



# 650 Island Way Repair Update and Special Assessment

Presented to Owners on April 10, 2025

# Roof, Siding, and Carport Repair Project

Key Milestones and Strategic Decisions (September 2024 – April 2025)



**2024: Storm Events**



**Oct-Dec 2024: Emergency Actions Begin**



**Late 2024 – Early 2025: Insurance Claim Initiation**

**February 2025: Claim Response & Strategic Shift**



**February 2025: Funding Strategy Finalized**



**March – Early April 2025: Project Setup**



**April 10, 2025: Board Meeting**

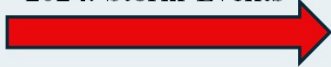


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# 2024 Storm Events

**Helene (Sept 25–26, 2024)** and **Milton (Oct 10, 2024)** brought high winds and driving rain

The Condo sustained significant damage:

- The roof suffered a wind lift that impacted structural integrity
- The siding on all four walls suffered damage, with the east wall showing extensive damage
- Carports damaged

This was **post-hurricane damage** following the State-mandated Milestone Inspection

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# Emergency Actions Begin (Late 2024)

The board interviewed contractors and selected:

- **Velocity** as the General Contractor
- **Strategic Claims Consultants (SCC)** as public adjuster

## Why Velocity and SCC Were Chosen

**Deep experience** with large, complex, storm-damaged multi-family properties

**Willing to begin work without upfront payment**

Demonstrated **financial stability**

Could manage **both construction and insurance claims**

# Emergency Meeting and Contracts

Emergency board meeting held in compliance with Florida statute

- Motion passed to select Velocity and SCC
- **Binding Letter of Agreement** signed October 18, 2024
- Posted publicly with meeting minutes

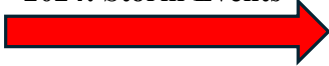
After legal review, the **Construction Contract** was executed on November 1, 2024, with the scope of emergency mitigation, remediation, and insurance recovery

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# **Insurance Claim Initiation**

**SCC filed the insurance claim by end of October**

Citizen's Insurance large-loss adjuster conducted on-site inspection

SCC and Velocity coordinated 3rd-party inspections (Oct–Nov)

## **Inspection Results Confirmed:**

- **Full roof replacement is required**
- **Damage to all four walls**
- Substantial scope for potential recovery

# Statement of Loss (Jan 2025)

SCC submitted **Proof of Loss on January 15, 2025** for \$4.7 million covering:

- Roof
- Walls
- Carport repairs
- Structural repairs

During this time, **Velocity** brought in a lift and **sealed/closed up** all external, exposed areas where the siding had pulled away. They also completed **internal remediation for the eight-stack.**

# Strategic Shift (February 2025)

Citizens' response: **small payment—insufficient to begin viable repairs**

Strategic pivot:

- Pursue ***appraisal*** for actual costs (vs. estimates)
- Move forward with **self-funding repairs upfront**, recover later

Options evaluated:

- Limited repairs
- Large special assessment
- Alternate funding (vendor float, loan, delayed insurance payout)

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# Funding Strategy Finalized

- Loan process initiated with **South State Bank**, coordinated by **Ameritech**
- Board approval required to initiate underwriting
- **2-week notice** including loan amount and purpose distributed
- Board meeting set for **March 5, 2025**
  
- **The loan is a draw-down interest-only loan for 24 months. This allows us to minimize interest payments**
- **If there is a loan balance after insurance settlement then there will be individual options to pay off the balance and avoid future interest or to participate in the converted loan for 8 years.**

# Owner Presentation (March 5, 2025)

Owners briefed on:

- Full project scope
- Funding plan and rationale
- **Siding: Hardie Plank vs. Vinyl** (code, insurance, warranty, durability)
- Window and shutter options

**The board approved the loan application and founded the Repair Task Force**

# March–April 2025: Funding Pursued

Loan underwriting began post-board approval.

The bank approved a \$3.5 million loan with the **contingency** we could demonstrate funds for the entire estimated project.

Funding plan:

**\$3.5M loan + Reserves + \$1.1M special assessment (required for bank loan approval)**

The special assessment requires 14 days' notice of a board meeting, with the amount and purpose of the special assessment in the notice. We are now in that board meeting, having met all the statutory requirements.

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# Current Project Efforts (March–Current)

- Scoping and engineering assessments
- Repair cost validation
- Code and siding research led by **Rick M. and Linda R.**
- Contractor negotiations focused on **keeping scope within the \$4.65M budget**
- Confirming roof replacement requirement
- Minimal parking structure repairs are planned
  
- ***SCC filed appraisal Citizen's re-inspection scheduled for 4/18***

# Hardie Plank Selected

- Vinyl is no longer viable due to height/code limits and insurance restrictions. No manufacturer approves the use of vinyl above 40 feet and no installer will install it.
- This is a **necessary restoration**, not a discretionary design change
- **Florida Statute and governing documents** allow the board to authorize the replacement of materials when:
  - The existing material is **no longer code-compliant**
  - The existing material is no longer available
  - The replacement is required to **maintain insurability or structural integrity**

## **Hardie Plank has been selected for:**

- Storm resistance
- Durability
- Code Compliance
- Insurance acceptance

# Windows and Shutters

- Insurance and warranty challenges identified for **reinstalling shutters**
- Group pricing under review for **window replacements** (for original/non-hurricane-rated windows)

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# Special Assessment: Per Unit Distribution

In our bylaws, the percent ownership of the common areas is assigned. 1.720 for floors 1-7 and 2.210 for floor 8.

Special Assessments are calculated based on that assignment.

## Special Assessment Amount

\$ 1,100,000

Assignment	Units	Total	Total Assigned	Per Unit	Each Payments
1.72	53	91%	\$ 1,002,760	\$ 18,920	\$ 9,460
2.21	4	9%	\$ 97,240	\$ 24,310	\$ 12,155

# April 10, 2025 – Board Meeting

## Board vote to approve:

- A **\$1.1 million special assessment** to fully fund the restoration project and meet the banks loan **contingency**.
  
- AND –
  
- Approve Hardie Plank as the siding choice as the original vinyl siding is no longer code-compliant for buildings over three stories, is increasingly uninsurable, and **is no longer available in a matching color or material**.

**Note:** These actions are considered **necessary repairs and replacements**, not optional upgrades. Under **Florida Statutes and the Association's governing documents**, the board is authorized to approve both the assessment and the siding material without a full owner vote.

# Next Steps

- **Loan Processing:** Final underwriting will start in motion; funds will be released assuming no other contingencies arise
- **Vendor Contract Extension:** Extension with Velocity to be finalized and formally approved for full repair scope
- **Engineering Team:** Engaged in formal structural review and compliance
- **Citizens Inspection:** Scheduled for April 18, coordinated by SCC and Velocity

Thank you