



YACHT HARBOR TOWERS

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JUNE
2009
NEWSLETTER

PRESIDENT'S REPORT JUNE 2009

PROPERTY VALUES

I recently asked several Real Estate Agents and Brokers to give me their professional opinion of the impact on property values if the Association were to complete extensive renovations at Yacht Harbor Towers. I gave them the following definition of the renovation for their analysis:

- A) Lobbies- complete renovation including glass entry doors and all parking entry areas.
- B) Elevators-electromechanical renovation with digital controls and ac motors, new interiors, fob access.
- C) Security-automated parking system, gated garages, fob entry keys, new booth.
- D) Windows-new, energy efficient, sound resistant, meet hurricane codes, maximum vista from inside.
- E) Administrative office-renovation with new equipment and mail area.
- F) Dryers-External exhaust capability.
- G) Residence hallways-new carpet tiles for ease of maintenance with renovated walls and unit entry doors.
- H) Energy conservation-VFD motors, energy management system, new unit thermostats, LED lighting.

For their analysis, they were asked to assume the following conditions: The project would be professionally designed and managed. The complete project cost would be about \$14.5 million. An assessment is not the most likely option. The project would most likely be financed by a loan to the Association. Owners might have the option of prepaying their proportionate share of the loan. The loan P&I would be folded back into maintenance fees for those owners who did not prepay. Assume that no increase in maintenance fees other than an annual cost of living adjustment would be required. If the prepayment option is offered, maintenance fees might drop by as much as 20% for those owners who elect to prepay their proportionate share. Major construction would be completed by the end of 2010 with the elevator renovation following in 2011. Interest rates are low so AOA financing appears to be the most likely option at this time. These conditions are dependent on crude oil prices remaining in the \$50 to \$80 per barrel range.

I have received the first response to my request from Mark David Paulson, President of Pacific International Investment Corporation. The following are selected excerpts from his 3 page analysis. The full letter is available in the YHT administrative office.

“For many years YHT had the reputation of being one of the top 2 or 3 condominiums in Honolulu. Unfortunately, today, the reputation of YHT has been greatly diminished. YHT is no longer considered a top-tier or premium condominium. This is in part due to the construction of several new condominiums in close proximity to YHT. However, it has also been caused by the fact that YHT needs much renovation and modernization and is perceived to be in decline.....This has resulted in the property values at YHT being greatly reduced over timebuyers at YHT are now paying the lowest price per square foot of all of the condominiums in my survey.The feed back that Realtors have been getting from buyers about YHT has been increasingly negative over the last several years. So much so that many Realtors have stopped recommending YHT to their best clients.....

.....Of course these renovations will enhance the enjoyment and quality of life of all YHT owner occupants and absentee owners. At the same time these renovations will increase the value of your investment whether you ever intend to sell or not.Intuitively, I know that all of the YHT units will see a large increase in value.It is my professional opinion that the increase in property values for Yacht Harbor Towers that would result from extensive renovations and modernizations is not less than 20%. I believe that YHT will experience a 20% increase in the sales price per square foot relative to the sales price per square foot in the four comparable buildings It is a relative increase in value and therefore independent of the Honolulu condominium market and changes over time in the real estate market. While the average price per square foot for units at YHT may rise and fall over time with the vagaries of the real estate market, YHT prices should be 20% higher relative to prices at 1350 Ala Moana, Hawaiki Tower, Koolani, and Nauru Tower.property values will increase and that they will increase significantly more than the cost of the modernizations. The energy and labor saving projects under consideration will have a very positive impact on maintenance fees. I believe that an extensive renovation and modernization project will be very rewarding for the Association and for all of the owners at Yacht Harbor Towers.”

If our analysis of projects and financing proceeds rapidly, after Board approval, I hope that we can schedule several informational meetings for owners in July prior to a vote on this renovation project and its financing alternatives.

YACHT HARBOR TOWERS

Disaster Preparedness Update / Information

In a disaster, when power and telephone communications fail, and cellular networks can go down from overload or other failures, often the only form of communications to and from police, fire and other emergency services is through licensed amateur radio operators.

Honolulu has an Emergency Radio Network of amateur 'ham' radio operators already established. Radio equipment is already at police and fire department dispatchers' sites and many hundreds of hours of practice drills allow for a seamless transfer of emergency communications when needed.

Yacht Harbor Towers has a resident who has been a licensed amateur radio operator for 60 years. He has participated and coordinated in many actual emergency situations, saving many lives and much property. In hurricane Iniki he operated for 96 hours straight, with only a four hour break after the second day, to allow communications with Kauai police, fire and Red Cross personnel. A major telephone network gave him a toll free 800 line so he could patch thousands of people from his two-way radio equipment into the telephone system and let family know of their fate and their needs. Amateur radio operators were also able to coordinate relief efforts, which, until they stepped in, were attempting to send many unneeded and non-essential items to the stricken island, taking the space needed for the items that were direly needed.

Yacht Harbor Towers is developing a disaster and evacuation plan. If normal communication channels, landline and cellular telephones, are unavailable, we are fortunate that we have a licensed amateur radio operator to assist us in getting emergency help, calling for an ambulance for an injured person, contacting the gas company to fix a broken main, or notifying worried family members of our status. Our "ham" has equipment that will let him communicate for up to a week with no external power source. We will be incorporating amateur radio operations in our emergency and disaster plans that are being developed.

QST - Calling all amateur radio operators in Yacht Harbor Towers. If you'd like to get together at a time of your convenience to meet with other hams here, both to see if we can help in a disaster situation and/or to meet other YHT hams, please email:

AH6HM@hawaii.rr.com

New Window Cleaning Contract Approved: *The Board, at the May 27, 2009 meeting approved a window cleaning contract with World Wide Window Cleaners. This new contract will also impact our residents in the following ways: 1– Unenclosed lanais will no longer be cleaned as part of the contract. This cost has resulted in several thousands of dollars for each cleaning that can be avoided as the windows are readily accessible for cleaning by the residents themselves. It also avoids comments about dirty foot prints left behind when cleaners are required to step onto the lanai from their swing chairs. 2– The cost for enclosed lanai windows will be increased to \$30.00 per window / cleaning. We know that this is a large increase but in review of all proposals, the proposal from World Wide offered the best quality of service for the total cost.*

REMINDERS

1. The IP center lane is now two-way traffic. Please drive carefully.
2. There is also a STOP sign adjacent to the IP DH lobby entrance that many disregard. This is an accident waiting to happen.
3. The new STOP sign at the bottom of the 3&4P ramp to the Ewa motor coach area has become much more effective. We appreciate everyone's cooperation.
4. Until further discussion by the Board of Directors the maintenance team is only performing limited air conditioning services consisting of: drip pan and drain line cleaning, use of algae tabs and replacement of filters. Fan coil cleaning is not being provided at this time.
5. In the last monthly newsletter a list of various vendors was provided for resident use. Please keep the management office apprised of any positive or negative results you may experience in their use.
6. We are currently undergoing preservation work on the Sail Statues on the corner of Ala Moana & Atkinson. It is our goal to ensure their longevity for many years to come.
7. Please review the provided parking rate validation costs in the last newsletter to avoid problems for your overnight guests.
8. When you have an overnight guest do not ask them to park in an empty stall. It may lead to the towing of the vehicle by a returning resident.

OPERATIONAL COMMITTEE REPORT

The following items were approved at the Operational Committee to be forwarded to the Board of Directors for approval:

1. Revisions to the Employee 401k plan.
2. A new window cleaning contract with World Wide Windows has been approved. See the article on page 2 regarding this item.
3. An audit of the Association first quarter was approved by Akamine, Oyadamari & Kosaki.
4. 2009 parking spall repairs were approved.
5. A policy requiring alcohol & drug testing for employees involved in an automobile accident while on company business was approved.
6. All new hires will be subject to a clean criminal background check and drug screen.
7. A one year extension was agreed to be solicited from the agent for #513 (the manager's unit).
8. Dorvin Leis was awarded the roof top heat pump replacement project.
9. A semi-annual sewer line cleaning proposal was accepted.
10. The Board approved a resolution waiving maintenance fee late fees for April and May during the transition to Hawaiiana.
11. The Board approved the solicitation of a comprehensive reserve study to assist in the development of a long range maintenance / budget plan.



Father's Day
June 21st

Happy
Father's
Day
To all of our
Fathers.

Important Dryer Information

During recent service entries of various units, our maintenance team has discovered units with dryer duct work in violation of building codes.

Specifically, it has been noted that dryers are being configured to 'vent' into the ceiling area with no duct work to vent the air to the outside of the building. This has resulted in significant accumulation of lint in the void area which poses a serious fire hazard.

It must be stated that such vent work is 1) A code violation, 2) A fire hazard and 3) Could create insurance & liability issues for the Association in the event of a fire as a result of this work.

If it is discovered that a unit is illegally vented as outlined, the dryer vent will be disconnected until confirmation from the owner, tenant or agent is received ensuring that the improper vent work will be disabled and an adequate solution is obtained.

If you are unsure as to your dryer vent work, please contact the management office to arrange a brief inspection. It should also be noted that the maintenance team will now perform inspections of these areas in conjunction with all other inspections during regular, quarterly, a/c services.

Sewer Line Problems

This article was previously run in the January 2009 edition. Due to continued problems it is being re-printed.

Have you experienced the frustration of entering your restroom to find your toilet or tub filled to near overflowing with soapy suds and debris? If so, you are not alone. Chances are it will continue to happen unless our residents take heed of the following information:

We are told by professionals in the industry (Clean Sewer Lines, Alaka'i and Waialae Plumbing all agree) that ***the primary reason this occurs is a result of residents misusing soaps of a concentrated nature such as dish soaps, laundry detergents, etc.*** While these are proven to result in just as efficient cleaning capabilities, ***it is important that they be used in accordance with the recommended guidelines.***

We have observed that many residents use concentrated soaps but ***they are being used in the quantities typical of the pre-concentrated soap era (concentrated soaps require smaller portions for effective results).*** This results in higher foaming action and unfortunately, the soap foam created is lighter than water and winds up sitting on top of the water in the sewer lines. It is then experienced as a back up due to the soap coming out via the path of least resistance (your toilet, tub or sink) and bringing particles from inside the lines along with it.

Unfortunately, the resident misusing the concentrated soaps is not the one that experiences the resulting problem(s). It is the resident directly, or several units, below the unit using the soap.

Do your neighbors, and yourself, a favor and help keep Association costs down. Each plumber response results in costs the Association must pay for that could be avoided if the specifications are properly adhered to.

**Yacht Harbor Towers
Board of Directors**

Officers

President Cal Dickinson
Vice President Suzanne LeMoine
Secretary Marilyn Michaels
*Treasurer Dave Anderson
Asst. Treasurer Gary Mizuno

Directors

Frank Kaneshiro
Audrey Kubota
Hugh Mitchell
Richard Port
Garrett Wheeler

* indicates a non-Board member

Security / Parking Booth

We have completed the security / parking booth cleaning and painting. The entire team has been tasked with making some small, but noticeable, improvements in their respective areas that can help make a positive impact on the Association overall. Simple things like a fresh coat of paint, cleaning carpets regularly, etc. can help to change attitudes and mindsets about our community. We continue to strive to improve and appreciate everyone's comments. If you have a small task that may be considered please forward it to the management office for consideration and possible inclusion in the scheduled.

Small things lead to great outcomes!

General Manager's Corner: As I write this I am recovering from a major sinus infection that left me incapacitated for a few days. I appreciate everyone's well wishes. The joy of having children is the joy of sharing all of the bugs that they catch. A joy I could do without. Since the Annual Meeting things have been very busy and fast paced. We continue to move forward on several large projects. The most visible has been the demolition of the YMCA Well Pump recently. Upon inspection it was determined that much of the old system may be reused which may lead to some savings for YHT. We are waiting for proposals and new specifications on this subject so we can proceed accordingly. The High Zone Hot Water Pressure Project is near completion and we hope it resolved the concerns that have been generated over the years of scalding temperatures and pressure washer level streams from showers. Work continues of a new Association web site for those that are computer savvy. More information is to be made available with a more interactive site. We are looking forward to the finished product some time in July 2009. A host of other projects are on the table as we move forward but in so doing, one important aspect is that of a reserve study. We have solicited proposals and upon acceptance, this study will better assist the Board in developing a long range plan and budget. And much, much more...
M. Turman, GM

Aging in Place Report Audrey Kubota

In May, our speakers on Disaster Preparedness informed us that State Civil Defense can provide a qualified inspector to assess our buildings' ability to withstand violent weather. We are planning to have that done as soon as possible.

The Graying of Hawaii

An independent documentary *The Graying of Hawaii* produced by filmmaker Marc Delorme and Audrey Kubota will air in a special 2 hour *Island Insights* program on Thursday June 18 from 7:30 to 9:30 pm on channel 10, PBS Hawaii. Produced by generous support from The Harry & Jeannette Weinberg Foundation, Inc. and the Hawaii Community Foundation, the 56 minute film explores long-term care, aging in place, and our state's plans to meet the enormous demographic growth of our elderly population. Dan Boylan will lead a panel and will present questions from the live audience.

The film's producer Marc Delorme will be the speaker at our June Aging in Place meeting which will be on Friday June 19 from 2-3 pm in the Diamond Head Building Conference Room on the 2-P level. Not surprisingly, Richard Port got this whole project started at a breakfast at Zippy's! Join us to hear Marc, Richard, & Audrey talk about the making of this film.

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Place
Postage
Here