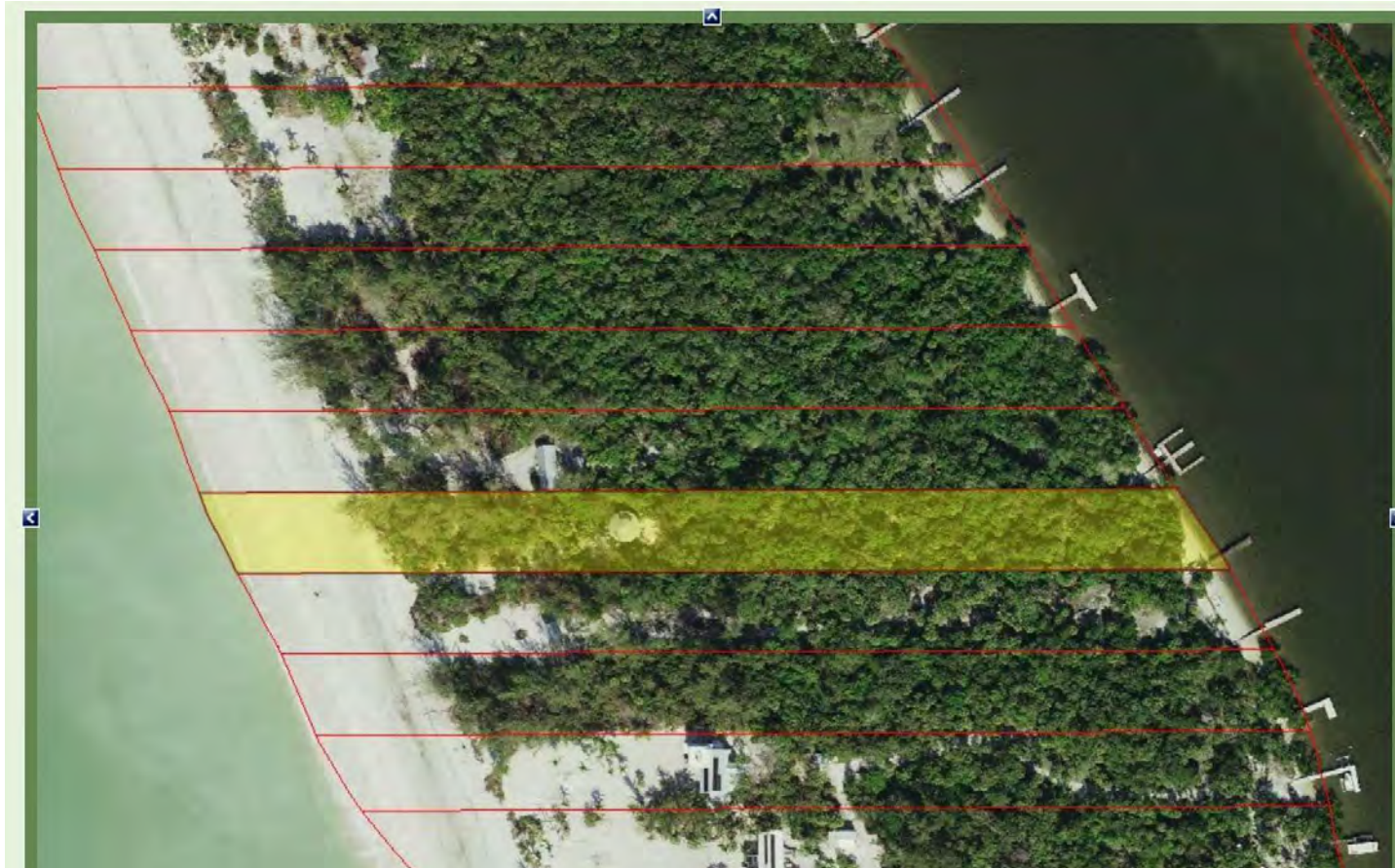




Opportunity



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.”





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.





Opportunity



Preliminary Financial Outlook

Purchase Price - \$1,500,000
Down Payment - \$300,000
Commercial Mortgage Loan - \$1,200,000
Mortgage Term – 10 years
Mortgage Rate – 8% estimated for reference
Mortgage Payment (monthly) - \$14,559.31
Mortgage Payment (yearly) - \$174,711.72

One Time Down Payment Resident Assessment* - \$500
Yearly Resident Assessment for Mortgage* - \$282

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.

*Based on 620 unique doors. Actual numbers may vary based on number of residents and actual charges.

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 off in 10 years or less from increased regular assessments levied against owners. The offer to include the appropriate contingencies with a final vote of the owners.

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



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, \$300 a year a good investment?

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

Insurance? None unless we maintain the building (Flood may be required).

Maintenance?

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