



Sunchaser Vacation Villas Renovation and Rehabilitation

Background - The Property

- 18 buildings situated on 34 acres in Fairmont, British Columbia
 - Riverside
 - 8 residential buildings containing 160 suites
 - 3 storey design
 - Wood frame construction built between 1990 and 1995
 - Hillside
 - 8 residential buildings containing 254 suites
 - Includes maintenance, housekeeping & outdoor amenities
 - 3 and 4 storey design with 22 “terrace” type units
 - Wood frame construction built between 1995 and 2002
 - Riverview
 - 1 residential building containing 64 suites
 - 4 storey design
 - Wood frame construction built in 2004
 - Rec Building
 - 1 multipurpose building
 - Includes administration, indoor and outdoor amenities
 - 2 storey design
 - Wood frame construction built in 1992

Background – Property Condition

- Polybutylene (PB) pipe used in the construction of 14 of the 18 buildings
 - Failure rate approximately 6-10 locations per month
 - Affects in-suite hot and cold domestic water supply
- Stucco and membrane failure – water penetration in all buildings
 - Original construction ½ inch, non-acrylic stucco – many areas of damage
 - Failed, damaged or absent deck membranes – areas of significant water damage
 - Inadequate gutter specification and incorrect installation – areas of water damage
- Civil works deficiencies (storm water management)
 - No storm water connection from buildings
 - Insufficient installation of catch-basins and storm water main pipes
 - Poor compaction and limited asphalt thickness – asphalt settlement and failure
- Geotechnical problems
 - Foundation failures in certain buildings (Building 7000 and 8000)

Deficiency examples



Water Penetration Repair



Compromised Stucco



Failed Soffit & Stucco



Failed Column & Soffit



Failed Deck Membrane



Collapsed Foundation

Deficiency example – Poly B Pipe



Post repair Poly B
pipe leak

Why Delay Is Not An Option

- PB pipe installation and leaks are known
 - Continued leaks will negate insurance
 - Leaks present significant health hazard – municipality may intervene and halt occupancy
- Stucco and membrane failure omnipresent
 - Structural integrity problematic – Decks will become unusable (Building 8100)
 - Water penetration present health hazard if untreated
- Storm water failures common
 - Resort experiencing at least one catastrophic storm event each year
 - Improper building perimeter drainage exacerbates geotechnical issues and envelope failures

Opportunities – Sunchaser Revitalization

- Co-ordinated renovation improves efficiency and reducing cost compared to ad hoc as required past work
- Plumbing must be replaced
 - The significant in-suite demolition makes suite upgrades realistic
 - Scope of work makes economies of scale viable
- Stucco and deck repair extensive
 - Scale makes exterior colour scheme update worthwhile
- Establishment of base-line costs make future budgeting realistic
 - Effective reserve for replacement budgeting for future replacements
 - Future capital items easier to identify

Team - Qualified Third Parties

- Engineering
 - Civil
 - MMM Group Ltd.
 - Envelope & Roofing
 - Aqua-Coast Engineering Ltd.
 - Structural
 - McElhanney Engineering Group Ltd.
 - Geotechnical
 - W & R Foundation Specialists Ltd.
 - Survey
 - Focus Engineering Partnership

- Construction Management
 - VVI Construction Ltd.
- Design
 - Samantha Pinksen Design and Décor
- Project Monitoring
 - LTA Consultants Inc.
- Legal
 - Norton Rose LLP

Process - Transparency & Accountability

- Extensive budgeting program
 - Trades and contracts subject to overviewed tender process
 - Adequacy of budget opined by 3rd party cost consultant
- Renovation Project Fees placed in segregated trust account
- Quality of construction inspected and approved by 3rd parties
- Cost of work in place and cost to complete reviewed and approved by 3rd party
- Funds disbursement overseen by legal counsel
- Major program components subject to available warranty
- Lien holdback provisions per *Builder's Lien Act - BC*

Budget - Riverside

Building	Number of Units	Square Feet	General Conditions	Interior Work	Exterior Work	Construction Cost	Exterior Contingency	Interior Contingency	Soft and Professional	Sub-Total	PST	Total Cost
100	20	12,100	109,800	836,078	83,528	1,029,406	5,000	25,000	92,000	1,151,406	60,473	1,211,879
200	20	12,100	151,600	812,596	933,101	1,897,297	55,000	24,000	171,000	2,147,297	117,789	2,265,086
300	20	12,100	151,500	812,596	769,470	1,733,566	50,000	25,000	156,000	1,964,566	104,690	2,069,256
400	20	12,100	111,600	812,596	925,968	1,850,164	50,000	24,000	167,000	2,091,164	115,679	2,206,843
500	20	12,100	111,800	812,596	96,530	1,020,926	5,000	24,000	92,000	1,141,926	60,160	1,202,086
600	20	12,100	111,800	836,078	96,530	1,044,408	5,000	24,000	94,000	1,167,408	61,594	1,229,002
700	20	12,100	125,300	836,078	165,565	1,126,943	10,000	24,000	101,000	1,261,943	67,070	1,329,013
800	20	12,100	132,300	836,078	211,497	1,179,875	11,000	24,000	106,000	1,320,875	69,116	1,389,991
	160	96,800	1,005,700	6,594,696	3,282,189	10,882,585	191,000	194,000	979,000	12,246,585	656,571	12,903,156

Budget - Hillside

Building	Number of Units	Square Feet	General Conditions	Interior Work	Exterior Work	Construction Cost	Exterior Contingency	Interior Contingency	Soft and Professional	Sub-Total	PST	Total Cost
1000	28	19,440	150,800	1,220,263	444,145	1,815,208	25,000	37,000	164,000	2,041,208	107,997	2,149,205
2000	28	19,440	150,800	1,228,826	477,273	1,856,899	25,000	37,000	167,000	2,085,899	114,947	2,200,846
3000	30	21,060	150,800	1,282,956	542,701	1,976,457	27,000	38,000	178,000	2,219,457	117,409	2,336,866
4000	30	21,060	150,800	1,278,056	446,401	1,875,257	25,000	56,000	169,000	2,125,257	123,456	2,248,713
5000	26	18,300	147,800	1,114,548	453,026	1,715,374	25,000	51,000	154,000	1,945,374	102,344	2,047,718
6000	32	22,800	153,800	1,351,930	653,167	2,158,897	35,000	41,000	194,000	2,428,897	122,604	2,551,501
7000 (upper 3 levels)	36	26,025	154,000	1,411,289	653,167	2,218,456	35,000	42,000	200,000	2,495,456	131,403	2,626,859
7000 (lower level)	8	5,783	-	585,936	-	585,936	-	32,000	58,000	675,936	38,006	713,942
8000	36	24,840	154,000	1,371,513	525,810	2,051,323	30,000	43,000	191,000	2,315,323	120,761	2,436,084
	254	178,748	1,212,800	10,845,317	4,195,690	16,253,807	227,000	377,000	1,475,000	18,332,807	978,926	19,311,733

Budget – Riverview

	Number of Units	Square Feet	General Conditions	Interior Work	Exterior Work	Construction Cost	Exterior Contingency	Interior Contingency	Soft and Professional	Sub-Total	PST	Total Cost
Building 8100	64	40,960	23,240	175,867	112,571	311,678	11,500	2,500	28,239	353,917	18,935	372,852
Building 8100 Canopy			31,550	15,000	156,370	202,920	-	-	18,263	221,183	11,833	233,016
	64	40,960	54,790	190,867	268,941	514,598	11,500	2,500	46,502	575,100	30,768	605,868

Budget - Civil

Area	Number of Units	Square Feet	General Conditions	Interior Work	Exterior Work	Construction Cost	Exterior Contingency	Interior Contingency	Soft and Professional	Sub-Total	PST	Total Cost
Sunchaser					429,188	429,188	72,743	-	38,627	540,558	28,774	569,332
Riverside					116,661	116,661	220,967	-	10,491	348,119	18,530	366,649
Hillside					1,303,790	1,303,790	19,773	-	117,341	1,440,904	76,699	1,517,603
					1,849,639	1,849,639	313,483		166,459	2,329,581	124,004	2,453,585

Budget – FF&E, Recreation Building Allowance and Material Contingency

▪ Furnishings & Equipment	\$3,500,000
▪ Recreation Building	\$1,000,000
▪ Material Escalation	\$1,070,000

Total Construction Budget: \$40,844,342

Budget – Summary

Cost type:	Amount:	%age of total:
▪ Materials	\$24,323,374	59.55%
▪ Labour	\$5,177,255	12.68%
▪ Contingency	\$2,316,483	5.67%
▪ Soft/professional	\$2,666,961	6.53%
▪ PST	\$1,860,269	4.55%
▪ Furnishings/equipment	\$3,500,000	8.57%
▪ Recreation building	\$1,000,000	2.45%
Total	\$40,844,342	100.00%

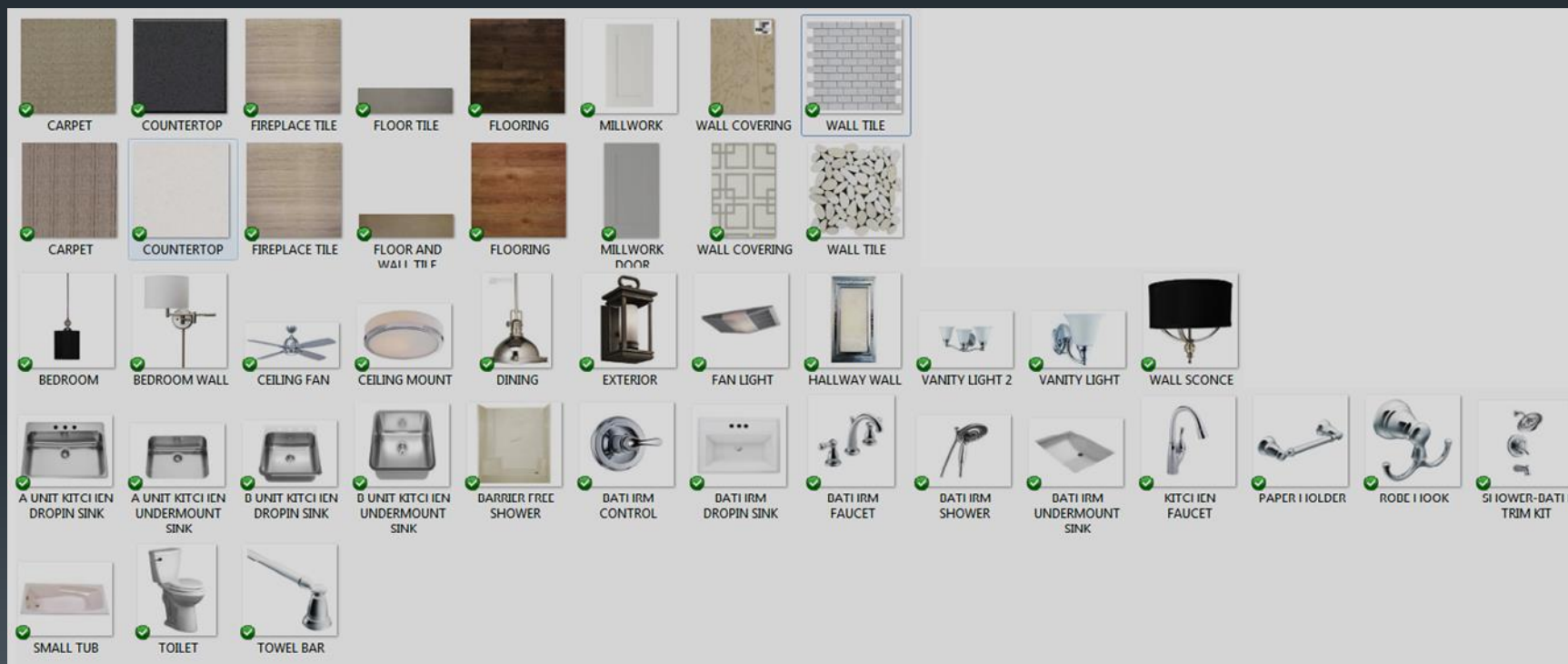
Cost and Overrun Control

- Major rehabilitation components have had work completed to define cost and scope by potential contractors
- Contingency reserves included in budget line items for major components in addition to general budget contingencies
- Contingency for material escalations included in budget
- CCDC General Contractor Contract established maximum upside costs – Contractor rewarded for savings and penalized for overruns
- Cost savings escrowed to Reserve for Future Replacement
- Work in place vs. cost to complete reviewed by third party consultant

Refreshed – “A” and “B” Suites



New Finish - Examples



Work Underway – Stucco & Membrane Repair 400 Building

