

Strata Plan LMS 712
Memo to Owners
2012 (Phase 2) Renewals and Maintenance Program

2012 (Phase 2)

Phase 2 - 2012 is intended as a continuation of the “Maintenance and Renewal” work performed in Phase 1 - 2011.

Beach Tower

The largest component of Phase 2 is the south elevation of the Beach Tower (Figure 1). The proposed work has been divided into drops. For some time there has been a significant amount of reported water ingress associated with the balcony interfaces at the 05 and 06 suites. Balcony renewals are the main focus of this work. The work on this elevation will be performed from scaffolding rather than swingstage in order to improve efficiency, reduce costs and ensure the work is performed in a timely manner. The extent of the scaffolding is denoted by the red dashed line.



Figure 1 South Elevation Beach Tower

In summary the work associated with the 4 drops on the south elevation of Beach Tower includes:

- Balcony Renewals (*urethane membrane with improved interface detailing*).
- Fireplace Exhaust Vents (*remove existing corroded exhaust vents and replace with stainless steel exhaust vents*).
- Water Shedding Improvements (*silicone strips and sealant applications at window and door assemblies*).
- Metal Slab Panel Exhaust Vents (*re-alignment with improved interface detailing and new vent hoods*).

Budget costs associated with balcony work - \$750,000

Budget costs associated with remaining work - \$414,000

South Elevation Total Budget Allowance - \$1,164,000 (includes scaffolding, general conditions, engineering, contingency and HST).

The second largest component of Phase 2 is the repair of the parapet balconies on the east and west elevations (Figure 2). These areas were deferred during sealant installations intended for Phase 1 in order to address the early stages of corrosion observed on both structural and infill steel framing members.

In summary the work associated with the parapet type balconies on the east and west elevation of Beach Tower includes:

- Balcony renewals (*urethane membrane with parapet framing repairs and improved parapet interface and drain detailing*).
- Metal Panels and Flashing (*water shedding improvements - sealant and silicone strip*).

East elevation budget allowance - \$257,000

West elevation budget allowance - \$257,000

East and West Elevation Total Budget Allowance - \$514,000 (includes swing stage, general conditions, engineering, contingency and HST).



Figure 2 Upper West Elevation of Beach Tower

The third component of Phase 2 is water shedding improvements on both the east and west elevation of Ocean Tower (Figures 3 and 4). These areas were selected based on reported water ingress.

In summary the work associated with the drops on the east and west elevation of Ocean Tower includes:

- Metal Panels (*Water Shedding Improvements - seal metal panel joints*)
- Water Shedding Improvements (*silicone strips and sealant applications at window and door assemblies*)
- Metal Panel Exhaust Vents (*re-alignment with improved interface detailing and new vent hoods*)



Figure 3 Ocean Tower

This work to be implemented at the Ocean Tower is very similar to that previously performed at the Beach Tower.

East elevation budget allowance - \$140,000

West elevation budget allowance - \$171,000

Ocean Tower - East and West Total Budget Allowance - \$311,000 (includes swing stage, general conditions, engineering, contingency and HST).

In addition to the above mentioned Phase 2 components an allowance of \$50,000 has been slated for investigation of the water ingress related issues observed at the Beach Tower entry (Figure 5).

Phase 2 also includes replacement of failed sealed unit (IGU) at the Seabreeze Townhomes as well as other localized locations. The budget allocated for this task is \$25,000.



Figure 4 Ocean Tower

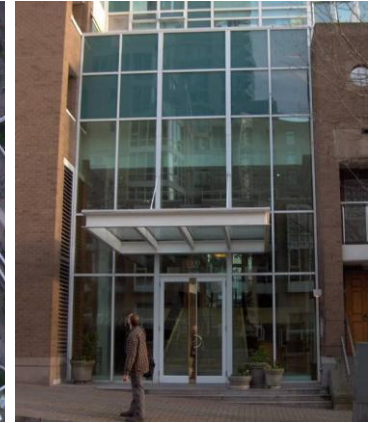


Figure 5 Beach Tower Entry

**Actual budget values presented have been further developed and vary slightly from the rounded values presented in the Special Resolution. The overall budget costs remain unchanged.

2013 (Phase 3)

Phase 3 – 2013 is intended as the final significant phase. Upon completion of Phase 3 the majority of the “Maintenance and Renewal” program for the 888 Beach complex will have been implemented. It is important to understand that further work will still be required. It is reasonable to assume that any further work required upon completion of Phase 3 could likely be performed within the parameters of the \$280,000 structural fund. As initially presented, this is the intent of the comprehensive “Maintenance and Renewal” program but further evaluation will need to be performed upon the completion of Phase 2 in order to develop an appropriate budget for Phase 3 and to better understand the extent of future expenditures.

In summary the following is considered for the scope of work associated with Phase 3:

- Complete “Maintenance and Renewal” work at Beach Tower – North Elevation (Figure 6):

(Scaffolding will be used for balcony membrane renewals and metal panel work at drop C – Swingstages will be used for balcony membrane renewals, water shedding improvements and sealant renewal work at drops B and D.)

*Work at drops B and D includes:

- Metal panel removal (*Remove metal panel above window locations to improve Tyvek interface detailing and implement window flashing details*)
- Water Shedding Improvements (*silicone strips and sealant applications at window and door assemblies*).
- Fireplace Exhaust Vents (*remove existing corroded exhaust vents and replace with stainless steel exhaust vents*).
- Balcony renewals (*urethane membrane with parapet framing repairs and improved parapet interface and drain detailing*).
- Metal Panels and Flashing (*water shedding improvements - sealant and silicone strip*).

*Work at drop C includes:

- Balcony renewals (*urethane membrane with parapet framing repairs and improved parapet interface and drain detailing*).
- Metal Panels and Flashing (*water shedding improvements - sealant and silicone strip*).
- Sealant at door and windows on back walls not included due to reduced exposure levels.



Figure 6 Beach Tower North

*Evaluate and Complete “Maintenance and Renewal” work at Ocean Tower

*California Walkway Roof Replacement

*Swing door replacement at Townhouses

*Miscellaneous additional tasks also considered for Phase 3 – 2013 include:

- Water shedding improvements at the townhouse atriums
- Water shedding improvements to the masonry clad walls at commercial space.
- Water shedding improvements to the masonry clad walls at Garden Tower and Townhouses
- PVC Membrane and Sky-door maintenance at Townhouses
- Continued sealed unit replacement (IGU’s)

Phase 3 Budget Allowance – It is anticipated that a budget similar to that presented for Phase 2 will be required for Phase 3. However, further investigation at Ocean Tower and budget development is still required in order to present representative budget cost numbers.

Advantages of proceeding with all the work included in the special levy include:

- 1) **Inconvenience will be reduced.** Scaffolding, swing stages and trades people will be on site for fewer seasons and interfere less with owners' summertime enjoyment of their homes.
- 2) **Overall costs will be reduced.** Fees associated with the contract management approach are the same regardless of the amount of work done. Fees are the same if the work done in each season is \$2 million or \$1 million. Cost savings are recognized if a larger scope of work is implemented. Given this fact, it makes more sense financially to get as much work done as possible during each phase.
- 3) **Benefits from of a competitive business climate.** The trades are presently bidding very competitively because of a slowdown in construction work. This has been our experience in 2011. It has worked to our advantage by allowing us to finish more work for the same amount of money. We expect this to continue in 2012. However, there is no guarantee how long this state of affairs will last. If we take advantage of the current trade climate by increasing the amount of work done next year, we expect (hope) to be able to reduce our overall costs to complete the project.
- 4) **Parapet balconies must be addressed soon.** As a result of investigative work completed this season, we know the parapet balconies on Beach tower (balconies above the 19th floors) are showing evidence of early corrosion of structural steel members. This does not require emergency repair. It does require attention. Soon. For this reason it has been added to the proposed scope of work for 2012. \$514,000 has been budgeted for this work. While this is expensive, there is no downside to addressing this repair sooner rather than later.
- 5) **Window replacements will be done more quickly.** Window replacements are a continuing source of owners' concern. The 2012 window replacement budget allows for replacement of failed window seals (IGUs) during the course of the year they are reported. This year, owners were pleased to have windows for which they had waited more than 1 year replaced.
- 6) **Improved market perception of values in the 888 Beach complex.** Perceptions of potential buyers and real estate agents vary and cover the full spectrum from statements that sales have not slowed down to statements the building has been "red flagged" because of the lack of an aggressive proactive approach. Whatever one's personal experience or belief, there can be no downside to moving forward aggressively, completing the necessary work as quickly as possible and putting the project behind us.

Disadvantages

While there are many advantages to passing the $\frac{3}{4}$ vote resolution for a special levy of \$1,988,000 there is one clear disadvantage: the more money raised in a single year the higher the cost to individual owners for each phase. This is a fact. To allow owners to budget more effectively for their assessment, council has made it part of the resolution to allow payment in 10 equal monthly installments beginning February 1 and ending November 1, 2012. This timing will allow for early collection of the monies, and an early start on the preparation of the tender documents and tender process. Owners will be able to set up P.A.C. payments for the special levy in the same manner many of us do for our regular strata fees. Special General Meeting to be held December 13th.

Conclusion

We have all chosen to live in the community environment a strata affords. Many of us remember the costs associated with owning a single family home - such as the cost of a new roof or a new heating, electrical or plumbing system. In comparison with single family home ownership costs, and the much larger special assessments faced by some strata complexes, the cost of our Renewals and Maintenance Program seems less onerous.

Council asks for your support. Please vote in favour of the 3/4 Resolution to raise a special assessment of \$1,988,000. If you are not coming the SGM on December 13th please give your proxy to a neighbour or council member.

December 7, 2011