

Cypress Creek Lakes Town Hall Presentation – 3/7/17

- I. **Introduce Darren Salvato, Sales Manager of Houston Fence Company**
 - a. Awarded to perform any work managed by the POA
 - b. Present and answer questions regarding the Endwood product
- II. **Misconceptions**
 - a. The Board has approached this project without bias so that we can present all of the available options for residents to consider as a community
 - b. Harris County does not require any type of barrier, whether wood or masonry, along its residential roadways, regardless of the speed limit
 - i. Fencing is usually installed merely for privacy to homeowners, and not at County expense
 - c. The POA cannot apply funds, which have been collected as assessments from all residents and earmarked for operational costs and reserves, to improve the private property of some residents
 - d. The effects on property value of old or new fencing/brick wall is very difficult to quantify, both for an individual residence as well as the overall community
 - i. If a fence is in need of repair it can generally be used as a bargaining chip between buyer/seller during negotiations, much like any other aspect of a home, but does not directly correlate to a specific impact on asking price
 - ii. The impression of a neighborhood may be real but translating that to its impact on a hard dollar neighborhood value is extremely difficult
 - e. The builder guidelines never stated that a brick wall was to replace any existing wood fencing anywhere in the neighborhood
 - i. CNH however, does have a wood fence which was installed by the home builder, then approved by the developer, and ultimately accepted by the home owner which is not consistent with the builder guidelines for appropriate fencing facing a public street .
 1. “Six (6) foot, three (3) railed all finished side wood fence, finished side with cap, trim and cedar base board on the exterior lot side facing Public Street.”
- III. **Reserve Study Findings – State of CCL Finances**
 - a. The preliminary results indicate our financial standing is strong. Final determination of how any funds in excess of our recommended reserve will be distributed will wait until full report is received. The report will be made available for everyone to view online at that time as well.

IV. Breakdown of Pricing Options Per Linear Foot (includes removal of old fencing & temporary chain link fencing)

- a. Cypress North Houston is approximately 4,584 LF
- i. **6' Brick Wall* @ \$108.28/LF = \$496,355.52**
 1. Additional \$250.00 per brick column removal (21 total = \$5250)
 2. Brick Wall total = \$501,605.52
 - ii. **6'2" Endwood Option:** PVC Cellular Core Fence, 3-Rail steel reinforced with steel Postmaster posts, 30 yr warranty (fade, stain & moisture)/Lifetime manufacturer's warranty on fence @ \$67.37/LF = \$308,843.38
 1. **With Brick Columns every 50 LF*:** (2'x2'x7'2") for 3128 LF w/62 columns X \$2739.30/column = \$169,836.60
 2. 6'2" Endwood with Brick Column total = \$478,679.98
 - iii. **8'2" Endwood Option:** @ \$100.64/LF = \$461,130.30
 1. **With Brick Columns every 50LF*:** (2'x2'x9'2") = \$194,336.60
 2. 8'2" Endwood with Brick Column total = \$655,466.90
 - iv. **6'2" Cedar Wood Option:** Capped and Baseboard @ \$31.22/LF = \$143,107.34
 1. **With Brick Columns every 50 LF*:** (same as ii,1 above) = \$169,836.60
 2. 6'2" Cedar Wood with Brick Column total = \$312,943.94
 - v. **8'2" Cedar Wood Option:** @ \$41.47/LF = \$190,093.54
 1. **With Brick Columns every 50LF*:** (2'x2'x9'2") = \$194,336.60
 2. 8'2" Cedar Wood with Brick Column total = \$384,430.14
 - vi. **Town Lake Fencing Option*:** 6'2" Capped and Baseboard with 2'x2' Stone Columns = FREE install and \$8935.90 for removal of old fence and installing temporary fencing
 1. **Additional 2' height to fence and stone columns:** \$52,613.17
 2. Total Town Lake fence with 2' option = \$61,549.07
 3. **Conditions for each property owner receiving install:**
 - Each property owner must consent to the installation
 - Towne Lake will require access/maintenance agreements with each property owner for perpetual maintenance reasons
 - Homeowner sign off/acceptance of Towne Lake Deed Restrictions/Architectural Controls pertaining to the fence
- b. ***CenterPoint Energy Costs:** Since options consisting of Brick Wall, Fencing with Brick Columns and Fencing with Stone Columns (TL option) are considered permanent structures within a utility easement will require submittal of an Encroachment Application by the property owners of each lot receiving the structure
- i. **Encroachment Application Fee: \$500 for review**
 - ii. **Sealed Survey with profile of property to be submitted with application: approx. \$500**
 - iii. **If Encroachment Application is approved by CenterPoint: \$500**

Key Notes:

- Total cost for approval per homeowner receiving fence = approx. \$1500 (still approx. \$1000 if denied)
- The wall/columns cannot be totally in the easement, the backside would have to be on the property line
- The undergrounds include a natural gas pipeline and thus require a minimum 2' ground clearance from permanent structures around the entire pipe
- Additional costs may be necessary if facility adjustments are required, and are the responsibility of the property owner
- The property owners for each lot will have to execute their Encroachment Application
- The utility poles appear to be on the County ROW and the existing fence on the property line, the survey needed for the Encroachment Application will confirm this for CenterPoint's evaluation
- 5-6 weeks should be allowed for CenterPoint to complete the encroachment review and paperwork, any field work may add time
- **UPDATES SINCE THE TOWN HALL**
 - i. *It MAY be possible to ask CenterPoint to consider approval with perhaps (1-4) Encroachment Applications from the POA if the residents were to deed 2' of property to the POA, but cautioned that it should still be expected that each individual property owner may still need to submit an Encroachment Application themselves due to the rest of the utility easement being on their property and which will still need to be considered in their evaluation.*
 - ii. *CenterPoint said they were willing to work with CCL to the best of their ability to find a way to accommodate permanent structures for fencing/walls, however any relocation of utilities will be a cost borne by the property owner of the affected locations.*

V. Resources/Contributions (funding/other)

a. Mischer?

- i. **UPDATE SINCE THE TOWN HALL** – *The POA is in the process of submitting information as requested by Mischer for them to consider with respect to the cost of a brick wall install along CNH. Once a definitive response has been received the Board can then evaluate potential available resources versus cost*

and will then schedule a meeting with the homeowners bordering CNH to discuss options and find a common ground with which to present to the Phase 1 and 2 residents as a path forward to vote on.

- b. Town Lake (per described in section IV,a, vi above)
- c. Although the potential excess in Emergency Reserve funds (to be determined after the final Reserve Study has been received) cannot be applied towards the project installation (unless it were on POA property), but it may be used to assist any homeowners requesting a contracted loan with the POA. The amount of the loans may be capped, however, due to availability of funds and the number of requests.
- d. Portion of sale of POA property at Phase I Park to the MUD
 - i. MUD unanimously approved to purchase 3.04 acres for a total of \$309,710 in three equal annual installments which would go into a newly created non-emergency Community Enhancement Reserve
 - 1. Since **no loans will be sought by the Board for any non-emergency project**, the sale of the property makes available money for current or future projects that may improve the neighborhood, functionally and/or aesthetically
 - 2. Reduces the need to increase General Assessments to complete non-essential community projects that are desired
 - 3. Reduces the need to apply a Special Assessment to complete non-essential community projects that are desired
 - 4. Reduces landscape maintenance contract by approximately \$6000 annually
 - 5. Preserves the intended aesthetic nature of the Phase 1 park
 - Any future projects concerning this property would require the approval of both the MUD board and Phase 1 & 2 residents
 - Any prospective projects on this green space would need to consider relocating up to as many as (5) existing drains potentially costing as much as \$100,000
 - ii. Contingent on resident approval from majority of Phase 1 & 2 residents
- e. Balance paid by homeowners receiving the wall/fence
 - i. May sign a contract with POA for a loan to fund the install and pay back within a defined period of time (as detailed in V.,c. above)
- f. POA will act as the PM to take advantage of Tax Exempt status

Resident Voting Topics – THE VOTE HAS BEEN RESCHEDULED AND TBA PER THE REQUEST OF MANY RESIDENTS TO GET MORE FEEDBACK FIRST FROM MISCHER AND THE RESIDENTS ALONG CNH

- 1) Sale of 3.04 acres of POA property at Phase I Park to the MUD for \$309,710 in three equal annual installments to be deposited into a non-emergency Community Enhancement Reserve.

- 2) The board has listened to and appreciates the valued feedback from the residents concerning the second topic originally presented. To eliminate some of the ambiguity of available finances and which barrier has been decided on by the residents bordering CNH, the Board will communicate with everyone once this information has become known (i.e. a final response is received from Mischer, and a decision is reached amongst the CNH property owners) and can then be voted on with a clear and understood outcome.

Notes:

- 1) Type of fence/wall and the associated costs will be determined by the 50 or so homeowners who will be recipients of the new fence/wall since they must agree on the end product going on their property. If a unanimous decision cannot be reached, the POA will be forced to resort to deed enforcement requiring the homeowners to repair their existing fence.
- 2) A contract will need to be signed between each receiving homeowner and the POA for any work being performed by the POA on private property (this is separate from any loan contracts that may be required by homeowners). If the decision is made to deed property over to the POA, contracts will be required as well (associated costs to do so may be cost prohibitive, the POA is inquiring).
- 3) As a result of the Town Hall discussions, the Board recognizes that it will be necessary to wait until the fencing issue is resolved before Crest can begin inspections and sending letters to homeowners needing to make repairs. Until that time, it is expected that property owners recognize and take the necessary steps to repair any portion of their fencing that would otherwise be subject to an inspection letter.
- 4) POA is considering the option of applying a single color stain to main road wood fencing to create a uniform appearance and extend fence life, this may initially come from the Community Enhancement Reserve and then possibly a budgeted item every so many years thereafter (the issue of fencing being on private property may be an obstacle preventing feasibility).