

**Santa Lucia Preserve Co. Update
for the
Santa Lucia Conservancy Board
October, 2018**

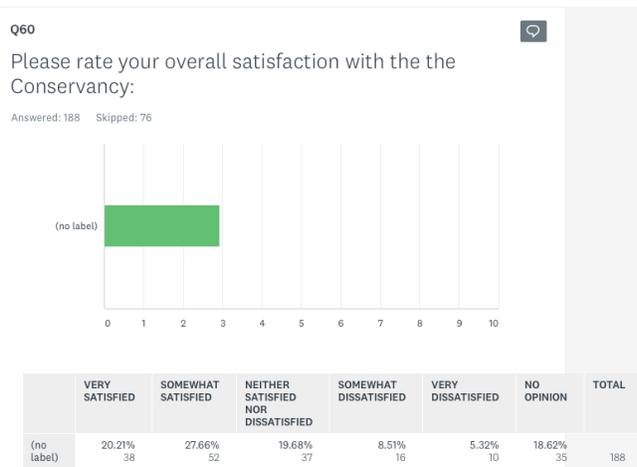
Karen Baxter, the Preserve's CEO, recently issued a community update and below are the highlights:

- Through June revenues and profits were on budget and the forecast for the year calls for the same. The Preserve is financially stable, but reserves need to be significantly expanded.
- Real estate and membership sales are tracking toward the best year since 2013. While encouraging, real estate sales still lag behind surrounding communities in terms of velocity and values. Further, while the growth in membership sales and the quality of members the Preserve is attracting is also encouraging, at least another ~30 new members are needed to optimize the operating plan and expand reserves. Karen is implementing a number of new/better plans to market the Preserve including working with the Conservancy.
- Fiber optic installation is nearly complete making the Preserve a relatively unique community in the US. CSD, who managed the project, will now focus on expanding cell coverage. A number of other long-needed infrastructure projects have been accelerated around the Preserve.
- Our staff is almost universally appreciated. However, it is becoming harder to attract and keep the best staff given the demand for personnel throughout the Monterey Peninsula area. Compensation and housing plans are once again being evaluated as potential competitive advantages.
- Activity levels throughout the summer were up and the demographics are starting to broaden.
- The community has been debating the value of hosted weddings at the Preserve. There have been 20 or more weddings over each of the last two years, and while they bring in significant revenues and profits, they can also be disruptive. The Ranch Club, the entity most responsible for managing the wedding business, is planning to limit the scope of weddings in 2019.
- The Preserve remains in good shape when it comes to water.
- CSD is pursuing a solar project in which solar arrays are placed on our water storage ponds. We will test their ability to generate power while at the same time limit evaporation.

Here is a sneak preview of the results from the recent Preserve survey. Members will be updated soon:

- We had a healthy response rate: 251 people responded; 271 responded to the last survey in 2014
- This was a long survey, but many respondents took the time to add very helpful comments
- There was considerable variety in the commentary, but clear positions emerged
- Overall, community members feel good about the Preserve – 87% are likely to recommend the Preserve to family and friends (69% are "Highly Likely" to recommend); these results are similar to 2014 (64% were "Highly Likely" to recommend the Preserve in 2014)
- Community members were mostly drawn to the Preserve by its natural beauty; once here, they also appreciate their neighbors, the staff, and the sense of community
- As in 2014, community members are most satisfied with the Ranch Club, Golf Club, Resident Services, and CSD (Community Services District). All received satisfaction ratings of ~90%
- As in 2014, community members are least satisfied with the DRB and Conservancy. Each received satisfaction ratings of ~50%
- Surprisingly, age, gender and ownership status (home, lot, neither) had little impact on responses
- In 2014 community members were primarily focused on the financial health of the Preserve. In 2018, they are primarily focused on the marketing of the Preserve and the value of their investment
- Other areas where community members see room for improvement include the level and quality of communication, the number and quality of organized activities, and better food offerings

And here is closer look at the Survey results for the Conservancy:



- Overall satisfaction is relatively low compared to the Ranch Club, Golf Club, CSD and Resident Services. Dissatisfaction is not high, but a surprisingly high 39% either had no opinion or were neither satisfied nor dissatisfied.
- Here are representative comments from the respondents:
 - *The Preserve community is the largest stakeholder and potentially largest supporter of the Conservancy. There should be a very close relationship between the Conservancy and this community*
 - *I really feel we need the Center on property.*
 - *Conservancy can be too adversarial towards the residential community members. It exists because we bought lots here and that is the source of its extensive endowment. Conservancy attitude needs to be more inclusive with the members. A few encroachments here and there or communication facilities on its 18,000 acres which benefit the health, safety and enjoyment of the members are de minimus impacts on the land. This place is huge.*
 - *Increased communications with the community, especially in the weekly newsletter and even a tab in the newsletter directly to the Conservancy website to obtain pertinent weekly or current info such as: tick season and what to do, interactions with wildlife etc.*
 - *Better communication from the SLC on accomplishments, challenges, status.*
 - *The conservancy does not communicate the same ethos as the Preserve staff. They seem insular and a bit snobby.*
 - *They did a great job around the recovery from the fires. However, apart from that they seem somewhat disconnected from the issues effecting the Preserve. Good intentions but many issues left hanging. For example, what are we actually doing about invasive species? Huge problem in parts of Preserve. Do they (we?) have a plan?*
 - *Doing a better job of presenting value of the Conservancy, less policeman, more proactive in communicating programs and benefits*
 - *The Conservancy is starting to engage with The Preserve Community but there is a long way to go on this. For too long The Conservancy has been off on their own and out-of-touch with The Community. This builds not bridges, but animosity between us. The Conservancy has to be with us, not against us.*
 - *The new leadership is definitely moving in the right direction since December. The May 20 program and dinner were excellent.*
 - *Relationship between conservancy and Preserve needs to continue to improve. There is still a bit of we/they on the conservancy staff.*
 - *They have been wonderful monitoring owl boxes and keeping me updated. Always responsive when I have questions.*
 - *Working with Christy Fisher this year has been a pleasure. In years past, not so much.*
 - *Areas to continue to improve: 1. Presenting the Conservancy as a key benefit for potential members. 2. Shifting attitude/actions toward more community collaboration, less rigid policing.*

- *Love what they are doing, but feel sometimes we Preserve humans are second class citizens to their projects.*
- *My experience is that the Conservancy doesn't consider itself an integral part of the Preserve. Too independent and smug about their role—not cooperative or even interested in solving member issues. Not very responsive re open land issues that affect home owners—tree problems, mowing, land management etc. More concerned about the land and animals than members interests. Out of balance*
- *Conservancy seems to follow its own agenda without much attention to Homeowner needs and concerns.*
- *I like the increased communication from the Conservancy in the last year or so. I'm seldom there for talks and outings.*
- *Communication can be improved and reminders of the importance of the Conservancy's work, and to remind everyone of our mutual commitment to preserve the natural beauty around us.*
- *Expertise of staff is great. Conservancy input to the Design Review process is inconsistent but welcome.*
- *Staff acts as if residents are either in the way or Ignorant*
- *Over the years, I've been generally anti-conservancy because I have viewed them as historically anti-member. I think that's starting to change and I appreciate efforts in that direction.*
- *I like that we did outreach to protect land outside our borders. Good for the community and us.*
- *The Conservancy was created to manage the land of the Preserve prudently. It has not focused enough on that mandate, putting its energy in concerns outside the Preserve instead and in policing small violations in owners' building processes. Its letter-of-the-law approach has alienated many, although its mission is enthusiastically supported. If only we had a leadership which would focus on that mission. On the bright side, the programs for the community are usually very interesting and well received.*