



To: Members of Seapointe Village Master Condominium Association
From: Seapointe Village Master Council
Date: May 16, 2019
Re: Plaza Deck Hot Tub Area Rehabilitation Project Update

This correspondence will provide an update on the Seapointe Village Plaza Deck Hot Tub Area Rehabilitation Project. We have prepared this in a Question & Answer format to provide the most current status update and to address the most frequently asked questions we received from homeowners during the off-season.

Q. When will the project be done?

A. The immediate efforts are to have the oceanfront pool and garden pool (kiddie pool) available for Memorial Day Weekend. Weather permitting, surface finishes are expected to be complete by May 14, rain curtain on the waterfall Trellis installed by May 16, electrical bonding certificate by May 17 and Dept of Health Inspection and approval for opening is scheduled for May 22. Our contractor is closely monitoring all details of the remaining work and according to his schedule the oceanfront pool and garden spa (kiddie pool) will be open and available for use Memorial Day Weekend.

The elevated deck and spas are expected to be completed by June 7 and the project is expected to reach substantial completion by June 13.

Q. Why did it take longer than planned?

A. The project has taken longer because of unknown factors that have either caused project delays or unforeseen site conditions realized during construction.

Well, for starters we found something that we've never seen before in any of the original Seapointe Village construction an entire area that was over designed and over built! Reinforcing steel normally only seen in heavy construction such as bridges and roadways was used throughout the old hot tubs area that were to be demolished. While it sure didn't keep them from leaking, it did cause the demolition to take more than double the expected time.

Even though we received unanimous approval from the Lower Township Planning Board on September 20, 2018, it took until mid-November for the Township engineer to complete his review and sign off on all the constructions plans and specifications, which pushed back the permitting process, and subsequently the start of demolition longer than expected, a six weeks delay.

The project also required many more specialties than you might think, everything from specialized demolition equipment, specialty waterproofing materials, equipment, certified waterproofing sub-contractor, and multiple sub-

contractor crews for carpentry, masonry, tile and mechanical all requiring coordination of ordering, fabrication, installation and construction. For example, the defined limits of the project were a small construction area that required the contractor to plan and coordinate the project working in the furthest areas first, completing work in this area, and working their way “out” so as not to be performing work that adversely affected areas not in the construction zone, and so as not to affect newly done work. In essence, each contract specialty had to be planned and sequenced in proper order and completed before the next contract specialty could begin their work.

To provide specific examples:

Due to weight and size limitations, concrete mixer trucks were not able to park on the plaza deck near the construction area, and therefore all of the concrete used for the project had to be poured one yard at a time, using a small “Bob-Cats” transported across the plaza deck maneuvering very carefully with the concrete load to the construction site.

The demolition was carefully planned, methodical and deliberate because the contractor had to protect adjacent areas outside the project’s contract limits not scheduled for demolition and not damage the plaza deck’s supporting reinforced prestressed concrete planks infrastructure. The existing hot tub area structure was built with excessive concrete in thickness and reinforced steel which was not anticipated, an unforeseen site condition. This was not expected by the contractor. This resulted in extending the demolition time because the concrete had to be broken into smaller pieces in order to be removed from the construction site. This process was time consuming and tedious since smaller equipment had to be used because of the weight, size and noise restrictions, especially since the construction area was very close proximity to the residential community. In addition, materials being removed were separated such as, concrete, soil, metals, etc., prior to be dumped.

The laminated glass railings can only be measured once the deck installation is complete, due to the precision required for each fabricated piece.

The general contractor has been challenged to locate and identify qualified contractors in Southern New Jersey to apply the waterfall gazebo coating which has certain temperature requirements. This will be finished in early June and will provide the waterfall trellis with a durable, sea-shore resistant white coating.

The general contractor has repeatedly stated that this project has been more meticulous and time consuming than most other projects, yet the hybrid design-build process has insulated us from the typical extra costs such work would likely have caused in a typical bid process.

Lastly, although some inclement weather and holidays were planned for this project by the contractor however, per the weather service, it looks like we may have set a new record during construction 16 straight Fridays with rain! The loss of that much time to rain, plus snow and wind conditions also had a real impact on the project’s continuity.

Q. Did the hybrid design-build approach work?

A. It sure did, and even better than expected! First, we have a project with quality unexcelled in anything ever constructed at Seapointe Village. The actual work, in many respects was far more complex, technical and detailed than many expected. The design-build hybrid allowed us to use the great expertise of our Construction Manager to work cooperatively with a Contractor who had a personal stake in the outcome to make adjustments on the fly to fine tune every aspect of the project.

It also gave us greater control of project costs than would be possible with a traditional bid project. It also allowed us to extend the period of homeowner input last Fall, since we weren’t bound by bid submission deadlines that would have precluded the extensive vetting we provided as well as allowing the many modifications based on homeowner input to be included. Without that process the project almost certainly could not have been completed this year, when adding in the time required to solicit and review bids, check contractor and sub-contractor qualifications, and to award a contract. That would have significantly added to the cost of the project, since the tariffs that have been and are now being imposed could well have caused significant material and construction cost increases.

Q. How about the cost?

A. The construction contract is \$3,179,632. To date, the net change orders total \$30,851, bringing the construction cost to \$3,210,483. Additional project-related hard costs are \$60,000. Professional fees are expected to be just over \$510,000 (for both the 2016 Plan and the current plan). Expenses for legal services, permits, inspections, administrative expenses and loan costs are \$130,000. We expect the final project cost to be approximately \$3.91 million. We will announce final project costs when the project is complete, and all expenses are reconciled. We expect this to occur in late Summer.

The preliminary special assessment amount of \$3.5 million will be increased to cover the actual cost of the project. The preconstruction per-unit estimated special assessment amounts will be adjusted based on the final actual cost and the details of the allocation method will be provided.

Q. Why can't we just take the extra amount out of the replacement reserve account?

A. The intent was always to replace the professional fees that were borrowed from the replacement reserve account since those costs were not included in the current replacement reserve study. In addition, there will be funds needed in the near future for the dune access walkway and gatehouse rehab projects.

Q. The new waterfall trellis looks great, but how about some shade?

A. We anticipated that, and plan to learn the opinions of our homeowners and guests so that we can address that for next season.

One likely approach, which is inexpensive, easy to do and adjustable is to use fabric woven through the beams as you've probably seen on cruise ships or in Caribbean resorts.

There are several areas like this that need feedback from actual use before we settle on our final configuration. Included in that will be the number and location of wind resistant umbrellas on the upper deck, how many chairs? where tables should go? etc.

Q. We love the idea of misters on the upper deck but if they are very popular are two enough?

A. We anticipated that. Under the deck we have added piping to provide for easy expansion should we want to consider adding more in the future.

Q. The new improvements look great and we like the location of the hot tubs, but the mechanical room was very small. Do we still have to depend on 30-year-old pumps and filters to run this, as some residents have said?

A. We are really, really glad you asked. What you can't see from the outside is the outstanding, entirely new main pool mechanical room that houses the mechanical and electrical systems, pumps, motors, filters, piping, water quality control equipment, heaters, etc. Everything is new commercial grade equipment, designed and selected to provide better water quality and longer, more reliable service, right down to the media used in the filter tanks.

We removed a non-functional lagoon and we have taken advantage of this location, as well as unused portions of the garage to provide an entirely new system in all respects. This work was critical to the durability, function and operating procedures for the entire project.

Q. OK, the project is great, but shouldn't Ibis homeowners pay more? What exactly is the history of Ibis Condominiums? Why do they pay for services as an amenity usage fee rather than as members of the Master Association?

A. There is a very important history here to understand. The property where Ibis was constructed was originally approved for a 110-room hotel. The Master Council saw the hotel as a potentially huge detriment to the quality of life at Seapointe Village, and potentially a significant cost for the increased security it would have required. Imagine 110 new families every week who would not have rights to use our facilities but would have no reason not to “test the water” and try and come in without permission. We also had no control of the beach, since the developer owned that too. Also, the area we know as Ibis would not be available to Seapointe Village residents. We solved all of that as follows, with the purchase, development restrictions and usage agreement we have.

We now own 600 feet wide beach.

We have 22 condominiums in Ibis with owners that are fully committed to the mission of Seapointe Village, yet account for less than 5% of the users of our amenities.

We negotiated with the developer to construct a beautiful indoor/outdoor pool and surrounding grounds, playground, new tennis courts, basketball court and firepit totally at the expense of the Developer.

We are currently reviewing an approach to our structure that would not increase costs for our homeowners but would maximize the annual contribution from Ibis residents.

Don't forget, a fixed location camera is available for you to monitor the work area. Access to this camera is available through the Seapointe Village website (spvma.com). From the spvma.com website, access the Owner's Area, Plaza Deck Rehab Project and link to the Deck Rehab Live Cam.

We remind you that the Seapointe Village Master Association Annual Meeting is scheduled for Saturday May 25 at 10am at Seapointe Village. If your schedule permits you to be at Seapointe Village, we encourage you to attend.

Thank you for your support and looking forward to seeing you Memorial Day weekend!