

LONG RANGE PLAN - 2004
LUDLOW MAINTENANCE COMMISSION

**Submitted to the
Ludlow Maintenance Commission
Board of Trustees
Port Ludlow, WA 98365**

**Submitted by the
Ad Hoc Long Range Planning Committee
Ludlow Maintenance Commission (LMC)
Port Ludlow, WA 98365**

Accepted – July, 2004

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June 2004

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INTRODUCTION

In October 2003, the Ludlow Maintenance Commission president appointed an ad hoc Long-range Planning Committee to assess LMC facilities and organization. The committee was charged with looking at strengths and weaknesses, opportunities and threats and preparing short and long-term plans to assist the Board in guiding the LMC. The Committee, drawn from many community groups, has made a serious effort to produce a report that fairly reflects the needs and desires of LMC's membership. It assessed the facilities, governance and finances of the LMC and also studied economic trends and demographic changes occurring in our area. We have used all that we have learned from this process and your comments to make the recommendations contained in this plan.

We surveyed the membership and more than 500 of you responded. In addition to answering questions about yourselves, 300+ members added comments and suggestions, telling us about your needs and expectations from LMC. Comments from members are included throughout our recommendations. More than our plan for LMC, this is your plan.

In its work the committee has not attempted to develop detailed solutions to the problems that exist for the LMC today. Rather we have outlined weaknesses we found in the internal structure of LMC and identified threats that may affect the future ability of the Board to meet financial, facility and service expectations of the membership. The recommendations we are offering for governance, facilities, finance and membership are made with the belief that the LMC can become a cohesive and mutually supportive center of North Bay community life, providing facilities and activities that provide enjoyment, access to social interaction and financial stability for the coming years.

Sincerely,

Elizabeth Van Zonneveld, Chair

LMC HISTORY TIMELINE

The original Port Ludlow area owned by Pope and Talbot, Inc. included a 3,300-acre area with 5.5 miles of saltwater shoreline. The property was used for logging and a sawmill and was named after Lieutenant August C. Ludlow of the U. S. Navy. The town acquired a reputation for shipbuilding in the latter 19th century. For 83 years, beginning in 1853, Port Ludlow was a center for the manufacture and shipment of lumber. This activity declined in the early 20th century and ended in 1934. Until the 1960's Port Ludlow was a ghost town. In the middle of the 1960's the company conceived a Port Ludlow Town Plan that envisioned a population of 20,000 people in three residential communities and a fourth commercial community. The North Bay area was forecast to encompass 1200 to 1300 lots owned 70% by vacation owners, 20% as primary homes and 10% retirees. Planning concluded in 1967 and in 1968 the LMC was created.

- 1967-1968** Pope & Talbot started development in the North Bay area of Port Ludlow. The first phase was the development of 350 lots, a marina, restaurant, a small store and post office, Admiralty I condos, model homes and the Beach Club with tennis courts and a swimming pool.
- 1968** The Ludlow Maintenance Commission was incorporated, with an initial annual assessment of \$60 per lot.
In May the Admiralty Resort began operation, along with the Beach Club.
- 1969** 250 lot and condominium sales were achieved by the end of the year.
- 1971** Construction began on the North Bay Condos.
- 1972** Clearing and grading for construction of the golf course began.
- 1973** Pope and Talbot Development conveyed to the LMC by Quit Claim Deed, for the sum of \$ 1.00, approximately 7 acres of land, including the Beach Club, tennis courts, swimming pool, etc. The deed included the land under the Bridge Deck, but not the building itself which was being used by Pope as their Real Estate Sales Office. The grant was subject to an easement and right-of-way for the road to the west of the Bridge Deck. The grant was also subject to a Reversionary Clause under which the property would revert to Pope if the LMC used it for any "residential or industrial" purposes.
- 1974** Kehele Park was developed and added to the LMC.
- 1975** The golf course was opened in the South Bay area of Port Ludlow.

The Admiralty I condos were built.
- 1978** The Admiralty II condos were built.
- 1979** The Hood Canal Bridge sank in a severe winter storm cutting off Port Ludlow from the Kitsap Peninsula. The bridge was replaced by a temporary car ferry.

- 1980** The Beach Club Cove Room and Game Room were added and the outdoor Gazebo was enclosed.
- 1982** The Hood Canal Bridge was re-opened.
- 1983** The indoor pool at the Beach Club was added at a cost of \$167,000. Pope and Talbot contributed \$125,000 to the cost in exchange for the LMC allowing up to 200 contract members from the South Bay area to join the Beach Club. The Agreement was for 20 years.
- 1984** The RV storage area was developed.
- A building moratorium was imposed on all of Port Ludlow by the Washington State Department of Ecology due to inadequacy of the wastewater treatment capacity.
- A lawsuit filed by the Protect Ludlow Bay Committee stalled the treatment plant expansion.
- The Admiralty Resort operation was closed
- 1985** Pope and Talbot transferred ownership of all Port Ludlow assets to Pope Resources
- The LMC Board expressed concern about limiting the number of members Pope could add to the LMC. Pope and the LMC signed an agreement to limit the number of members and to restrict membership geographically to the North Bay.
- Pope Resources abandoned its Reversionary interests in the Beach Club and the properties, but retained certain Restrictive Covenants that specifically forbade "any commercial, residential or industrial purposes whatsoever". The document did, however, give permission for a live-in custodian apartment, spaces for the Port Ludlow Yacht Club, and a bar, kitchen and food service area for members of the LMC.
- Pope Resources leased the golf course and the resort property to Village Resorts, Inc. Village Resorts and the LMC entered into a Facilities Agreement to allow use of the Beach Club by guests of the Resort. Moratorium is lifted and resort operation resumes.
- 1987** Pope Resources reached a settlement with the Protect Ludlow Bay Committee and obtained a permit to expand the wastewater treatment plant to a capacity of 640,000 gallons per day; 50% of the permitted capacity was actually constructed
- The RV storage area was expanded.
- 1988** The new wastewater treatment plant came online which resulted in lifting of the moratorium
- Construction began on the first subdivision under the South Bay Community

Association

The Beach Club was renovated. The rock fireplace was removed, new restrooms were built, the office space was expanded and improvements were made to the kitchen. LMC members were each assessed \$85 for a total of about \$85,000. Port Ludlow Yacht also contributed funds for the project.

- 1989** LMC and Pope Resources entered into an agreement to grant Pope access and use of a portion of the west parking lot of LMC in exchange for title to the Bridge Deck. The access and use agreement expires January 1, 2013.
- 1991** LMC signs revised Facilities Agreement with Village Resorts International allowing resort guests access to Beach Club for a minimum annual payment of \$60,000.
- 1993** An EIS and development application was approved for the construction of the Inn and the Ludlow Bay Village project. Ludlow Bay Village owners join the LMC as members.
- 1994** The Oak Bay Short Plat was annexed into LMC.
- 1996** Pope Resources organized a Planning Forum in Port Ludlow. Owners were invited by the developer to participate in a "final" development plan for the Community.
- LMC appoints committee to conduct feasibility study of Beach Club renovation. Five subcommittees, over 60 people, are formed, membership meetings held, architects drawings and cost estimates obtained.
- 1997** Port Ludlow No. 7, developed by Pope Resources, was annexed into LMC.
- Beach Club renovation plan put on hold – no action taken.
- Beach Club dressing rooms remodeled from operating funds at a cost of approximately \$55,000.
- 1999** Jefferson County adopted a new zoning code for Port Ludlow that came out of the Planning Forum process.
- Beach Club remodel proposal submitted to LMC Board by member (Carl Jespersen). Structural engineering study completed. Committees formed to study and implement final plan.
- 2000** Following Annual Meeting, Jespersen plan dropped. Remodel efforts put in control of Operations Committee.
- 2001** Pope Resources sold all of its Port Ludlow assets to Port Ludlow Associates LLC. The sale included the Inn, Marina, Golf Course, Harbormaster Restaurant, Conference Center, Village Center, development property and the Olympic Water and Sewer utility company.

Program of requirements for remodel of Club developed following member survey. Architectural drawings obtained, structural engineering study completed, preliminary cost estimates obtained.

2002 Port Ludlow Associates terminated the Facilities Agreement with the LMC for use of the Beach Club by guests at the Admiralty condo rental program.

2003 Port Ludlow Associates and the LMC entered into an agreement to release the LMC of the restrictive covenants against the Beach Club property. LMC granted PLA a First Right of Refusal to acquire the Beach Club and adjacent property in the event LMC should ever decide to sell.

The LMC membership voted to remodel the Beach Club up to a cost of \$1.4 million. The membership also authorized the Board to borrow up to \$1.4 million to cover the cost of the remodel, but did not approve the special assessment that would be necessary to retire the debt.

“Project 2004” initiated to raise funds for remodel. Committee formed to review plans. Board rejects all remodel plans. “Project 2004” cancelled.

2004 LMC enters into Facilities Agreement with Port Ludlow Vacations and Port Ludlow Associates for rental guest access to the Beach Club for a fee of \$300 per bedroom unit

METHODS USED IN THIS PLAN

The committee adopted a Mission Statement and set out an outline of approach that would be used in the Long Range Plan Process. Minutes were kept of all meetings of the committee. These are included in Appendix C. Proceedings.

A survey was designed by the committee and sent to all LMC members and contract members as a means of obtaining demographic information about the membership and feedback about use of LMC facilities. The survey was sent in December 2003. Approximately 55% or 547 out of 992 surveys were returned through mid-April, 2004. The information from all surveys received to that point is included in the report narrative, charts and tables included in the plan.

A section for general comment was provided on the survey form. A high percentage of surveys, 333 out of 547 returned or nearly 60% included comments. Surveys were numbered as they were received and coded as to source. Survey responses were tallied for property area, length of time of ownership, etc. Comments received on the surveys were moved to a separate report with coding retained, so writers are not personally identified. This anonymity is to ensure objectivity in use of comments for long range planning purposes. Comments were sorted by topic and topics that received substantial

comment were used to support recommendations to the LMC Board. The original surveys and coded copies of comments are on file in the LMC administration office at the Beach Club. Copies of the comments, sorted by subject are included in the Long Range Plan as Appendix A. Compilation of Comments Received on Surveys.

The Tables in this Plan include information from the surveys as well as data from other sources, such as US census figures. Tables of the survey results were included with the progress report made to the LMC Board in March 2004. The figures included in that set of Tables may differ from the final figures due to inclusion here of responses that were received after that date. Sources of information and tables other than from the survey are identified where they appear and listed in Resources.

A strategic planning method used frequently in business and called a SWOT analysis was used by the committee. S. W. O. T. is an acronym for Strengths, Weaknesses, Opportunities and Threats. The objective of using this form of strategic plan is to take advantage of strengths and correct weaknesses within the organization and pursue opportunities and counter real or perceived threats from outside of the organization. The committee adopted this as one method to be used in the planning process. During weekly meetings the committee identified numerous SWOT factors. These were refined and categorized into a) Facilities, b) Finance c) Governance, and d) Membership and solutions were developed.

The results of the SWOT analysis and solutions developed by teams within the committee, together with the comments received from LMC members on surveys have been combined as the committee worked in teams to reach conclusions and develop recommendations. Final recommendations were brought back to the committee as a whole for discussion and revision or adoption. Finally, the recommendations were reviewed against original lists of weaknesses, threats, opportunities and strengths for accuracy and inclusion of important issues. Where committee members differed as to recommendations, or more than one approach was considered we have included both possibilities for Board consideration.

SHORT TERM PLAN RESULTS

As the committee worked through the SWOT analysis, and reviewed comments received on the survey of members, a number of issues came to light that have not been included in this plan because they were short term in nature. Those issues were referred directly to Board members or committee chairs. Several such problems have already been resolved or are being included in the work of the Board or Standing committees.

A short list of those items includes

- Clarify possible overlaps between CC&R's of LMC and County Architectural requirements to be sure there are no contradictions.
- Recommend a name change of the LMC to North Bay Association in order to alleviate the confusion about its purpose. Some residents think the LMC is responsible for maintenance of the neighborhoods, streets, etc.
- More community information available to all members: brochures, history, board members, contact lists, etc. More visible location used for community bulletins.
- Maintain public spaces more: such as landscaping at Swansonville Road entrance.
- Lack of staff job descriptions and personnel/employee manual. Are there staff evaluations and reports regularly?
- Is there a clear method of reporting equipment or facility abuse? Are lockers secure and a key replacement policy in place?
- Questionable legal counsel.
- Potential mismanagement of funds, insufficient checks and balance system in place?
- Club member's guest policy is not clear, limited, and enforced.
- Non-resident families use pool and facilities without cost or penalty.
- Greenbelts used as dumping grounds and are dangerous and expensive to keep up, and may be fire threats.
- RV storage yard distracts from neighborhood value due to:
 - a) Too much light at night.
 - b) Improper users, possible illegal activities
 - c) Not enough screening from neighboring homes
 - d) Sometimes used as a dumping grounds
 - e) Old and unsightly equipment stored
 - f) Insufficient oversight and security at night

DEMOGRAPHICS OF THE NORTH BAY COMMUNITY

Information used in this report about the makeup of our community comes primarily from the LMC membership records and the survey sent to all owners in December 2003. Additional information sources are listed in References and Resources, R-1.

Table 1. 2004 Survey (Demographics)-

Question Asked:		Home & TwnHome Owners	Condo Owners	Undev. Lot Owners	Contract Members	TOTAL	Percent of Total
How long have you lived in Port Ludlow?	0-5 yrs	139	37	34	4	214	41.6%
	5-10 yrs.	84	15	16	2	117	22.7%
	10-15 yrs.	65	2	15	1	83	16.1%
	15-20 yrs.	25	3	4	1	33	6.4%
	20+ yrs	48	7	33	1	89	17.3%
Primary Residence?	Yes	321	24	8	10	363	68.5%
	No	41	41	84	1	167	31.5%
If YES, how many months?	less than 6 mos.	13	8	1	0	22	5.9%
	more than 6 mos.	311	20	8	10	349	94.1%
If NO, present Status	Rental	14	17	2		33	14.7%
	2 nd Residence	29	26	1		56	25%
	LMC Facilities	1	0	20		21	9.4%
	Plan to Build	0	0	22		22	9.8%
	Plan to Sell	2	3	34		39	17.4%
	Investment	6	6	38		50	22.3%
	Buffer/View	10	0	2		12	5.4%
How many residents? (per dwelling)	0		6	12		18	3.9%
	1	57	13	2		72	16.1%
	2	267	38	15	12	332	74.4%
	3	12	3	0		15	3.4%
	4	12	2	0		14	3.1%
	5	7	1	0		8	1.8%
	6+	0	1	0		1	0.2%
What are the ages of persons in your household?	0-5 yrs	13	0	2		15	1.9%
	6-12 yrs	23	0	0		23	2.9%
	13-18 yrs	10	3	0		13	1.6%
	19-24 yrs.	7	3	1		11	1.4%
	25-34 yrs.	17	2	2		21	2.6
	35-44 yrs.	40	2	3		45	5.6
	45-55 yrs.	75	11	7		93	11.6
	55+ yrs.	458	72	34	20	584	72.5%

2003-2004 Member Survey- a Profile of North Bay Residents

A total of 992 surveys were mailed to owners and contract members of LMC in December 2003. Responses received through 15 April 2004 have been included in our figures. 547 were returned a rate of 55%. The survey requested information about how long owners had or owned property, whether owners had their primary residence here, how large the household was and the ages of the residents. The results of those questions are tabulated in Table I – 2004 Survey - (Demographics). The survey form is included in the Appendix.

In 1997, The Gilmore Research Group conducted a survey of all of Port Ludlow for Pope Resources. Gilmore reported a total of 1061 respondents. That survey found that “67 % of respondents indicated that they live in Port Ludlow 12 months per year.” North Bay residents responding to our survey report that 68.5% make this their primary residence and 94% of those spend more than 6 months of each year here. Figures from these two surveys indicate there has been no discernible increase in fulltime resident owners shown in Table 1.

Table 2. Full Time Residents from 2004 Survey

	<u>2004</u>	<u>1997</u>
Primary Residence?	Yes – 68.5%	67%
	No -- 31.5	33

Among absentee owners of condos, lots and homes or town homes, 37% reported that their properties are held for rental or investment purposes, 27% will be sold or used for future construction, 24% are used as secondary residences and 15 % were purchased for view maintenance or for access to LMC facilities.

The North Bay and LMC are in a transformation mode, which will have enormous and lasting impact upon LMC, the Beach Club and our community as a whole. Kitsap County, which separates Port Ludlow from the metropolitan Seattle-Tacoma area, has been under considerable economic and growth pressure largely resulting from the State’s Growth Management Act that has limited the availability of new land for subdividing. The price of lots in Kitsap County has risen and driven up the price of housing. A growing number of workers commute across the Hood Canal Bridge to work in Bremerton and the military bases at Keyport and Bangor. Many young couples and families who have been “priced out” of the Kitsap County market are looking to Port Ludlow where they can be homeowners. North Bay lots can currently be purchased for 25 to 35% of property in Kitsap County and homes are priced less than similar Kitsap homes. A number of contractors are targeting these younger families offering affordable, family oriented homes in North Bay.

This shift in another market area will change our own demographics and is beginning to do so. The average age of LMC members can be expected to drop as older single retirees sell and move into retirement or assisted living arrangements. The number of people per household will increase as young families, taking advantage of competitive pricing in the North Bay, replace them. The demands on the Beach Club programs and facilities will increase and change. It can be expected that more resident children will use the pools, playgrounds and courts and will be looking for more facilities and activities aimed at younger interests.

Chimacum School District Enrollment from within the boundaries of LMC has increased a total of 39% since 1998. In 2004 a total of 82 students are enrolled from the North Bay. In addition to children enrolled in local schools at least 15 pre-school children reside in this area. Taken together with home-schooled children, there are more than 100 children in the North Bay community.

Table 2 illustrates the present make-up of the LMC membership. In 1997 another study found that 81% of Port Ludlow residents lived in two person households. Our survey found that number reduced to 72.2%.

Table 3. Numbers of Persons per Household

<u>Number of Persons in Household 2004 Survey</u>		<u>Gilmore - 1997</u>
None	3.9%	4%
One person per household	15.7	7
Two persons per	72.2	81
Three or more persons	8.2	10
Don't know	-	1

Age Range of LMC Members

There is a somewhat higher average age among LMC members than the surrounding population. As illustrated by the bar chart below, Table 4 - Sampling of North Bay Ages - more than 72% of North Bay residents are 55 years old and above. Comparing the North Bay with the Port Ludlow Census area as a whole as shown in Table 5. - illustrates that while, as we have seen previously, the community is increasing in younger members, it is still largely made up of older members, and is generally older than the population of the Port Ludlow Census District as a whole. Table 5 compares the 2004 Survey responses with Census information for 2000 for the Port Ludlow area. These numbers are close approximations, since Census age groups vary slightly from those used in our survey.

Table 4. Sampling of North Bay Ages 802 People

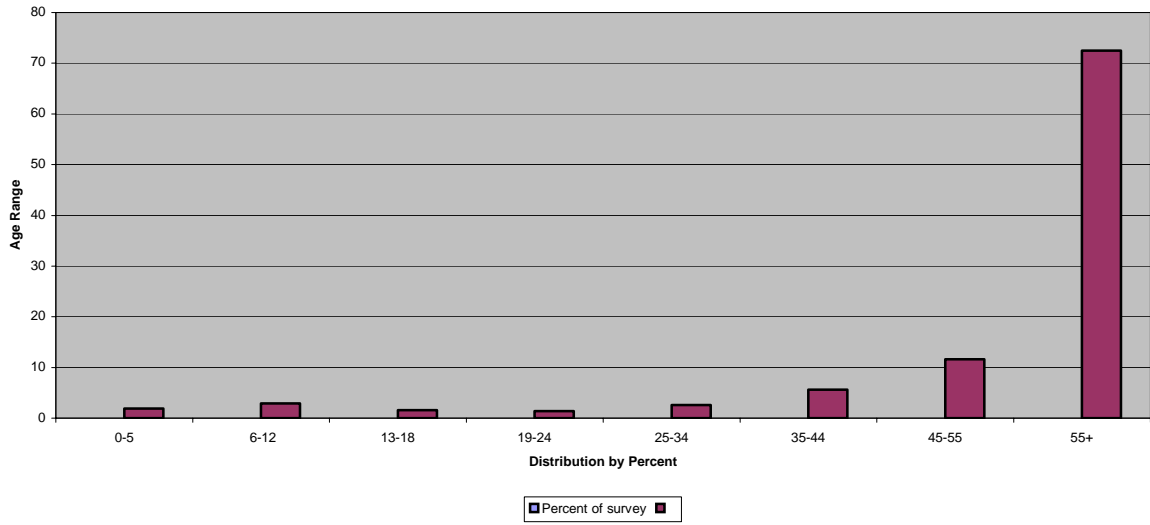


Table 5. North Bay Survey and Port Ludlow 2000 US Census Data

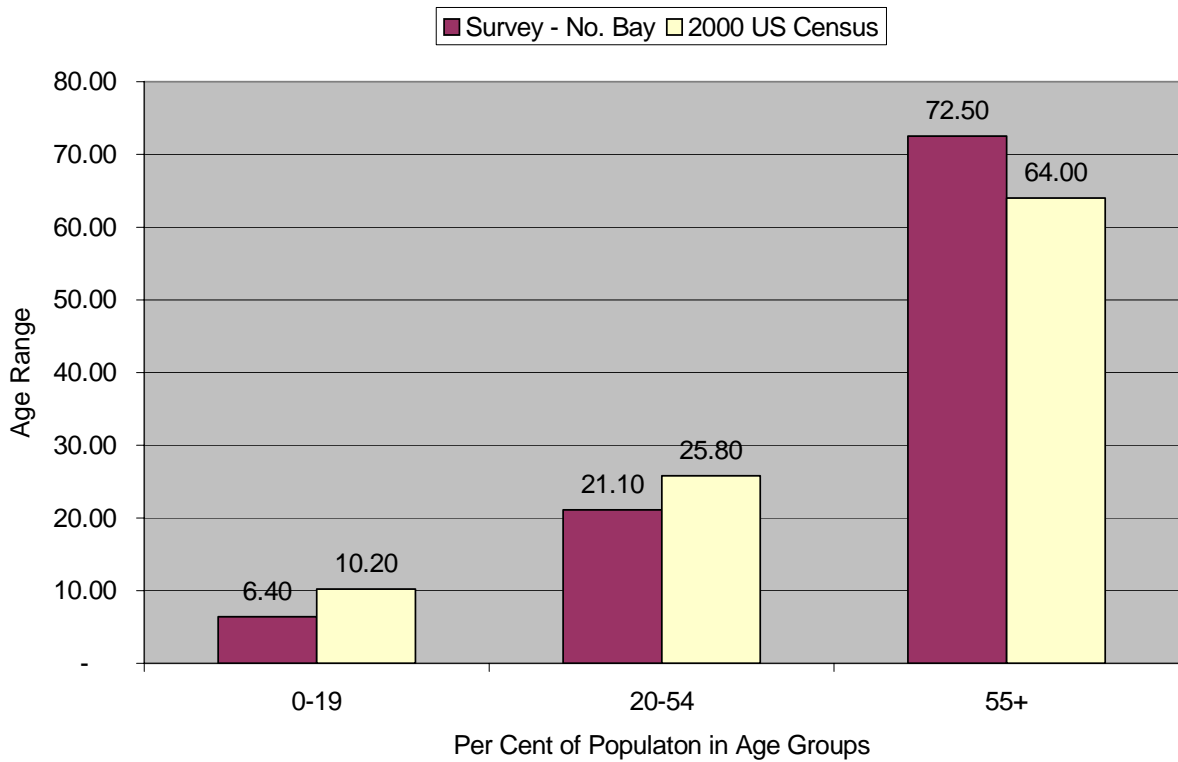
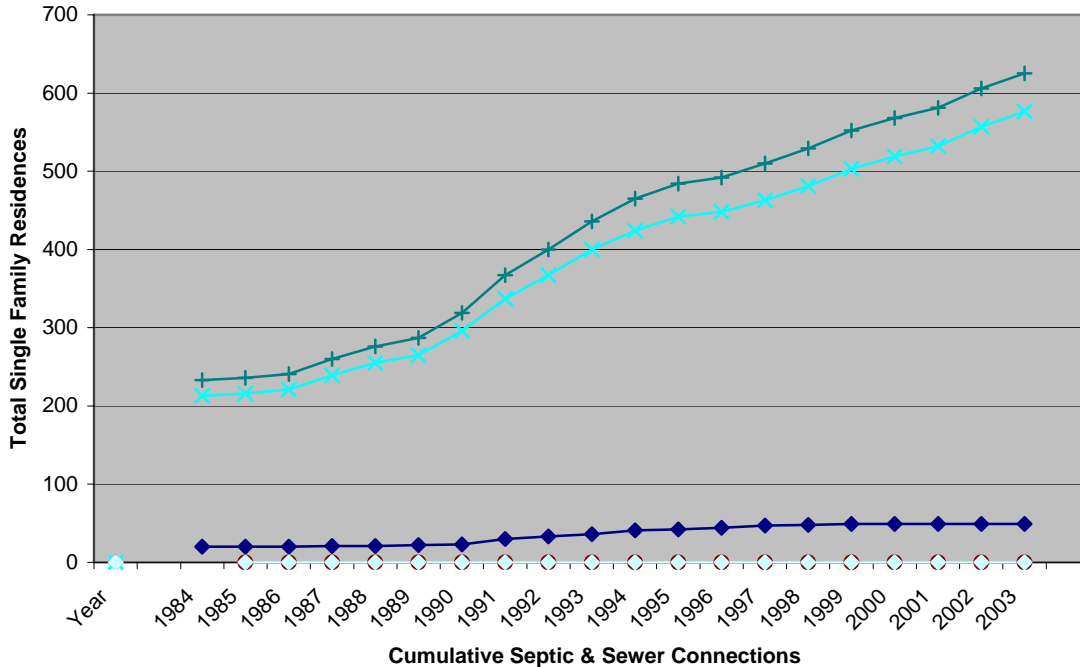


Table 6. Annual Growth of Residences within LMC Boundaries



Growth Rate in the North Bay

Olympic Water and Sewer, Inc. keeps annual water/sewer connection records for its service area. OWSI records trace the addition of connections for single-family residences in the North Bay. Table 6 shows new septic and sewer connection permits within LMC boundaries from 1984 to the present. The line at the bottom of this chart represents septic system connections, the middle line show connections made to sewer service and the top line in this Table is the cumulative number of connections to both Olympic Sewer and to septic systems. No septic system connections have been added from 1998 through 2003.

The Administrative office of LMC maintains statistics that include a tally of lots and condos. This is updated monthly with new building permits, multiple lot purchases, etc. Table 7 is a summary of the current status of total lots and condos in LMC. A number of owners have acquired additional lots for view protection and other purposes. When these lots are deducted from the remaining supply approximately 220 lots remain available. At the present rate of new construction, (we are adding about 20 homes each year) the North Bay will be almost completely built out in ten years. This steady growth rate means additional users for LMC facilities, as retired couples and young families replace absentee lot owners as LMC members.

Table 7. Current Total of Homes & Empty Lots in LMC

Unit Count	Total Units	Unsold Assessed Lots	Built Units	Undev. Homes	Undev. Lots
Lots	972	3	969	646	323
Condos	118	0	118	118	0
Total Units	1090	3	1087	764	323

For the Ludlow Maintenance Commission the major impact of these trends toward younger families and build out of the North Bay is increasing need for additional facilities without added financial resources. The fee structure for LMC membership makes no distinction among homes, condos, or empty lots; or among family homes, absentee ownership, or second residences. A shift in ownership from absentee owner to retired couple residing here full time, or from second residence to full time family will not change the amount of fees received from members, but will very likely increase need for space for additional activities, requests for equipment and increased costs for maintenance of facilities.

SURVEY COMMENTS FROM MEMBERS

In addition to seeking information about the make up of the community, the 2004 survey enquired about user habits and desires and also left room for members to make comments. A surprising number did so. Of the 547 surveys returned 333 contained comments, or 55%. A number of returned forms contained comments on more than one subject. Comments have been grouped as nearly as possible by subject and identified by source, i.e., condo owner, residence owner, undeveloped lot owner or contract member. Following is a narrative summary of the comments received from respondents to the survey. A table showing the topics addressed by members is included here and in Appendix A of this report. Complete comments are included in each category therefore some comments will be seen more than once. In the narrative following Table 8 the numbers in parentheses reflect the numbers of members who addressed a topic in given categories.

Table 8. Comments from 2004 Survey Respondents

COMMENT TOPICS	Home/Town	Condo	Undev. Lot	Contract	Total	
CATEGORY	Home Owner	Owner	Owner	Member	Comments	
FACILITIES						
Beach Club improvement/remodel	78	17	5	2	102	
Exercise area/equipment	38	11	2	1	52	
Facilities supporters, past, present, future	32	7	7	3	49	
Non-use of amenities	23	2	5	0	30	
Activities	19	2	4	1	26	
Praise for leadership/staff/maintenance	12	1	0	1	14	
Improvement needed, maint.or personnel	11	0	1	1	13	
RV storage lot	8	1	0	1	10	
Children's needs/supervision	8	0	1	0	9	
Scheduling changes	8	0	0	1	9	
FINANCING						
Fees, use of funds, revenue	29	1	16	0	46	
GOVERNANCE						
Cov and Reg enforcement/restrictions	17	0	2	0	19	
Communication	7	0	2	0	9	
MEMBERSHIP						
Friction, divisiveness	13	2	8	0	23	
North/South Bay facilities, programs	6	1	1	1	9	
Owners of undeveloped lots trying to sell	0	0	10	0	10	
Non-LMC issues	21	2	2	1	26	
No. of Topics Addressed						
	330	47	66	13	456	
No. of Surveys Returned w/ Comments						
	233	33	57	10	333	
Total Surveys Received by 4-13-04						
					992	
Total Surveys by Category of Owner						
	370	65	100	12	547	

FACILITIES Comments

Comments from members surveyed pertaining to facilities outnumbered those in the other areas of finance, governance and membership. Beach Club remodel or renovation was mentioned the most frequently (67) followed by kitchen-only or moderate improvement (10). Comments asking that nothing be done numbered (6). Easier access to the lower floor by elevator was singled out also (6). Covering the outside pool for year-round use appeared in (3) comments. Further comments were about the Beach Club looking dreary (2); and needing improved lockers in the women’s dressing room (2). Others wondered why LMC had not yet purchased a defibrillator (2). Additional

comment areas included: keep the squash court; turn the squash court into racquet ball court; extra storage for party items; pool yard and enclosure improvement; woodworking shop; steps in pool; monitor pool more closely; steam room; and coffee bar. One liked the gazebo as it is now; another thought Beach Club needs should be third on a list of community priorities.

Respondents mentioned wanting additional exercise equipment (25), others mentioned that more space for equipment use was needed (20). Expressing appreciation for having the facility (6); wanting separate spaces for floor exercise and equipment (2); and wanting the pools improved (2) were mentioned. Also receiving comment: keeping equipment well-maintained; hot tub upgrade; warmer inside pool; pool table moved; exercise classes; and adaptation of the squash court for volley ball. "Loud annoying music" kept one member away from using the facility.

Facilities supporters, past, present and future numbered (49). Those who mentioned not using the facilities at all but making no further comment numbered (30). Activities desired were mentioned in 26 comments.

In praise of work well done, the Beach Club staff received commendation (5). Other kudos were for good maintenance of facilities (3); efforts in general (4); and effective leadership (2). Comments of appreciation were expressed for exercise room improvements (2), and for the generous help of members with exercise equipment (1).

Allergies to pool chemicals and chlorine smell received (6) comments. Some comments referred to improvements needed in staff attitude and responses to member requests (4). Others asked that the sauna be cleaner; the floor under mats be cleaned more thoroughly in the men's locker room; and that all speakers in the Bayview room use microphones. One person mentioned a missing name pin.

Comments on the RV storage lot indicated a misconception among some users that the RV lot was making money for LMC (5). (Note: A detailed report was prepared in January 2004, showing that RV storage lot expenses actually exceeded income. The aim is for users to support it). Other comments: appreciation for having the lot (2); security issues (2); better maintenance requested (1); use of the lot exclusively for RV's (1).

Comments on children's use of club facilities spoke to the need for more scheduled activities (3) and for amenities with kids in mind. Closer supervision and discipline was mentioned by (3) writers. Childcare was suggested (2). Other comments pertained to finding a volunteer youth director and developing swim tests so children under 16 can use the pool without supervision. Playground, pool, tennis, squash, basketball, volleyball and picnic area were facilities mentioned for children and youth.

Restructuring of Beach Club hours was a priority for those whose working hours limit them from using it at present (8).

FINANCE Comments

The most member comments concerning finance came from owners of undeveloped lots and owners of multiple lots who want to pay less than residents and other users of Beach Club facilities (20). Others suggested charging members extra for facilities use and improvement (14). Keeping costs low was mentioned in (3) comments. Landlords implied that renters should not have to pay additional homeowner fees for facilities use (2).

Others said the assessment was fair to everyone; questioned whether improvements in Beach Club would raise property values; wanted fees based on property value; said that there was little correlation between those who want facilities improvements and those who use the facilities; said protect financial security; and made a budget reporting suggestion.

Suggestions for increasing revenue:

Additional comments from members included: sell tennis courts to fund capital improvement; remove the CPI cap that governs maximum assessment rises. Other suggestions involved covering the tennis court by the Beach Club and charging for use, and food service ventures.

GOVERNANCE Comments

Included in the section on Governance are comments that supported the governing documents or made requests for changes. (Note: the governing documents are the Restrictive Covenants, Articles of Incorporation, Bylaws and Regulations. Collectively they are also called CC & R's). Communication comments are also included in this section.

Strict enforcement of Regulations (6) ranked foremost in comments relating to Governance, followed by view preservation (5). In comments made about wanting one vote per lot owned, responses came in from (2) owners of three lots and (1) owner of two lots. Greenbelt critics included those who wanted trees trimmed, greenbelts cleared and/or groomed (3). Another comment said leave greenbelts alone (1).

Other governance comments included: appreciation for LMC governing documents; restrictions on cleaning up undeveloped lots are too strict; develop a form so that trees blocking views could be reported without owners knowing who had complaints; monitor contractors for abuses of Regulations; renter membership, and restrictions on use of metal roofing.

Communication comments indicated a need for more effective publication of hours, schedules and activities (4). Other comments involved: communication about LMC to make better informed voters; welcoming other than just new full-time resident homeowners (Note: LOA welcomes homeowner residents); feature articles about the

various facilities in the Voice; need for an economical place for a lot owner to stay when coming to Port Ludlow to work on a lot; and a suggestion for size of return envelopes.

MEMBERSHIP Comments

A variety of member concerns were expressed that involved the North Bay community. Other comments involved cooperative efforts between LMC and non-LMC entities. Yet another category of comments addressed issues not under LMC control. The latter two categories are included for LMC Board consideration and for referral to other sources where appropriate.

Members (23) mentioned their concerns about friction and divisiveness in North Bay.

The desire for a unified community with reciprocal use of the Beach and Bay clubs, thereby pooling resources received (5) comments. Consolidated use of the combined facilities (merger) received (2) comments. Use of Beach Club facilities only for members and guests (2) comments. (Note: The South Bay Community Association (SBCA) has its own independent governance and policy as does LMC, and both club managers work closely on common problems. A merger of the two clubs would involve agreement within both communities).

Beach access (3) and retaining open space near water (1) were mentioned. (Note: Easy access was lost with the recent waterfront development. Better access could be developed on LMC property; other access would involve cooperation with the resort or other property owners).

Comments from non-resident owners of undeveloped lots trying to sell numbered (10).

Non-LMC topics were medical facilities, PLA, Water-Sewer company, golf course, non-LMC hiking trails, kayak racks, boat launch, larger grocery store, local tourist shops, marina, restaurant, convention center, property values of lots and homes, the PLA RV park by the Village center, and PL Vacations policy. Other respondents said they'd like better weather; some would like to be younger.

STUDY CONCLUSIONS

Analysis of demographic information, the survey responses and comments, the committee's analysis of Association strengths and weaknesses combined with the history of LMC has resulted in the conclusions upon which recommendations have been based. In drawing these conclusions the Long Range Plan Committee endeavors to take into account all view points, remain objective and not take positions. We are presenting the

results of our findings and making recommendations to the community about the results without favoring any answers.

1 -The community is maturing. Both in the reduction of two person households, increasing numbers of single homeowners live in North Bay, and increasing numbers of families are moving here.

2 -The community is also maturing in that fewer undeveloped lots remain and it can be expected that the area will be nearly completely built out in about ten years.

3 -No additional financing accompanies these changes, although additional users can be expected to increase demand for LMC parks, clubhouse rooms, pools, and courts.

4 -Aging buildings and courts require increasing levels of maintenance. Higher levels of use also increase wear and tear. Facilities which may meet most needs now will be inadequate in future years.

5 -Governing documents that have served well for 30 years need be reviewed for fairness legality and adequacy under changing future conditions

6 -Funding for capital projects such as a new or enlarged club and any other desirable facility is not available under the LMC's present system of dues.

7 - A philosophical difference exists among members about the role of LMC in the community. The committee has explored this difference in its Governance Recommendations.

RECOMMENDATIONS

FACILITIES ISSUES AND RECOMMENDATIONS

Issue:

The LMC Board and membership have approved Beach Club remodeling plans in prior years. At present there is no active upgrade plan and no capital fund. Yet residential growth continues without commensurate increase in revenues. The club is more than 35 years old and will be inadequate to serve the growing North Bay population in future years. Several inadequacies in the existing club have been identified both by members in comments and by the work of the committee. The greatest number of comments received from the member Survey voiced support for finding solutions to this problem and some were impatient over delays.

Recommendation:

This plan being proposed by the Long Range Plan Committee must be reviewed, adopted and implemented by the Board in a manner that is acceptable to the community. When a long-range plan has been adopted, an important next step will be implementation of recommendations. Before any remodel plan is designed town meetings and perhaps another survey will be needed to assess member sentiment about modifications to the Beach Club. Information gathered would be used to determine priorities for those upgrades and expansion of facilities that members will support in conjunction with methods of financing that are acceptable to the membership.

In order to gain support for any improvement or expansion of the facilities the LMC Board must first develop a “vision of the future” which can motivate the community and empower the leadership to take bold steps for the benefit of all members and their families.

Based on member input and desires, the Board should prepare remodel plans consistent with member desires and which will be supported by a super majority of the membership. These plans should provide for the change in demographics and growth expected in the North Bay, as explored in the Demographics section of this plan and should include planning for the build-out of North Bay lots as well as considering potential growth of membership from Ludlow Bay Village Town-homes and Admiralty III condominiums.

Recommendation:

The Board should include consideration of staged remodeling as an alternative to a complete remodel to accomplish upgrades whose priority is supported by the membership as one means of meeting remodel needs.

Issue:

Change in local demographics (move toward younger and larger families) may lead to polarization and division in the membership as increased and wider demands are made on facilities. More user demand from more diverse age groups as we approach build- out and more diverse requests for facilities may cause dissatisfaction and friction among members.

Recommendation:

Support efforts by volunteer groups to use facilities for mentoring programs and youth activities. Develop spaces within the Beach Club to support structured children’s events. Assure the needs of youth and family groups are included in planning for new or remodeled facilities. Review club user requests on a regular basis for shifting needs for space and equipment.

Issue:

There is under-utilization of some parts of the club partly due to changes in member interests and ages. Low levels of use of certain areas may also be due to a lack of personnel or volunteers to create or coordinate programs for such areas.

Recommendation:

We should study changes in schedules or facilities to make the Club more user friendly and to adapt under utilized areas for other uses. Consultation with younger members of the community would be of help in designing or modifying facilities to meet their needs.

Issue:

There is no central greeting area or lobby in the Beach Club and the entry way may be uninviting and confusing to some.

Recommendation:

Improve the Club entry area be friendlier and more attractive to members as well as newcomers and visitors.

Recommendation:

The Club staff can help members become aware of what programs and activities exist in which they can participate, and can facilitate the initiation of a new club or activity for members.

Issue:

More people per household impact the user levels of facilities for social, recreational and fitness equipment. Families and members are requesting additional equipment and facilities.

Recommendation:

Fitness equipment received a high level of comment from survey respondents. Additional fitness equipment and review of the layout of the fitness area are part of current budget year provisions. A professional trainer should be consulted for equipment selection and progress in this type of effort should be included in regular member communications. In addition, members with specific interests can work for and support improvement projects and fund-raising projects that relate to their interests.

Issue:

Additional residential growth, which might occur in the North Bay without a requirement for membership in LMC, would weaken the unity associated with a joint homeowner's association. Additional recreation facilities, which might be available only to new residents in Ludlow Bay or Admiralty III area, would create yet another set of facilities to support, with possible redundancy of services. Separate facilities and association memberships might produce isolation and rivalry between clubs, fracturing the community and reducing the ability to develop, coordinate and fund activities and facilities.

Recommendation:

Protest any change in approved resort development plans that reduce current recreation areas, increase housing density, or change CC&R's that eliminate the requirement that

Ludlow Bay Village residents must become members of LMC. Work with the developer for resort plans that are acceptable and beneficial to all.

Recommend to County governing agency that open space and outdoor recreation facilities and trails be included in any new or current development being considered for the north bay area of Port Ludlow Resort. Recommend further that usage agreements be developed for such facilities making them available to LMC members.

Issue:

Additional growth in North Bay may detract from the North Bay community's quality of life. Loss of quality environment as development takes over open space and limits beach access, reduced recreation area, and loss of view corridors from dense growth of housing and waterfront development with no concomitant outdoor recreation facilities, beach access or amenities.

Recommendation:

To preserve open space and beach access redesign Beach Club landscaping and optimize pathways to beach, and outdoor areas owned by LMC for activities and to enhance view and beach and trail access for members.

Issue:

Growth in South Bay has caused more limitations on LMC member use of their facilities and has introduced fees for non-member attendance at meetings and functions.

Recommendation:

Recognize that the growth of South Bay communities will steadily increase user demands on the Bay Club as well. Plan for this situation and include the likelihood of reduced reciprocal and cooperative opportunities for activities at the Bay Club in planning for more and better facilities in the Beach Club.

Recommendation:

Numerous groups with both LMC members and non-members schedule activities in our Bay View banquet facilities and pay to have dinners/parties here. (Meetings do not bring in money, but community group social events do.) Establish a policy to accommodate groups made up of our members as well as non-members that ensures fair treatment to LMC members who support the facilities.

Recommendation:

When developing a needs assessment for growth and expansion of LMC facilities consider how long in the future other facilities will be available for LMC use

Issue:

Impact on infrastructure due to increased traffic from growth and tourist travel. Our streets are also used as walkways and trails.

Recommendation:

Speed bumps may be used to slow car traffic on side streets. Better signage for speed limits and pedestrian traffic along major roads is needed. Wider paths for walking beside the road would improve safety. Develop a liaison with Jefferson County to achieve these changes.

Support Greenbelt Committee new trails efforts and cooperate with Village Council to create trails that will afford walkers access to spectacular views and enhance community value and wherever possible do not use road shoulders for walker safety.

Issue:

Possibly a destination resort will be developed at Port Gamble.

A new resort is reported as being planned at Port Gamble. Members have expressed concern about competition for home sales and resort related development. The committee for Long Range Planning does not believe this is a threat to the future of LMC.

MEMBERSHIP ISSUES AND RECOMMENDATIONS

Issue:

There is a lack of collective vision for the direction of the LMC.

Recommendation:

The LMC Board must identify the diverse interests of the community. This will be best accomplished by additional membership surveys and/or a series of town meetings. A consensus and support must be developed for the directions for the future. Following the development of a statement of our common interests, consensus must then be developed on how to implement the goals from that process.

Issue:

In the past there has been reluctance to compromise on critical issues within the LMC.

Recommendation:

Through communication the membership must come to realize that the implementation of members desires will only come about through compromise. Programs must be developed that, while not meeting the total desires of members, contain enough significant parts of members desires that they can be accepted.

Issue:

There is inadequate communication to and from members.

Recommendation:

The Board must implement a program of improved communication with the membership. This should include mailing of the Voice to all LMC members, including non-resident members, implementing a periodic LMC newsletter and holding periodic town meetings on critical issues. Establish a mechanism for communicating to members about issues that will come before the next Board meeting. The LMC web site could be expanded and e-mail used to notify members of new website entries.

Issue:

A challenge in the North Bay is the large number of owners who have little interest in financing Club improvements because they do not use them.

Recommendation:

The LMC should coordinate with volunteer organizations or organizations such as the LOA to develop and implement programs that will attract a wider cross section of the community. More community-wide programs, social events, trips and small group events might entice non-users into involvement in Beach Club activities. In that manner more will use LMC facilities and may be more inclined to support improvements and expansion. Recognize that many in our community are talented, having a wealth of knowledge, and find ways to utilize them as volunteers.

Recommendation:

Those members who choose not to use LMC facilities should be made aware that their property values could be influenced by the quality and variety of the LMC services and facilities whose ownership they share.

Issue:

Renters generally are not welcomed into the community as are new residents. Should they wish to become members at the Beach Club during their stay they must pay a membership fee, even though the member from whom they are renting already paid a yearly membership. They are prohibited from bringing guests unlike contract members. Differing fees and accessibility make it more difficult to develop a sense of community.

Recommendation:

The board should reevaluate fees and restrictions and seek equitable treatment of contract members. A greater sense of inclusion into the community would enhance a renter's awareness of LMC rules and regulations and improve support for activities and respect for facilities.

Issue:

A change of demographics with an influx of younger families is occurring. Because the Club membership has mainly been older residents it is not well positioned to meet the needs of children and young families.

Recommendation:

The needs of children and younger family members must be planned into any future improvement or expansion of LMC facilities. Younger family members must be a part of any future committee studying the improvement and expansion of facilities so that their needs and desires may be fully known.

Issue:

Available lots may be difficult to sell due to county rules, changes in septic requirements, etc. become unkempt, overgrown with trees causing view problems to neighbors, and detracting from neighboring property values.

Recommendation:

Provide an open and accessible database of those wishing to sell their lots. Enforce LMC Regulations on owners of undeveloped lots.

Note: This situation may have changed to some extent since the Long Range Plan assessment began. In the period from January to April 2004 a number of North Bay lots were purchased by contractors for development of new homes. This has been brought about by changes in market conditions in Kitsap County and higher lot prices in the surrounding area and by recognition by local builders of this opportunity.

Issue:

Homes of residents who are away part or much of each year and absentee owners are more vulnerable to burglary or destruction of property. New residents may not have the connections to neighbors that exist between long established neighborhoods.

Recommendation:

Inform LMC members of patrol service available to Port Ludlow residents by LMC and County Sheriff's department when residents are away from home for extended periods of time. Encourage the development of Neighborhood Watch programs.

GOVERNANCE ISSUES AND RECOMMENDATIONS

Issue:

Our governing documents are over 30 years old and have never undergone a critical review and legal evaluation for consistency, compliance with state regulations and applicability to current conditions.

Recommendation:

An LMC Board subcommittee should undertake such a review with appropriate legal assistance and make recommendations for change

Issues that might be included for consideration are: a review of the voting rules in by-laws, and fee structure.

Issue:

The name LMC is confusing to some as it implies maintenance responsibilities as the LMC's only role.

Recommendation:

The adoption of a name change either formally or informally from LMC to North Bay Association might lessen confusion about the role and identity of the organization.

Issue:

A philosophical difference about the role of the LMC exists among members. The role of the LMC is unclear in the minds of some members. One view is that the LMC is a facility caretaker, collecting annual dues sufficient to maintain facilities, and overseeing the enforcement of CC&R's or Regulations on North Bay property. Another view is the expectation that programs and activities are a service function of the LMC. This issue underlies much of the discussion about the future direction the LMC should take.

Throughout this report, among questions, recommendations and member comments, "program and activities" are frequently mentioned. Our Articles of Incorporation and By-Laws also frequently refer to services for the benefit of members as a function of the LMC. In reality the LMC and Beach Club provide little or no structured programs or activities to its members. The LMC provides facilities in the way of limited meeting rooms, swimming pools, exercise and locker rooms, tennis courts, children's playground, green belts and open spaces. It is however incumbent upon the community to individually or in groups formed without LMC staff or budget assistance to utilize these facilities. The LMC does not have staff to provide the coordination function for such programs or activities.

Recommendation:

This committee suggests the Board of Trustees consider the formation of a North Bay Community Organization or similar entity to plan, sponsor, promote and oversee programs and activities, which would be to the common benefit of all of the members. (Lot Owners Association - LOA is an example of such an organization whose many years of successful neighborhood activities is a partial example.)

The specific nature of the offered programs and activities would be determined from the input of the potential end-users, our members. The structure of this organization could be as a "Service Committee" as set forth in our By-Laws or as a separate entity as best determined by the Board and its advisors.

Acknowledging LMC current budgetary and staffing limitations, the North Bay Community Association would have to be at least partially volunteer based. Funding would probably have to be generated in new, creative ways, but this is possible.

The existing programs and activities offered at LMC facilities could be coordinated by such an entity and added activities offered as well. A community association, coordinating programs, working with existing volunteers and scheduling facilities through LMC staff could be a major step to help reunite the North Bay Community and better utilize our assets.

In addition to support for the idea of creating such an entity, the committee recommends that this idea be explored by the Board as part of the facility survey recommended in other parts of this report.

Issue:

Owners of multiple lots have only one vote on LMC issues regardless of the number of lots owned.

Recommendations

Educate the membership that this limitation was originally imposed to prevent the developer from having undue influence on LMC decisions when the area was initially being developed. Now that the developer is no longer involved in major development in the North Bay this need may no longer exist.

There is also a view held that one vote per member is a more democratic method giving each a vote regardless of property held. These differing viewpoints should be studied and steps taken to find resolution and incorporate the results in LMC documents.

Issue:

Representation of Condominium owners on the LMC board is overstated with current populations of lot owners and condominium owners.

Recommendation:

Work with the condominium associations to educate them on the current demographics and the need for more even representation on the Board of Trustees. When agreement is reached modify the by-laws accordingly. The Board should seek to eliminate distinction in residence or owner type in representation.

Issue:

An increase in work-at-home patterns nation-wide is also true here. This may affect Governing Documents that were not designed to consider home-based businesses.

Recommendation:

Requirements should be defined for home-based businesses that are compatible with residential neighborhoods. Attention should be given to including any necessary changes in CC&R's and Regulations to ensure that provisions for home-based businesses are current.

Issue:

There is a lack of uniform enforcement of our CC&R's and Regulations.

Recommendation

The Operations Committee, with the full support of the Board, must develop and implement procedures that assure that our CC&R's will be administered and enforced. Those who violate our regulations must be made aware that such is not acceptable and that LMC will take all actions necessary, including legal action, as may be necessary to assure uniform administering of the CC&R's.

FINANCE ISSUES AND RECOMMENDATIONS

Issue:

The LMC is constrained by its income limitations and presently there is no prospect of an increase of income other than a rise consequent to inflation. At this time there is no capital improvement fund beyond moneys saved for maintenance and repair. Additional residential growth in North Bay will put pressure on facilities but provide little additional income. Members have shown reluctance to support increases in membership dues to finance improvements to LMC facilities.

Recommendation:

Innovative techniques are required to finance improvements. A critical analysis should be made of all LMC assets to determine whether we are receiving a proper return. If not the asset should be evaluated for changes that enhance revenue or worth to the LMC. Initiation of a capital fund would be very helpful. A thorough study should be implemented with a tax attorney to determine whether and how we can obtain tax-exempt status for donations to an LMC capital improvement fund. A program should be considered that allows LMC members to give extra money to a capital building fund at the time of the annual assessment payment. A dues increase may be appropriate at such a time as a plan supported by the community is developed.

Develop fund raising methods and encourage members and groups with specific interests to work for and support improvement projects that relate to their interests. Develop public awareness campaigns relating to the progress of fund raising towards goals.

Issue:

There are increased numbers of delinquencies

Recommendation:

Working with legal counsel and the Finance Committee, the Board must develop an improved approach for collecting delinquent dues from LMC members.

Issue:

Lots abandoned or foreclosed thus defaulting on dues may cause budget shortfalls to LMC

Recommendation:

In conjunction with legal recommendations, develop and implement improved procedures for collection of annual assessments.

In addition to those recommendations above from the committee, a number of ideas about finances were offered in member responses to the survey. We have included most of those here for consideration by the Board.

Members made suggestions about financial issues and/or increasing revenues on returned Surveys. Those include:

- Explore value of tidelands as trade to State to decrease liability and preserve open space.
- Contract operation of facilities to for-profit concessionaire to control expenses.
- Explore potential sale or lease of surplus land for capital for renovation.
- Where possible revenues could be increased by greater use of our facilities by outside groups.
- Establish 100% replacement reserve to “self-endow” future repairs/replacements.
- With Admiralty condominiums becoming increasingly residential, providing less rental income to LMC and with increased use from home building without increased fees, establish policies about fee based activities and broaden fund raising methods.
- The Board should establish a long term fund raising program and an endowment method of providing funds for special or large projects. Review usage on a regular basis to be sure that members aren’t supporting non-members who pay nothing.
- Creation of a coffee shop or reading room might be considered, as well as a snack bar near the outdoor pool in the summer.

End of Report