



HSV Vision Diana Podawiltz

Description

2019 Operations Beginning in May

“I would like to take this opportunity to explain the situation with our undeveloped Hot Springs Village lots and my HSV vision for 2019 Operations beginning in May.” – Diana Podawiltz, [HSV 2019 Board Candidate](#)

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Diana Podawiltz, HSV Board of Director Candidate

Life Was Good

Nearly 50 years ago, CCI had a vision and began developing HSV. Over time they platted and SOLD 34,152 HSV lots. They spent millions of dollars on an advertising campaign to accomplish this feat.

For many many years HSV operated on a very successful business model. Assessments were being paid, many visitors populated the restaurants, golf courses were busy. Life was good.

Increased Defaults on Assessment Payments

Owners began to default on assessment payments, failed to pay their real estate taxes –the tide was turning. This began before we started significantly raising assessments; original buyer's plans changed. POA mismanaged our assets. Think Geothermal, DeSoto Club, not dealing with the pool (when they were warned with the 2010 Strategic Plan that it had at best 5 years of remaining life), etc.

Today we have over 11,000 Hot Springs Village lots which are non- performing assets. No assessments are being paid, the POA is paying the real estate taxes on 3,334 of these HSV lots for which we hold the deed – available for sale. The remaining are either involved with the AR Land Commission because of unpaid taxes or are tangled in the web we'll call NRPI. The ones in this web, I

believe from my research will take years to sort out. Doesn't mean we can just forget about them but finding the holders of the deeds will take time & money. I'd have to write a short story to fully explain. So, let's concentrate on the 3,334 (the number as of 12/31/18) that grew from 3,047 on 12/31/17. Remember, we sold **1 lot and built on I think, 4 through the Builder's Guild during 2018.**

Village Homes and Land is Not Working

Our program of Village Homes & Land is not working. While I do not know the exact amount, as it's included in the line item "Sales, Marketing, Discovery Center & Development", it had a **Net Expense of \$1,058,786 in 2018.** This is a very costly operation. It's time to turn this over to the local Board of Realtors. A plan has been presented to our management by the current & former owners of Remax. They were rejected. Oh, by the way, I don't believe the employee costs are included in the above amount as I believe they're in the line item, "Administration."

Diana Meets With Property Owners at the Balboa Clubhouse

Please view the following YouTube videos recorded at a semi-impromptu meeting I recently held at the Balboa Club. I have since learned that our HSV lots are valued at \$750 each. This is the Balance Sheet item: Real Estate Held for Sale-Net Realizable Value; \$2,500,500 at 12/31/18.

Our large non POA unimproved HSV lot owners can not hope to see a very good return on their investment and assessment payments until the supply and demand ratio improves. How?

Have to Get Out From Under Our Rock

- **We have to get out from under our Rock.** We can't be the unheard of "diamond in the rough." It's imperative we ramp up our web presence, seek state help for a more broad marketing program to attract home-based workers and retirees to relocate to AR. It's a win/win for us & the state. What does the state get? They get more residents with completion of various levels of higher education – **a very important number in attracting commercial and industrial development.** I'm looking forward to hearing what [Arkansas Parks & Tourism](#) has to say at the meeting on Marketing scheduled for 2/11. **The Economic Impact of HSV on the state was \$371 Million in 2015. THIS MUST BE EFFECTIVELY LEVERAGED!**

We Have to Get Out From Under Our Cloud

- **We have to get out from under our Cloud.** It's important to restore trust in POA management; both executive Staff and BOD. Restore monthly work sessions so that people can observe our teamwork, sharing ideas between the BOD, Staff and Property Owners. We have to involve the highly intelligent and wonderful resource of our residents and owners to help us solve all of our problems. **Most importantly, we must stop the vitriol, the name calling, the childish divisive behavior that has been prevalent for over a year.** We have to use care in airing "our dirty laundry" on public forums. I believe in free speech but let's use a different platform than "Letters to the Editor" which our adversely affecting our real estate sales.

We Must Table the CMP

- **WE MUST TABLE THE CMP.** The review committee will already be in place when the 2019 Board is sworn in. Let them continue to see if there is anything salvageable from this costly cookie cutter plan. We need a plan for our future, a vision, the new BOD will have to work on this but, the word CMP must never be heard again. You say, it can't be done as it's already so entwined in our operations. **WRONG.** After changing the bylaws to restore Operational Control to the Board, we'll take action to do the following:
 - Revert Protective Covenants to what was previously in place with slight modification.
 - Reduce discretionary spending, review the POA management structure and "cut the fat". Institute Zero Based Budgeting for the 2020 budget. We have to control our cash as much as possible. Absolutely no spending on such things as pocket neighborhoods. The BOD will have to roll up their sleeves and prioritize the needs for this year and going forward. To successfully accomplish this we'll need to call upon the expertise of our property owners to help lead & direct our management. This would be a good job for a Finance Committee.

We Must Work on Our First Impressions

- We must work on our First Impressions.
 - Improvement of Customer Service: this too was an item discussed in the 2010 Strategic Plan, I don't think we've got it right yet. We have to give a voice to our front line employees to get this fixed.
 - Can't have empty buildings: The 19th hole at DeSoto has to remain due to the fact all the wiring for the entire area: golf course, clubhouse, [Pickleball Courts](#) and recreation area come into that building. The building has virtually been gutted. Are restrooms still usable, they'd be convenient at the turn? If so, then let's install the room heat/air units and start utilizing this golf season. The remainder of the building, the best idea I've heard to date, remove non-weight bearing studs and store the carts here. Or maybe this is where we'd like to offer our golf cart maintenance service instead of at Magellan.

Balboa Club

Balboa Club: The BOD needs an office space. We need a place where Property Owners and Employees can freely come and talk with board members. We would take turns being "in" but we'd have consistent hours and include 1 evening per week. Could the former areas which were once a restaurant be converted to another event center with a modern kitchen to be used by caterers, a replacement to the kitchen at the Coronado Center which is in bad shape??



Balboa Clubhouse, Hot Springs Village, Arkansas

Maximizing Number One Asset Golf

- **Figuring out how to maximize our #1 asset, Golf has to be a top priority.**
 - We need more tournaments and outings; I suspect pricing plays a big role in why so many go to Hot Springs CC instead of HSV.
 - I also know we have pricing issues for individual rates. Once again this was a topic in the 2010 Strategic Planning Meetings. I can't remember the whys & wherefores at the time of writing this document but, I do remember our tax-exempt status affects our annual pricing.

Decisions, Decisions. We have our work cut out for us.

Diana Podawiltz, HSV

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