

**Ballot Measure**

**April 14, 2007**

## **Notice of Special Membership Meeting of HMC Management**

**Notice is hereby given pursuant to Article 4 of the Bylaws of HMC Management that a special meeting of the membership will be held on Saturday, April 14, 2007 at the hour of 12:00 Noon at the HMC Community Building. At the meeting, one (1) ballot proposal described below which has been set before the members by action of the Board of Directors will be voted on.**

**Members may vote in person at the meeting or by mailing or delivering the enclosed absentee ballot to the HMC Office so that it is received prior to the time of the meeting. *Ballots will not be counted unless your name and signature appear on the large envelope.***

**1. Pursuant to the “Policy Regarding Sale of HMC Owned Lots” dated August 12, 2006, the Board of Directors has proposed that the lot currently owned by HMC Management and located at 311 East Madrona Boulevard be traded for the lot currently owned by Ronald and Delia Gallucci and located at 903 West Yew Boulevard.**

## Ballot Explanation

The HMC Management Board of Directors has proposed that HMC trade a lot that HMC has owned for many years for the privately-owned lot that abuts the Community Building on the north side. The initial reason for considering the acquisition of this lot is that the Pierce County Building Department had told HMC that to do any improvements on the Community Building would require additional setback space, as the building sits so close to the property line. The improvement that was planned was a roof over the concrete pad on the east side of the building. The County later determined that the roof could be built without an additional setback, so acquiring the lot next door was no longer required as a condition of building.

By that point the Board had been having conversations with the owners of the lot, and they offered to trade their lot for one owned by HMC if it could be done straight across (with no cash involved) and provided they could find an HMC lot that would meet their needs for future use. Having found a property that is satisfactory to them, they have agreed to move forward with trading their lot for the HMC lot.

The Board and the Island Manager have discussed the opportunity and agree that since the privately-owned lot is the only lot contiguous to the Community Building it would, on the balance, be appropriate and desirable for HMC to own it. Future use for it is not planned at this time, but by obtaining ownership now it prevents the lot from development by private parties and gives HMC time to consider various uses for it as the island's needs change. A new community building that does not utilize most of its space for a fire station has been mentioned as one viable option in the future.

The properties involved in the proposed trade are somewhat different in nature, but both have been found by percolation testing and professional wetlands analysis to be buildable and to allow a septic system. While the lots are not valued identically in terms of market analysis, the value to HMC to have the only remaining contiguous lot available for future community needs does not easily equate to dollar amounts. As is true with any purchase of real estate, value is determined in the buyer's eyes and in a case like this, one parcel can easily have greater long-term value to the Association over various others. If the Membership agrees that this is in the best interests of the Association the Board will proceed to work on the parcel trade.

### Argument For a "Yes" Vote

- (1) The lot HMC would acquire is contiguous to our community center and Goodpastor Park.
- (2) The Comparative Market Analyses include comparable septic percolation tests and wetland analyses as the basis for an even swap.
- (3) The 903 Yew lot has about 140' of frontage on the road and is about 2000 sq feet larger than 311 East Madrona.
- (4) Future usage of 903 Yew is not the real issue in making the swap. The fact is that if HMC does not acquire it now, then it is possibly lost forever. However, many possible potential uses exist: More parking, perhaps a storage area (we need to remove materials from the well/reservoir lots to comply with the State DOH inspection) organized for materials needed for parks, roads, water, etc., possible expansion of the office area, future drainfield for the community building, and on, and on, and on.
- (5) There are few costs to HMC in the swap, only whatever the title transfer fees and the like will be.
- (6) The Board is mandated by our rules to put the issue to the membership by ballot. We encourage you to weigh the positive features of voting for the swap.

Allen Moren, HMC President

### Argument Against a "Yes" Vote

Essentially the question is: Does HMC want to "swap" with no monies exchanged a buildable view lot for a buildable lot?

- (1) Originally, there was concern an additional lot north of the Community Center/Fire Hall would be needed to get a building permit to add the carport. In the end, the permit was issued without the additional lot.
- (2) The swap is based on an unidentified future need without a "plan". The swap is not needed, unplanned and costly.
- (3) Swapping the property would cost HMC the possibility of a new assessment, if HMC sold the property instead, plus the loss of revenue (estimated at \$ 30,000+) from selling the property.
- (4) With the upcoming costs of the new water system we should be selling properties.
- (5) On paper, the lots may appear comparable, but we invite you to take a drive-by and decide for yourself. (HMC owned lot: 311 E. Madrona Blvd—Galluci owned lot: 903 Yew Blvd).
- (6) Due to time constraints, this view brought to you based on information heard at Board Meetings and without seeing the ballot and supportive opinions.

Terrill C., Jack and Nancy W.- Another View for You Committee

# Official Ballot and Voting Instructions

1. Vote yes to accept the proposal set forth below. Vote no to reject it.
2. Insert your ballot in the envelope marked "Official Ballot" and seal the envelope. Do not put your name on this envelope. Do not place anything other than one Ballot in this envelope.
3. Place the small envelope marked "Official Ballot" in the large envelope. **You must sign the large envelope and make sure that your name and address appear on the large envelope. *If your name and signature do not appear on the outside of the large envelope, your vote will not be counted.***
4. To be considered a member in good standing and have your vote counted, all delinquent charges and assessments must be paid in full before the Ballots are counted.
5. Please make sure that your name is legible on the large envelope. If your name cannot be read, the ballot will not be counted.
6. Your absentee Ballot must be received in the HMC Office by 12:00 Noon, Saturday, April 14, 2007 to be counted. If you prefer to vote in person, please attend the meeting. The Ballots will be counted at that time.

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## Proposition No. 1

(Approval of Property Exchange)

Shall the lot currently owned by HMC Management and located at 311 East Madrona Boulevard be traded for the lot currently owned by Ronald and Delia Gallucci and located at 903 West Yew Boulevard?

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**YES** (For Proposition)

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**NO** (Against Proposition)

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## **Ballot Results**

**April 14, 2007**

### **Ballot Results**

Swap of HMC/Gallucci lots:

Yes: 87

No: 46