

**FAIRLINGTON ARBOR ASSOCIATION OF CO-OWNERS**  
**PO BOX 16756 -- ALEXANDRIA, VA 22302**

TO: Fairlington Arbor Co-owners  
FROM: Judith Greig, President  
Fairlington Arbor Board of Directors  
DATE: October 6, 1999  
SUBJECT: Purchase of unit to house onsite management facility

On September 25, 1999, with the support of the Finance Committee and the Association's legal counsel, the Board of Directors voted that purchase of a conveniently located Barcroft unit to house the onsite management office and other amenities appeared to be the option in the best financial and environmental interests of the community (in favor: 5; opposed: 0). On October 1, with additional confirming information in hand, the Board voted to purchase the unit (in favor: 5; opposed: 0). The Board, therefore, is proceeding with the purchase.

The Board received and considered homeowner input at the Budget Meeting and subsequently by letter and phone call. Some input was in support of the purchase of the unit. Some co-owners asked for information on the options. Some input was in opposition to the unit purchase, most of it expressed in a form letter with multiple signatories (some of whom indicated that even though they had signed, they were not opposed, but wanted more information).

The approximate combined total of those units either requesting information on the options or opposing the purchase is at most 11% of the Arbor's 367 units. This does not, however, represent 11% of the voting capacity of the Association. To arrive at that number, the Board would need the unit address of each signatory (or multiple signatories representing ownership of one unit) to ascertain the percentage ownership in the Association. Fifty percent of those who signed the form letter did not indicate their addresses so it is not clear whether more than one signatory represents a single unit and whether all who signed are actually unit owners.

The Board would like to share with the co-owners the questions and suggestions that were expressed at the Budget meeting and in telephone and written communications to the Board.

**Q: Why do we need somewhere different for the office?**

As explained at the Budget meeting on September 23, 1999 and in the October issue of the newsletter distributed the following week:

- (1) **Space.** We have outgrown the present onsite management facility. The facility, housed in a section of the poolhouse, was originally intended for storage and for carrying out minor repairs. We now own more equipment than can be stored onsite; we carry out more repairs; and we store more materials because we are carrying out repairs and maintenance onsite that other villages contract out. To give just one example: trimming foundation bushes and trees is typically a part of the landscape contract. For the past 11 years, the Arbor's onsite staff have performed this function, thereby saving the Association between \$6,500 and \$8,000 per year. We would not be able to do this unless we owned and housed the equipment and associated supplies.
- (2) **Working conditions.** The maintenance facility, although inadequately ventilated and insulated and dusty, now also houses a very cramped administrative office where our onsite manager works and where the Association's files, computer, office equipment, and supplies are kept. This was not part of the original purpose and the building is inappropriate for office use. For reasons related to space needs and the provision of up-to-standard facilities for our onsite employees, an alternative is needed.

**Q: What other options were considered?**

The Board considered adding onto the pool house; building at another location; and later, when the opportunity presented itself, purchasing a unit.

**Q: Why didn't the community know there was a problem with the facility?**

The present Board and past Boards have discussed the problem from time to time. Up to this point, the only solution was to build a structure, with the attendant financial and environmental issues described below. The Boards, therefore, had no solution to communicate to the co-owners.

**Q: Why can't we build onto the poolhouse?**

- (1) The location does not lend itself to building out at ground level.
- (2) Even if the location were suitable, the foundation would need significant underpinning before we could build out at ground level.
- (3) We can't build up because the foundation cannot support a second floor.

**Q: Why not build out on the paved apron between the baby pool and the main pool?**

- (1) There is not enough room.
- (2) The foundation would need significant underpinning.
- (3) It would entail relocating the doors to the men's and women's shower rooms to the outside elevation of the building where they would not be accessible from inside the pool enclosure.

**Q: What about building a new structure?**

- (1) The Board researched costs of construction (as detailed in the October newsletter) and the cost of building the smallest practical space to meet today's needs—which would not allow for expansion—would be over \$20,000 more than purchasing a unit with significantly more space.
- (2) Construction would reduce our common green area and inconvenience the community.
- (3) The most practical location for the building would entail moving and relocating the Tot Lot—an additional expense and inconvenience to the community.

**Q: Why not buy an upper level unit, which is smaller than a Barcroft?**

- (1) The Board assessed space needs and determined that a Barcroft is appropriate.
- (2) Ground floor access through the back of the unit is more practical for our onsite staff.
- (3) No upper level units in an appropriate location are for sale.

**Q: Why not rent a unit?**

Rental would be pure expense to the Association. Purchasing a unit gives the Arbor an appreciable asset.

**Q: Why not rent an offsite property?**

- (1) Rental would be pure expense to the Association.
- (2) We would no longer have onsite management—a major reason for the Arbor's superior financial position and ability to operate without raising condo fees for seven years.

**Q: Doesn't purchasing this unit set a precedent for anyone to set up a business or sell a unit as business property?**

No. The Board consulted the Association's attorney and the attorney's opinion letter quotes the Virginia Condominium Act to back the statement that this action will not set such a precedent.

**Q: Why didn't the Board let the community know about this sooner?**

The Board notified homeowners as soon as concrete information was available. We learned this summer of the unconfirmed possibility that a unit might be offered for sale and we discussed the potential costs and benefits compared with the other options. Board meetings, where matters of importance to the community are discussed, are conducted in the sunshine, according to the laws of the Commonwealth of Virginia, and any Arbor resident is welcome to attend. When it was confirmed that the unit would actually be for sale, the Board solicited quantifiable cost-benefit information and consulted counsel and the Arlington County zoning authority to determine whether it was legally possible to purchase the unit for use as an office. The Board received word that purchase would be a legally viable option three days before the Budget Meeting. The Board, therefore, included notification of this item of new business in the Meeting reminder that was distributed the day before the meeting.

**Q: Why didn't the Board ask the co-owners to vote on this?**

The By-laws do not require that co-owners vote on individual capital or operating expenditures. The co-owners vote to approve or not to approve the budget presented by the Board and elect the Board to make fiduciary and other decisions. The Board, acting in the best interests of the Association, made this decision in the same way that former Boards have voted to renovate the poolhouse, construct the Tot Lot, replace the fences, and replace the roofs.

**Q: Where is the money coming from? Will there be a special assessment?**

No. The Arbor has built up almost \$2 million in reserves over the years to cover such expenditures as this. The reserves will cover this purchase and still be amply funded.

**Q: Are we taking out a mortgage?**

No. The Association will not incur interest debt.

**Q: Will any noisy or dusty repair work be carried out in the unit?**

No. The poolhouse maintenance building will continue to be used for repairs.

**Q: Will fertilizer, sand, salt, paint, motorized equipment, etc. be stored in the unit?**

No. These items will continue to be stored in the poolhouse maintenance building.

**Q: Will adjacent units be inconvenienced?**

The unit will be used for office and management purposes until 4 PM and occasionally in the evening for Board and committee meetings and community events. It is extremely unlikely that these uses would inconvenience adjacent units.

*ANY CO-OWNER HAVING OTHER QUESTIONS IS INVITED TO CALL A BOARD MEMBER.*