

## MONTEGO VILLAGE TOWNHALL MEETING NOTES

February 3, 2022

5:00 pm

General Manager Angelino (GM Angelino) introduced structural engineers Mehdi Rashti, SMR Engineering; Carl Josephson, Josephson Werdowatz and Associates; and Contractor Bob Graham from Rockland Builder Services. Mehdi and Carl have provided professional opinions on the current state of the structure. Mehdi was also hired to explore retrofit options based on owner input during the advisory vote and had been referred to as the independent structural engineer. Carl was involved early on providing a second opinion peer review on the results of the core sample testing and the initial structural engineers opinion letter from Rhett Savoie. He also provided a bid for conducting a retrofit option depending on additional testing of the slab. Bob is a contractor hired by the HOA to develop and install a temporary shoring system and has also provided a bid for building a new covered structure.

Purpose of the meeting is to provide owners an opportunity to ask questions and gather information to assist them in making a decision on whether to demolish or not to demolish the Montego parking garage structure as part of the special election. The meeting was not intended to debate issues or discuss legal matters.

Summary: In late 2019 as part of the reserve study degraded conditions of the tennis courts were discovered: concrete spalling, tennis court fencing and net posts were rusted and needed replacement. Replacement was added to the budget and scheduled for refurbishment in September of 2020. During the resurfacing process, previous repairs under the tennis court coating were encountered and revealed severely corroded post tension cables and rebar imbedded in the concrete. Structural engineer Rhett Savoie recommended core sampling and testing for strength and salinity. Test results came back with an average of 2650 psi for a 4000-psi designed slab and high levels of salinity at the top of the slab. Repairs to the post tension cables were attempted and discontinued due to safety concerns. Multiple breaks were found in individual cables which made it very difficult to repair. Structural engineering recommendations were obtained. Rhett Savoie recommended the structure be demolished and a simpler covered parking structure built. Carl Josephson stated additional testing would be required to get a better picture of the concrete strengths throughout the structure. He also stated that if a retrofit repair was even possible, the cost would be approximately \$1-1.5 million and could increase significantly if the structure was required to meet current building codes. Bids for demolition were pursued and discussions with an architect and contractors for building a simpler covered parking structure commenced. Shortly thereafter we had owner feedback saying the structure should not be demolished and retrofit solution embarked involving carbon fiber wrap technology should be pursued. A threat of litigation to block any demolition was made. A village advisory vote was held, 20 out of 43 owners voted for exploring retrofit options more fully including an owner provided plan. Mehdi Rashti was contacted at that time as a third independent engineer. Mehdi determined the owner provided plan was not feasible. Bob Grant was hired to develop a temporary shoring plan and provide a cost for the installation and ongoing rental. Cost estimated at \$170,000 plus an estimated rental fee of \$15,000 per month. HOA

contacted the City regarding temporary shoring and permitting. At that time, Carl and Medhi conducted an additional inspection and recommended vacating the structure within 30 days or installing the temporary shoring. Notice to vacate within 30 days was issued by the HOA and the garage was declared unsafe and to use at your own risk. Notice was provided that access would be secured on February 14 and then weekly updates would be provided by email. A special vote is required by the CCRs to demolish the structure and the ballot was approved by the Board on January 27. The deadline to submit the ballots is by 2pm, February 17, 2022, with Lynda Pippenger appointed as Inspector of Elections.

Q The cause of failure, when we determined it, why did we go ahead with the tennis courts and the jack hammering when we already knew we had a problem?

A The purpose of the meeting today is to determine whether to demolish or not to demolish the parking structure. We don't want to get into legal questions due to a threat of litigation.

Although GM Angelino did not answer that series of questions, the following information was provided in a previous email on January 26, 2022 that stated:

**Question 1: Was the damage to the parking structure caused by the waterproofing contractor and subsequent post-tensioned cable repair contractor?**

**Answer: No.**

Damage to the 41-year-old structure was evident during the Reserve Study conducted by engineers and HOA Staff in late 2019/early 2020. The extent of the damage was revealed when the tennis court coating was removed in October 2020. Post-tensioned cables and rebar (buried in concrete) were found to be disintegrated or severely corroded and a network of cracks above each support column was revealed. A specialized contractor attempted to repair the cables and was pulled off the job as it was deemed unsafe and unrepairable.

Q Has there been an insurance claim that has been filed and was there any negligence in your opinion, on the part of the contractor doing the tennis courts, where his insurance company might be involved?

A The purpose of the meeting today is to determine whether to demolish or not to demolish the parking structure. We don't want to get into legal questions, we have a threat of litigation. Do you have any questions about the demolition or retrofit?

Q Wants to know if before the structure was demolished, if it could be included in some type of insurance claim.

A We have insurance that covers sudden or catastrophic events. We don't have insurance that covers replacement of an aging structure.

Q When your recent memo came out you said only one bid had been done for \$870k. The last estimate you sent out last year (on one of the advisory votes) was \$850k for demo and replacement.

That would mean that the current bid is \$1.2 million = \$350k over the last note sent to MV owners in September. That seems like a pretty big increase.

- A The initial amount supplied was just an estimate. We didn't have a bid and we didn't have a design that it was based upon. That was a guess at what it might cost. At the time we also thought it might be about \$200k for just the demo itself, which did not take into account the full cost of hiring a contractor, supervision, planning and those types of items. We have an accurate value now, based on bids from multiple contractors. We only have one bid right now for what it might cost to build a parking structure with and without solar.
- Q It just seems like such a huge discrepancy, and with no option about storage. [I] don't think there are a lot of people that would be interested in having a garage without storage. So [I] thought there would be more information about an estimate that included storage. If we have to move ahead with this, that seems critical.
- A Bob Graham: Our bid to demolish and rebuild with a carport option does provide for certain structural elements that would allow for an easy installation of both a garage door and/or side walls and/or storage at the rear. But at the time we were asked to provide a number, it was without any of those inclusions. But the structure was designed to have that be an option for the owners without having to get into some heavy structural elements.
- A GM Angelino – The proposed design includes a taller structure that could include storage in the overhead. The other key element is what the owners want for storage. A prefab? Or construct something similar to what currently exists. Owner input would be sought as we get further down the road on design/rebuild.
- Q If the vote comes in to not tear down the structure, what then?
- A Temporary shoring would be installed. Two items will be added to the February 17<sup>th</sup> Board agenda: 1) to select a demolition contractor, and 2) to approve to move forward with allocating funds for temporary shoring. If the vote is to not demolish the structure, 1) additional testing will need to be conducted to determine the strength of the slab and salinity levels throughout the slab. 2) Hiring one of the structural engineers to design a retrofit solution. 3) Put out to bid and 4) Come back with a cost for owners to consider.
- Q Has the City condemned the structure? Or are they going to?
- A. The City has received copies of the structural engineers' opinions regarding vacating and are considering whether to take action. The HOA is taking all the actions the City would expect. If the HOA had not done that, the City would red-tag the structure to force the HOA to vacate the structure within the 30 days and secure access. The City will monitor and most likely not take any action other than to facilitate with parking and permitting, where possible.
- Q When it gets closed off, how is that going to work?

A We have contacted a fencing company that would fence everything off.

Q If we decide to go with the demo, will that affect access to the pool?

A There would not be access to the pool to protect it from demolition dust and debris. The estimate is it will take 4-5 weeks to demolish, clean up and return to a parking lot set up.

Q Are there any provisions or recommendations for temporary storage?

A It depends on what is trying to be stored. Temporary kayak storage has been set up in the empty refuse bin enclosure. A few bicycles could also be stored there. Also, perhaps some room behind the enclosed garages. Tools and seasonal decorations will need to be stored in the unit, or maybe a neighbor can help with space.

Q If demolition is approved, when would it begin?

A ASAP and would be dependent upon permit approvals.

Q Since the plan will exhaust reserves and possibly result in an additional assessment, have the two engineers ruled out contributory negligence on behalf of the tennis contractors who were on top of the structure with jackhammers for a significant period amount of time? And if they have ruled out contributory negligence then are there any other parties that are potentially contributors to the finances in this situation? If they have not ruled them out, should they not be invited back so they can do their inspections to determine what negligence they potentially did to the tennis courts and the ultimate structure, so their insurance company can be placed on notice. If they are license contractors with the state license board they are required to have liability insurance. They are required to inspect the premises before jackhammering it and even a 10-20% contributory negligence will return some funds. [We] do not want to pay when others might also be financially responsible. Before we do any shoring or demolition, we should put them on notice they have a right to inspect and have their own engineers here.

A We understand the question, but it is not the purpose of this meeting. We will share that with the legal counsel for the HOA.

See the previous information provided from the January 26<sup>th</sup> email regarding the existing damage to the structure prior to attempting cable repairs.

Q Will access to the perimeter garages be available during demolition or retrofit?

A During demolition, access to move in and out of the south side garages would not be available. Cars would need to stay in their garage or be outside the village during working hours. Unprotected vehicles will not be covered/protected by contractor or HOA insurance. During a retrofit, access to the perimeter garages would depend on the construction process, but similarly, I expect that there will not be access to move in and out of the south side garages during working hours.

Q How long before we will have our own parking spaces again?

- A If the vote is to demolish, once the permits are obtained it should be about 4-5 weeks until individual parking spaces are available again. If it was to take a month to get the permits, then 2-3 months to having assigned parking spaces. We would request the City expedite the permits.
- Q Many owners would like the answers to the questions about contributory negligence answered prior to voting on whether to demolish the parking structure. Additionally, where is the contributory negligence on the part of the HOA for not properly maintaining the structure over the last 40 years? As owners [we] need to know this.
- Q How long is temporary shoring good for?
- A Mehdi Rashti: temporary shoring is installed with the intent to build and is usually in place for up to six months.
- Carl Josephson: temporary shoring isn't going to fail in six months, it could last for years. But it is not designed to replace a retrofit or rebuild.
- Q How many parking spaces are lost?
- A Approximately 20-30 spaces would be lost with the installation of temporary shoring.
- Q What happens if neither option passes?
- A The Board can extend the time allotted to vote, or if we can't get enough votes in favor of demolishing the structure, temporary shoring would be installed, and we would explore retrofit designs and expense followed by another vote based on the new information.
- C Some owner discussion should occur with CCHOA, not enough has happened that needs to be with you, Henry and a delegate for the owners.
- Q If we are closing the garage, why do we need to do the temporary shoring?
- A The structure is going to fail, we just don't know when.
- A Mehdi Rashti: Since we don't know yet if we are demolishing the structure or retrofitting, temporary shoring is necessary to ensure safety. The parking garage is closed off to prevent people from going underneath the structure [in case it fails].
- Q If the parking structure was to fail, could surrounding areas become damaged? Such as the pool and clubhouse...
- A Carl Josephson: To keep the users of the garage safe there is a need to pull the vehicles and possessions out of the garage, that way if the structure was to collapse before temporary shoring could be installed, no one would be injured. Shoring the garage buys time to evaluate whether the garage can be saved or not. There is no guarantee that after additional testing, the garage will be able to be restored. There is probably less than a 50/50 chance of saving the structure. You can do anything for the money, but there is a point where it doesn't make sense to repair a garage that is

this old and probably doesn't meet the seismic requirements. If you are going to put this much effort and expense into it, the City could require the structure to be brought to current seismic requirements. The shoring is necessary if there will be any work, including the core sample testing.

A Once we realized how expensive temporary shoring is, it became necessary for the Village to make that decision. The CCRs require a 2/3 affirmative vote to make that decision.

Q Are we receiving additional security for our vehicles parked on the street while we wait?

A We have discussed with the Coronado Police Department to keep a better eye on the vehicles parked on the street while construction is going on. We don't have a lot of crime in the Cays. We've had some belongings stolen, mainly from unlocked cars though there was an occurrence with one truck where the window was broken. We also have our own Safety doing more patrols.

Q Is there a possibility that the City could condemn the structure and that shoring or retrofit are not even an option?

A The City considers our actions appropriate based on the structural engineers' recommendations. They will be monitoring the situation. They would only use the red-tag option to force people to take the correct action. We are encouraged the City will help us quickly obtain either a temporary shoring permit or a demolition permit.

Q The cost to demolish the structure is approximately \$1.2mil. What will be the immediate response to demolishing the garage?

A A demolition and rebuild was estimated at \$1.2million. The demolition is right around \$330k. The thought would be to get the demo done as quickly as possible, return the area to a parking lot, then approve a design and get the permit to build. There will be a period of time where the area will be a parking lot while design concepts are developed and go through an approval process with the Village, before getting a permit and starting construction.

Q So we don't have any plans or significant decisions as to what the design or rebuild of a parking lot or what it will look like at that stage?

A We have one bid to basically duplicate the structures on the southern part of the area, a covered parking structure that individual owners could enclose if they chose to. The condominium plan requires 87 spaces be provided. A solar alternative has been expressed as desirable. We have a bid but not particulars. A parking lot is safe while we go through the design/approval process but is not intended as the final outcome.

Q So we do have a contractor that has submitted some type of preliminary bid?

A Yes, Bob Graham from Rockland Builder Services provided the \$1.2million demo/rebuild bid.

Q If we determine to install the temporary shoring and move forward with trying to make the temporary into permanent, we will maintain the basic footprint of the parking structure which

would at least in the long term possibly maintain the tennis courts on top, making sure that any vehicles that were inside the structure would be covered, and would likely have some type of storage. Is that correct? And do so costing \$1.2 million.

A We don't know if we can retrofit the structure. We don't know if it is strong enough to retrofit it. We would have to hire a structural engineer to create a retrofit plan, to see what that would include. Then we would have to bid that out to get a number. \$1.2 million was the best we could come up with based on preliminary discussion with engineers. It could be significantly more than that depending on code requirements and other considerations. Structural engineers don't like to give you a number because contractors are the ones that have to build it. It could cost significantly more depending upon code upgrades and the potential for added features. A retrofit solution would unlikely include tennis courts. Another significant consideration is the ongoing maintenance cost vs a more-simple carport structure similar to the exterior of the village. Lifecycle costs are important and should also be considered.

Q Does it appear there will be a significant assessment ahead?

A \$350,000 is in the Reserve Plan for the structure which will cover the demo. If we demolish the structure, we will need a special assessment to cover the cost of the rebuild.

Q We vote to tear it down or we vote for the supporting structures. The cost for the supporting structures could be significant with no end to it. Do we need 2/3 vote to make a decision? Or can we change the vote for this special circumstance so that we can move ahead.

A The 2/3 vote is a requirement of the CCRs. If we do not get 2/3 (48) votes then we do not demolish and must move forward with the temporary shoring. Then we would essentially be buying more time to determine the next step. Additional testing, at a cost, will determine if a retrofit is possible or feasible.