

SaddleBrooke – Long-Range Strategic Plan

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The following report is a joint effort between the HOA1 - Long Range Planning Committee (LRPC) and HOA2 – Strategic Planning Committee (SPC). By publishing a joint report, we provide the community with a universal message and recommendations for discussion.

There are two aspects of planning, strategic and tactical. We have focused this report on long-term strategic planning. Once we obtain consensus on the strategic direction that SaddleBrooke residents support, we can begin to outline tactical actions to achieve our goals. We have listed some tactical ideas in the report; these are examples only.

I. BACKGROUND

1) Purpose of a long-range strategic plan

A strategic plan is a blueprint leading to its “vision” – what a community wants to be. A community strategic plan provides direction on how to get to where it wants to be.

An essential aspect of a strategic planning process is not to have a finished plan, but to have and maintain a framework for the paths that should be followed to ensure the future of the community. A well-thought-out community strategic plan stresses visioning, goals and objectives, and the planning process (not the plan itself). The final product is a collection of specific goals, along with specific, detailed, and measurable objectives to achieve these goals.

Where does SaddleBrooke want to be in ten years?

Communities that identify, develop, implement, and evaluate long-term approaches will grow in ways best suited to meet both their desires and sustain their resources. A strategic plan can be an excellent tool for pointing the community (SaddleBrooke) in the direction that it needs to go.

The long-range strategic plan will change as circumstances dictate. The primary subscriber of the plan is the Board of Directors (BOD) for its use as a planning document for the improvement of the community. It also provides residents with high-value opportunities for SaddleBrooke, along with identifying weaknesses and threats. It provides strategic direction for the community. It contributes a framework for the resident’s voices to be heard for the betterment of the community. Additionally, it offers potential purchasers’ insight into the direction the community desires to go.

2) SaddleBrooke Background

SaddleBrooke is a Robson 55+ active adult community that began in 1987. It is nestled in the foothills of the Santa Catalina Mountains 20 miles north of Tucson. The community has approximately 10,000 residents. In 1999, Robson transitioned the first 2061 homesites to the homeowners, and SaddleBrooke One (HOA1) Homeowner’s Association was established. Robson then created SaddleBrooke Two (HOA2) and continued to develop homes in the community, including “The Preserve,” which was unveiled in 2004. Although Robson continues to build homes and villas in HOA2, control transitioned from Robson to HOA2 homeowners in

2018. As of 2020, 3059 completed homes are projected in HOA2, with an end total of 3260 homes slated for completion by Robson.

Both homeowners' associations have Boards of Directors (BOD) who set policy, approve budgets and spending, oversee their respective operations' teams, and direct how the community's resources are maintained. Currently, a reciprocal use agreement between HOA1 and HOA2 allows homeowners access to all of the community's clubs and activities.

3) Methodology/process utilized to create the plan (additional detail is found in the appendices)

The committee's methodology/process to develop a long-range strategic plan began by examining fundamental changes predicted in the US and the world ten years hence in technology, demographics, health care, housing, environment, fitness, and lifestyle. The committee also focused on potential changes in the communities surrounding SaddleBrooke. The detailed 10-year view can be found in the appendix. Through surveys and other resident input, the committee contrasted current homeowner trends/desires with potential changes future homeowners are likely to expect within the SaddleBrooke community. Finally, the committee identified key weaknesses, threats, and high-value opportunities and developed recommendations for current and future BODs to consider to future-proof SaddleBrooke.

4) Vision/Mission Statement

Currently, each Home Owner Association has its own Vision and Mission Statement. The recommended version that follows blends the critical elements of each into a single Vision and Mission.

Vision:

To be the Active Adult Community of Choice in Arizona

Mission:

Provide a community that is financially stable and well-managed.

Ensure a safe, secure, and attractive community.

Provide clear and transparent governance.

Ensure effective marketing of SaddleBrooke and its properties, as well as protection and enhancement of property values.

Provide timely response to residents as the community's customers.

Cultivate and leverage the strengths of activities and clubs.

Ensure amenities are updated to meet the resident’s changing needs.

Provide active adults with a community that enriches their lives and continuously improves their healthy, friendly, intellectually challenging, and vibrant lifestyle.

5) Threats to SaddleBrooke and its Vision

The committee has identified several potential external threats that may impact SaddleBrooke, its property values, and the marketing of SaddleBrooke and its properties. These will influence the broader strategy recommendations that follow.

- Economic changes and the potential impact on future buyers’ resources
 - Social Security full retirement age moves to 67 years old for those born in 1960 and thereafter
 - Defined pension plans are being replaced by defined contribution plans such as 401Ks, IRAs, and SEPs
 - Average and median contribution plan balances are low
 - Medical costs for those not on Social Security are extremely high
- More individuals will work later in life. For those still working and interested in living in 55+ communities, technology like 5G will become a need vs. want
- There will be more high-end 55+ communities to choose from with fewer high-end buyers based on the economic changes identified above
- Fewer people are playing golf and are picking up other interests. Long-term, this shift may impact SaddleBrooke
- The racial and ethnic composition of the population is changing, with consequences for marketing SaddleBrooke
- Scarce water resources and shifting climate conditions will be an issue for prospective purchasers in the desert Southwest.

II. RECOMMENDATIONS

The following are joint (HOA1 and HOA2) recommendations focused on strategic direction for the community. “One SaddleBrooke” is the overarching long-term strategic recommendation. One SaddleBrooke is followed by recommendations surrounding marketing, shared services, golf, restaurants, facilities, and the best use of resources.

1) One SaddleBrooke

Current weaknesses/threats – Separate HOAs with varied Covenants, Conditions, and Restrictions (CC&Rs), rules and policies, Architectural Landscaping Committee (ALC) guidelines, rules/enforcement, common area practices, HOA dues, websites, communications, vision/mission statements, separate patrols, and duplicate expenses creates an inconsistent customer experience and can be confusing to existing homeowners and new and potential buyers.

Current opportunities – Plan for and work to create One SaddleBrooke through unification efforts like a master association or merger to affect consistency, create economies of scale,

maximize efficiency, effectiveness, and value to residents. This multi-year effort will provide a framework for the BODs to adopt the changes necessary to future-proof the community and attract buyers. This effort will require a well-thought-out joint roadmap where both BODs agree in principle and willingly complete their due diligence, including gathering feedback from residents, which will lead to a formal community vote. The roadmap will be continuously modified to assure the highest value to residents as well as reflect changes in demographics, technology, facility and amenity demands, and other changing factors.

Key considerations – The committee recognizes that this effort will take multiple years to achieve. Some residents in both HOAs have varying concerns about One SaddleBrooke, with the financial differences being the most frequent concern expressed. With the right level of cooperative strategic planning and tactical execution, the committee believes that over time any real or perceived issues can be resolved. The key is to get the process started.

An important consideration throughout this process is the fact that SaddleBrooke annually contributes more than 15 percent of the property taxes for Pinal County. A combined HOA voice can impact developments in SaddleBrooke and the areas surrounding SaddleBrooke.

The following are examples of tactical steps that could be considered once fully defined and when there is agreement on the recommended strategy:

- Identification and implementation of best practices for early achievements
- Identification of similarities and differences between HOAs
- Definition and selection of possible unification models
- Creation of a shared services agreement to fit the most beneficial and achievable model of unification
- A merger of committees where achievable
- Standardization of Covenants, Conditions, and Restrictions (CC&Rs)
- Creation of effective methods to merge leadership positions
- Creation of a bridge to merge financials
- A single Board of Directors
- Creation of a single, unified SaddleBrooke website
- Unification of marketing on behalf of SaddleBrooke as a community

2) Marketing of SaddleBrooke and its Properties

Current weaknesses/threats – The threats outlined in the background section 5 are likely to affect the number of potential buyers of homes in 55+ communities, including SaddleBrooke. For the marketing of SaddleBrooke, it will be necessary to develop an effective response to concerns potential buyers may have. Additionally, new buyers are using the internet to research possible retirement communities before actually visiting the areas. Examination of retirement and broker websites show incomplete and inaccurate information about SaddleBrooke. The lack of up-to-date and accurate SaddleBrooke marketing has lowered SaddleBrooke's overall rankings on retirement websites. Communities that trend toward the top of the rankings logically garner the most attention from potential buyers.

Additionally, Robson has been shoring up SaddleBrooke's marketing with its marketing of the remaining Villa's and The Preserve in HOA2. When these homes are primarily sold out, that marketing will cease and will likely further diminish SaddleBrooke's existing rankings. At that time, SaddleBrooke will become even more dependent on real estate agents and brokers and its own marketing to "sell" SaddleBrooke to potential buyers when competing with homes for sale in nearby communities.

Opportunities – Create a joint marketing effort with photos, videos, and virtual tours to attract new buyers of all demographics by highlighting the benefits of the SaddleBrooke community, lifestyle, amenities, and facilities. Search engine optimization (SEO) of SaddleBrooke on the internet can and should be utilized to improve exposure and provide ongoing performance monitoring. Agent and broker training can aid in marketing SaddleBrooke when "selling" to potential homebuyers.

3) Potential Shared Services –

Shared services are defined as two or more organizations offering the same services where those services can be combined/unified. This is an interim step that would allow each HOA, on a pro-rata basis, to share costs, improve consistency of service, and reduce overlapping costs, without formally combining financials. Two areas have been identified that currently meet this criterion.

Safety and Security and Common Ground Maintenance

Patrol

Current weaknesses/threats – Differences exist between the functions of the Patrols for each HOA, which creates varied experiences for residents. For example, one does vacation home checks, and the other does not. Both teams have different driving rules and procedures, which leads to confusion for residents and potential inefficiencies. Staffing, equipment, and procedures are not prepared for changes such as self-driving/driverless vehicles, drones, and electronic surveillance.

Opportunities – The current patrols use hardworking, dedicated residents who regularly communicate with one another. One patrol would create a stronger and more consistent voice when dealing with the Sheriff and Fire Departments. With changing technology, cameras, computers, and drones can be incorporated to conserve the demand for staff to circumstances where a physical presence is most needed. The increased use of technology can reduce the demand for equipment and patrol transportation while improving safety and security. Further, opportunities exist to switch to electric-powered vehicles when acquiring new transportation, thus reducing costs.

Common Grounds Maintenance

Current Weaknesses and Threats- Both organizations are performing the same tasks to assure the community of SaddleBrooke is well maintained and fresh. Both organizations have sizeable budgets for maintenance of common grounds, which often results in duplication of services. For

example, the 2020 HOA1 budget for this category is \$665,000 and \$1.05M for HOA 2. The HOAs have differing views and operating conditions that affect the budget, vision, and accomplishment of the tasks.

Opportunities- By combining the services offered by each HOA, the ability to manage costs and efficiency is extended, while still maintaining the aesthetics that the community expects. Managing costs range from increased purchasing power for equipment and supplies, to maintenance building consolidation, and assuring the best use of the workforce. The goal is One community, One vision.

4) Joint Golf Strategic Framework

Between HOA1 and HOA2, the SaddleBrooke community supports 63 holes of golf. The support of the golf courses is the single most significant subsidized expenditure for the community. Through recent surveys, national reports, and communications with residents, a number of apparent indicators arise that may affect strategic planning concerning golf within SaddleBrooke. These indicators need to be monitored and trends identified. This data needs to be used to update SaddleBrooke's golf strategy periodically and to reflect continuing resident use trends and expectations, as well as to define tactical actions to be budgeted and executed.

Weaknesses/Threats – If the total cost of ownership, including asset depreciation, is calculated, there are currently insufficient golfers to support the operation and maintenance of the golf courses. The costs to operate and maintain the courses are substantial. Water supply/restrictions may become an issue. Approximately half of SaddleBrooke residents do not play golf, and trends indicate golf participation has been declining. Currently, HOA1 and HOA2 golf courses are operated independently, which may lead to direct competition for golfers and revenue.

Opportunities – The golf courses are aesthetically pleasing to the community as a whole, enhance homeowner views, and create a resort-like atmosphere for residents. Opportunities exist to strengthen player activity from both inside and outside SaddleBrooke by jointly marketing all SaddleBrooke courses and stopping the internal competition.

Tactical considerations suggest golf indicators that should be monitored:

- Track residents desiring to play or choosing to play nine holes vs. 18 holes or executive courses vs. full courses.
- Currently, 37 percent of SaddleBrooke residents appear to be frequent golfers, and 14 percent are occasional players. Over time, does this number increase or decrease? Is SaddleBrooke consistent or different from national or local norms regarding golf?
- Are courses outside SaddleBrooke offering options for play such as 12-hole play, par 3 or executive, varying cup sizes on one or more greens, or virtual play?
- The age of those playing needs to be monitored to establish trends. This data may assist in addressing the speed of play, emergency assist/response on the course, and course monitoring by staff or technology.

- SaddleBrooke residents may have concerns with golf fees. Are the fees becoming an obstacle to playing golf?
- SaddleBrooke residents may have a growing interest in the diversified use of all the golf courses. Such activities as walking, biking, cart cruising, dog walking, and picnicking may be desired at times when the courses are not being used for golf.

In addition to the areas of strategic monitoring, evaluation, trending analyses, and recommendations, the following strategic and tactical actions/recommendations should be considered:

Begin joint conversation between Golf Committees to assess where the future of golf at SaddleBrooke is headed and how the incoming residents will want to utilize the land and the courses

- Assess land allocation for golf courses to determine if there is any land available to repurpose
- Determine strengths, weaknesses, and opportunities of various golf operating models, private, private/public, private/semi-private to determine the highest value option for SaddleBrooke
- Membership options that allow play at all SaddleBrooke courses.
- Assess revenue-generating opportunities utilizing Mountainview and Preserve Golf Courses that are open to the public and develop a plan for modifications to achieve revenue goals
- Develop proposals for attracting new resident and non-resident golfers to Mountainview and Preserve courses, which may include creative play packages, fairly priced play for residents and non-residents, golf tournaments and charity fundraisers, and golfer amenities. Amenities may include snacks and beverages, pre- and post-game socialization, and cart tire inflation

Continue evaluating ways to reduce golf-related expenses. Determine more efficient maintenance and operating processes and procedures for all SaddleBrooke golf courses. Areas of consideration should include:

- Combining HOA1 and HOA2 golf maintenance under one management team
- Eliminating duplicate expenses by sharing resources and maintenance equipment
- Using standard technology, applications, and golf equipment
- Using common vendors and suppliers for purchases may achieve advantageous purchasing power

5) Restaurants

There are currently seven venues in three locations across SaddleBrooke. These restaurants offer combined seating of approximately 765 indoor seats and 283 outdoor seats. Days and hours vary with one to four venues open simultaneously, depending on the day of the week. Only one restaurant is open on Monday evening. There are approximately 202 hours of food service available during any given week. Between the restaurants, there are many overlapping menu items included at breakfast/lunch, casual/bar food, and dinner. Currently, SaddleBrooke

restaurants provide the benefit of “locality.” Many residents prefer to stay “on campus” to drink and dine. Each of the venues offers enchanting vistas to enhance the dining experience.

Weaknesses/Threats – The restaurants are one of the highest subsidized amenities. All venues struggle between controlling costs and providing a quality, diverse menu, an entertaining dining experience, at a value-based price. The perception is that there are few distinctions between individual restaurants. The restaurants within SaddleBrooke compete for business with restaurants outside SaddleBrooke, and it is expected that this competition will increase as businesses continue to move toward SaddleBrooke. Other perceptions include:

- Satisfaction ratings on food quality, service, and variety have been low to moderate in past surveys
- There is generally no theme at any of the restaurants
- There is little coordination between the venues
- Menu changes often eliminate favored items
- Server and kitchen staffing turnover have contributed to lower ratings
- Purchasing power is weakened when handled independently by each venue
- Employee opportunities for job growth and promotion are limited, which may lead to disruption resulting from staff turnover

Opportunities – The desire for SaddleBrooke restaurants should be to provide varied and quality options for dining. Individual restaurants might benefit from having specific themed specialty menu items, themed holiday and sports-related events, or unique menus to draw guests. Combining and coordinating menus and themes across the venues may improve resident usage. Re-defining the days and hours of operation for the various venues may better meet resident needs and improve utilization. Greater shifting of staff between venues on days each venue is open may better meet the needs of staff and better serve the needs of the venue. Opportunities exist to improve overall operations by identifying needed upgrades to each facility to address themes, improve ambiance, enhance the utilization of facility space, increase the speed of service, increase employee satisfaction, and improve efficiency. A common/centralized ordering system for supplies across venues may maximize cost savings and minimize waste.

6) Facilities and Amenities within SaddleBrooke

Weakness/threats – SaddleBrooke facilities are aging and require ongoing revitalization to satisfy residents and attract prospective buyers. Existing facilities need to continue to meet the evolving needs of the SaddleBrooke community, both today and years into the future. New facilities will be required in those instances where existing facilities fall short of the changing needs of residents and potential home buyers. Exercising great care in the allocation of funding to new facilities and amenities is imperative for the long-term preservation of SaddleBrooke resources. Likewise, it is projected that the next generations may not have the available disposable income that is common with current retirees; thus, frugality may be the norm on a personal basis as well as for the community. 5G connectivity is unavailable; in some areas of Saddlebrooke, connectivity is an issue. Space does not currently exist for such crafts as woodworking. There may now be excess tennis courts, and some courts may need repair or were never appropriately positioned. Pickleball courts are currently insufficient given demand.

Opportunities – Existing amenities provide many opportunities to either use space as intended or repurpose. Reallocation of space may result in tennis courts being used for other sports or revenue-generating outside tournaments. Tennis courts with availability can and are now being used for pop tennis and other tennis-like sports. Plans are already underway to increase Pickleball courts. Existing indoor space may be repurposed to offer virtual games such as virtual golf and/or to offer a business center for residents who are employed or working on projects as volunteers.

Existing Amenities:

SaddleBrooke is a community with a wealth of amenities located near the foothills of the Santa Catalina Mountain Range. The SaddleBrooke setting is itself an amenity. SaddleBrooke amenities include:

- Restaurants – Seven food and beverage establishments in three locations
- Fitness facilities and exercise rooms
- Swimming pools and spas
- Golf courses
- Tennis and pop tennis courts
- Craft and activity buildings
- Theater
- Bocce ball
- Billiards room
- Ballroom
- Meeting rooms for meetings and games
- Libraries

The following are licensed amenities which requires the organization to pay for building and maintaining their facilities:

- Pickleball
- Softball
- Dog Park
- Horseshoes

While each HOA has its own facilities, all are accessible to the residents of SaddleBrooke through a reciprocal use agreement.

III. APPENDICES

The following residents contributed to this strategy recommendation document:

HOA1 – Long Range Planning Committee HOA2 – Strategic Planning Committee

Mark Randall – Chair
Edie Crall
Deni Dickson



Mary Riemersma - Chair
Ralph Carlile
Tony Lulek








Robert Evans
 Allen Kienitz
 Ken Lund
 Dick McCann
 Mark Menefee
 Debbie Muise
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 Joseph Panessidi
 Cynthia Rutkowski
 Larry Crum
 Tom Zimmer









Andrea Molberg
 Joe Reiman
 Doug Sifford
 Doug Stewart

The information below provides additional detail on the 10-year view in key categories that the committee explored. Click on the document in the left column, and it will open a separate Word document where the details are provided.

Category: SaddleBrooke Long Range Strategic Planning; Future Views and Trends

Key Influencers on the SB market:			
Feature & Supporting Research	Value/Impact for SB Homeowners	Effect on SB Desirability and Home Values	Current Recommendation(s)
<ul style="list-style-type: none"> 1.0 Communications Systems and Bandwidth  5G.docx  LRPC Notes on 5G future_L Crum_Febru	<ul style="list-style-type: none"> Today's owners - little to no interest Future buyers - expected/mandatory depending on the implementation status 	<ul style="list-style-type: none"> Today's owners - no effect Future buyers - very high assuming proper implementation and technical advancements Many prospective buyers who are presently aged 55 will be remote employees with a high need and expectation for network capacity and features 	<ul style="list-style-type: none"> Monitor 5G implementation schedule for Tucson/SB (Note: Tucson area is not presently on the national 5G rollout schedule) Monitor the impact of 5G availability in other 55+ communities

Key Influencers on the SB market:			
Feature & Supporting Research	Value/Impact for SB Homeowners	Effect on SB Desirability and Home Values	Current Recommendation(s)
<ul style="list-style-type: none"> 2.0 Effect of Population Trends 2.1 Trends in Surrounding areas  <p>LRPC Notes on areas surrounding SB_E. Cr</p>  <p>LRPC Notes on US Population trends_T.</p>  <p>LRPC Notes on Open Space and Dark Sky_1</p>	<ul style="list-style-type: none"> Trends in prospective buyer market size affect all 55+ communities 	<ul style="list-style-type: none"> SB is presently limited in size Higher/lower number of home seekers directly affect our home values 	<ul style="list-style-type: none"> Develop outreach campaigns in those locals with near-term 55-year-old populations that are candidate buyers
<ul style="list-style-type: none"> 3.0 Recreation Trends  <p>LRPC Notes on Golf future_M Randall_Ma</p>  <p>LRPC Notes on Pickleball_K. Lund_Mi</p>  <p>LRPC Notes on Tennis_K. Lund_Mar</p>  <p>POP%20Tennis.docx</p>	<ul style="list-style-type: none"> Today's SB homeowners will likely not turn over solely based on recreation offerings Demand for a greater variety of other recreational choices is increasing 	<ul style="list-style-type: none"> Potential buyer market will be very sensitive to recreation options in SB Currently, SB remains a prominent golf community Recreational choices will be very influential to buyer choices Open space for biking/ hiking is essential to buyers 	<ul style="list-style-type: none"> SB must evaluate the cost/benefit relationship of all current and potential recreation offerings. Continually assess the cost/benefit ratio of all recreation facility investments and operating expenses
<ul style="list-style-type: none"> 4.0 Demographic Trends, general 	<ul style="list-style-type: none"> Current residents continue to age out 	<ul style="list-style-type: none"> Boomer-1 wave segment is coming to an end Upcoming generation, those aged 45-50 years 	<ul style="list-style-type: none"> LR Plan and SB investment strategy must focus on keeping existing

Key Influencers on the SB market:			
Feature & Supporting Research	Value/Impact for SB Homeowners	Effect on SB Desirability and Home Values	Current Recommendation(s)
 LRPC Notes on US Population trends_T.  LRPC Notes on Realtor feedback_L C  LRPC Notes on SADDLEBROOKE HOM		<p>old today, are increasingly leaning away from ownership and toward rental</p> <ul style="list-style-type: none"> • Fractional ownership is gaining in popularity 	<p>residents in the area longer</p> <ul style="list-style-type: none"> • LR Plan must also focus on the expectations of the coming market, i.e., those who are 45-50 years old today
<ul style="list-style-type: none"> • 5.0 Energy and Water Resource Management  LRPC Notes on Electric Vehicles, et al	<ul style="list-style-type: none"> • Not a significant concern to current residents, except for cost trends 	<ul style="list-style-type: none"> • Future buyers will be sensitive to the energy source and use options available in SB 	<ul style="list-style-type: none"> • Continue to engage with energy and utility providers, understand the options that may be available to SB
<ul style="list-style-type: none"> • 6.0 Impact of future technologies on SB lifestyle choices  LRPC Notes on future uses of variou:  LRPC Notes on healthcare and life ex  LRPC Notes on Transportation_D Mct  LRPC Notes on Virtual Reality_K. Lun	<ul style="list-style-type: none"> • Use of newer technology for healthcare delivery would be attractive to current homeowners • ex. Remote kiosks onsite for health status assessment and initial diagnosis/treatment 	<ul style="list-style-type: none"> • Potential buyers who are now in the 45-50 age group will be highly focused on the availability of technological innovations • Related to the above, those buyers will also be especially sensitive to the environmental impact (i.e., carbon footprint) of those innovations 	<ul style="list-style-type: none"> • BODs must continually assess the type and extent of new technologies that are offered in competing 55+ communities • BODs must interact with technology providers and utility companies to understand the rollout and service provisioning plans for the SB area