

# Riverwalk Quartz Commercial Reserve Study



Reserve Study  
Project No. 16006

Prepared for  
Riverwalk Quartz Building Condominium Association  
Edwards, Colorado

Prepared by  
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## Introduction

Borne Consulting has been commissioned by the Riverwalk Quartz Building Condominium Association to prepare a Reserve Study. The purpose of this Reserve Study update is to evaluate the common-area components for major repair, maintenance and replacement that are the responsibility of the Association. This Study provides a limited-scope evaluation of the existing condition and remaining life of the common-area components. The Study also includes estimated costs for the major repair, maintenance and/or replacement of the items to enable the Association to establish an adequate level of reserve funds for the upkeep of the property. Major repair, maintenance and/or replacement items are defined as anything that costs over \$1,000.

## Community Description

Riverwalk Quartz Building Condominium Association is located in Edwards, Colorado. The property consists of a 3-story mixed use building, underground parking garage and 10 residential condominium units and 7 commercial units. The Association maintenance responsibilities consist of the exterior building envelope, stairs, mechanical equipment, elevator, and associated equipment, as well as, the interior corridors. The residential component of the association is responsible for 69% of the expenses and the commercial component of the association is responsible for 31% of the expenses.

## Approach

To prepare this Reserve Study Projection, Borne Consulting has completed the necessary research, the component report, the cost estimates, the financial projections, and the projection interpretation.

The projections were assembled using the cash flow method. This method develops a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until a desired funding program is achieved.

## Reference Material

The following references were provided to Borne Consulting for this Reserve Study update by the client:

- 2015 financial information
- Interest rate earned on invested capital funds
- Historical expense and past capital project information

## Exclusions

Items not included in this Projection Update are:

- Non- common area components.
- Association components that have estimated costs below the reserve component threshold amount of \$1,000.
- Long lasting items with estimated economic lives exceeding 30 years, such as sanitary sewers or building structural components. However, these items are included if they are known to have

- a fairly predictable anticipated useful life that falls within the term of the Study.
- Normal operating items, i.e., taxes, insurance, snow plowing, utilities, cleaning and landscape maintenance, etc.

## Disclaimer

This Reserve Study was prepared specifically for Riverwalk Quartz Building Condominium Association. The information contained within this document has been assembled in conjunction with the client and is intended to assist the client with its reserve planning and funding. Borne Consulting does not guarantee, either explicitly or implied, that all repair and replacement items have been identified, the accuracy of the probable costs or the component lives.

In providing the opinions of probable replacement costs, the client understands that Borne Consulting has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, and that the opinions of probable replacement costs provided herein are made on the basis of Borne Consulting's qualifications and experience. Borne Consulting makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to actual bid or construction costs.

All comments made are based on conditions seen at the time of the site visit. We do not accept any responsibility for unknown or unknowable conditions within the existing site or structures.

## Riverwalk Quartz Commercial RA Detail Report by Category

### Maintain and replace cluster box units - 2024

		1 EA	@ \$3,000.00
Asset ID	B01.1	Asset Cost	\$930.00
Landscaping and Appurtenances	Cluster Box Units	Percent Replacement	31%
Placed in Service	June 2004	Future Cost	\$1,178.10
Useful Life	20		
Replacement Year	2024		
Remaining Life	8		



**Description:** Metal cluster box units.

**Condition:** Good condition.

**Action:** Remove and replace the mailbox units in 2024.

**Cluster Box Units - Total Current Cost** **\$930**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Paint and Repair Stucco - 2020

		4,500 SF	@ \$4.50
Asset ID	C01.1	Asset Cost	\$6,277.50
	Façade	Percent Replacement	31%
	Stucco	Future Cost	\$7,065.38
Placed in Service	June 2004		
Useful Life	8		
Adjustment	8		
Replacement Year	2020		
Remaining Life	4		



**Description:** Cementitious stucco system.

**Condition:** Good condition.

**Action:** Cyclically paint and patch the stucco, every 8 years, starting in 2020.

**Stucco - Total Current Cost**

**\$6,277**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Paint Siding - 2020

		8,400 SF	@ \$3.15
Asset ID	C02.1	Asset Cost	\$8,202.60
	Façade Siding	Percent Replacement	31%
		Future Cost	\$9,232.10
Placed in Service	June 2012		
Useful Life	8		
Replacement Year	2020		
Remaining Life	4		



**Description:** Horizontal oriented cementitious siding with butt joints installed at the trim.

**Condition:** Good condition.

**Action:** Cyclically paint the siding as well as cyclically replace damaged sections of the siding and trim.

**Siding - Total Current Cost**

**\$8,203**

Riverwalk Quartz Commercial  
RA Detail Report by Category

Replace damaged brick - 2018

		1,400 SF	@ \$4.50
Asset ID	C03.1	Asset Cost	\$1,953.00
Landscaping and Appurtenances	Synthetic Brick	Percent Replacement	31%
		Future Cost	\$2,071.94
Placed in Service	June 2004		
Useful Life	7		
Adjustment	7		
Replacement Year	2018		
Remaining Life	2		



**Description:** Synthetic brick with mortar joints.

**Condition:** Good condition.

**Action:** Cyclically replace any damaged bricks and tuckpoint the mortar joints every 7 years.

**Synthetic Brick - Total Current Cost**

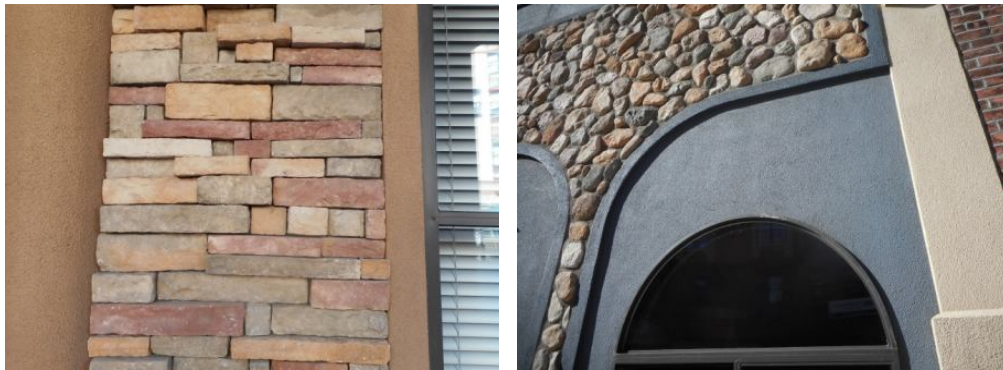
**\$1,953**



## Riverwalk Quartz Commercial RA Detail Report by Category

### Replace damaged synthetic stone - 2018

		1,400 SF	@ \$1.50
Asset ID	C04.1	Asset Cost	\$651.00
Landscaping and Appurtenances	Synthetic Stone	Percent Replacement	31%
Placed in Service	June 2004	Future Cost	\$690.65
Useful Life	7		
Adjustment	7		
Replacement Year	2018		
Remaining Life	2		



**Description:** Synthetic stone façade with drystack joints.

**Condition:** Good condition.

**Action:** Cyclically replace any damaged stones as needed.

**Synthetic Stone - Total Current Cost** **\$651**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Replace EPDM roofing - 2027

		11,550 SF	@ \$18.00
Asset ID	D01.1	Asset Cost	\$64,449.00
	Roofing	Percent Replacement	31%
	Roofing	Future Cost	\$89,212.49
Placed in Service	June 2002		
Useful Life	25		
Replacement Year	2027		
Remaining Life	11		



**Description:** Mechanically adhered Ethylene Propylene Diene Terpolymer (EPDM) roofing system.

**Condition:** Good condition, with yearly maintenance.

**Action:** Replace the EPDM roof system every 25 years starting in 2027.

### Replace asphalt roofing - 2026

		5 UT	@ \$1,400.00
Asset ID	D02.1	Asset Cost	\$2,170.00
	Roofing	Percent Replacement	31%
	Roofing	Future Cost	\$2,916.30
Placed in Service	June 2004		
Useful Life	22		
Replacement Year	2026		
Remaining Life	10		

## Riverwalk Quartz Commercial RA Detail Report by Category

*Replace asphalt roofing continued...*



**Description:** Scalloped asphalt shingles.

**Condition:** Good condition.

**Action:** Remove and replace the asphalt shingles every 22 years, starting in 2026.

**Roofing - Total Current Cost**

**\$66,619**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Replace the expansion tanks - 2016

		3 UT	@ \$2,500.00
Asset ID	F05.3	Asset Cost	\$7,500.00
	Mechanical	Percent Replacement	100%
	Expansion Tanks	Future Cost	\$7,500.00
Placed in Service	June 2004		
Useful Life	12		
Replacement Year	2016		
Remaining Life	0		



**Description:** Taco expansion tanks.

**Condition:** Satisfactory condition, one tank sounded hollow.

**Action:** Replace the expansion tanks, every 12 years or as needed.

**Expansion Tanks - Total Current Cost** **\$7,500**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Replace the circulation pumps - 2016

		2 UT	@ \$2,400.00
Asset ID	F04.3	Asset Cost	\$4,800.00
	Mechanical	Percent Replacement	100%
	Circulation Pumps	Future Cost	\$4,800.00
Placed in Service	June 2004		
Useful Life	12		
Replacement Year	2016		
Remaining Life	0		



**Description:** Two Taco – circulation pumps.

**Condition:** Satisfactory condition.

**Action:** Cyclically replace the circulation pumps, every 12 years or as needed.

**Circulation Pumps - Total Current Cost** **\$4,800**

## Riverwalk Quartz Commercial RA Detail Report by Category

### Remodel elevator cab - 2024

			1 UT @ \$10,000.00
Asset ID	G01.1	Asset Cost	\$3,100.00
	Elevators	Percent Replacement	31%
	Elevators	Future Cost	\$3,926.99
Placed in Service	June 2004		
Useful Life	20		
Replacement Year	2024		
Remaining Life	8		



**Description:** Elevator cab wall panels with a tile floor.

**Condition:** Good condition.

**Action:** Update the elevator cab, every 20 years, starting in 2024.

### Replace elevator controls - 2034

			1 UT @ \$55,000.00
Asset ID	G01.1	Asset Cost	\$17,050.00
	Elevators	Percent Replacement	31%
	Elevators	Future Cost	\$29,026.48
Placed in Service	June 2004		
Useful Life	30		
Replacement Year	2034		
Remaining Life	18		

## Riverwalk Quartz Commercial RA Detail Report by Category

*Replace elevator controls continued...*



**Description:** Elevator controls.

**Condition:** Satisfactory condition, some work has been required to maintain controls.

**Action:** Replace the elevator controls, every 30 years, starting in 2034.

**Elevators - Total Current Cost**

**\$20,150**

**Riverwalk Quartz Commercial  
RA Annual Expenditure Spread Sheet**

<b>Description</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Cluster Box Units</b>										
Maintain and replace cluster box units									1,178	
<b>Cluster Box Units Total:</b>									<b>1,178</b>	
<b>Stucco</b>										
Paint and Repair Stucco					7,065					
<b>Stucco Total:</b>					<b>7,065</b>					
<b>Siding</b>										
Paint Siding					9,232					
<b>Siding Total:</b>					<b>9,232</b>					
<b>Synthetic Brick</b>										
Replace damaged brick			2,072							2,548
<b>Synthetic Brick Total:</b>			<b>2,072</b>							<b>2,548</b>
<b>Synthetic Stone</b>										
Replace damaged synthetic stone			691							849
<b>Synthetic Stone Total:</b>			<b>691</b>							<b>849</b>
<b>Roofing</b>										
Replace EPDM roofing										
Replace asphalt roofing										
<b>Roofing Total:</b>										
<b>Expansion Tanks</b>										
Replace the expansion tanks	7,500									
<b>Expansion Tanks Total:</b>	<b>7,500</b>									
<b>Circulation Pumps</b>										
Replace the circulation pumps	4,800									
<b>Circulation Pumps Total:</b>	<b>4,800</b>									
<b>Elevators</b>										
Remodel elevator cab									3,927	
Replace elevator controls										
<b>Elevators Total:</b>									<b>3,927</b>	



**Riverwalk Quartz Commercial  
RA Annual Expenditure Spread Sheet**

<b>Description</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Year Total:</b>	<b>12,300</b>		<b>2,763</b>		<b>16,297</b>				<b>5,105</b>	<b>3,398</b>

**Riverwalk Quartz Commercial  
RA Annual Expenditure Spread Sheet**

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cluster Box Units										
Maintain and replace cluster box units										
<b>Cluster Box Units Total:</b>										
Stucco										
Paint and Repair Stucco			8,950							
<b>Stucco Total:</b>			<b>8,950</b>							
Siding										
Paint Siding			11,695							
<b>Siding Total:</b>			<b>11,695</b>							
Synthetic Brick										
Replace damaged brick							3,134			
<b>Synthetic Brick Total:</b>							<b>3,134</b>			
Synthetic Stone										
Replace damaged synthetic stone							1,045			
<b>Synthetic Stone Total:</b>							<b>1,045</b>			
Roofing										
Replace EPDM roofing			89,212							
Replace asphalt roofing	2,916									
<b>Roofing Total:</b>	<b>2,916</b>	<b>89,212</b>								
Expansion Tanks										
Replace the expansion tanks			10,693							
<b>Expansion Tanks Total:</b>			<b>10,693</b>							
Circulation Pumps										
Replace the circulation pumps			6,844							
<b>Circulation Pumps Total:</b>			<b>6,844</b>							
Elevators										
Remodel elevator cab										
Replace elevator controls									29,026	
<b>Elevators Total:</b>									<b>29,026</b>	

**Riverwalk Quartz Commercial  
RA Annual Expenditure Spread Sheet**

<b>Description</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>
<b>Year Total:</b>	<b>2,916</b>	<b>89,212</b>	<b>38,182</b>				<b>4,179</b>		<b>29,026</b>	

**Riverwalk Quartz Commercial  
RA Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2016</b>	
<b>Expansion Tanks</b>	
Replace the expansion tanks	7,500
<b>Circulation Pumps</b>	
Replace the circulation pumps	4,800
<b>Total for 2016</b>	<b>\$12,300</b>
<i>No Replacement in 2017</i>	
<b>Replacement Year 2018</b>	
<b>Synthetic Brick</b>	
Replace damaged brick	2,072
<b>Synthetic Stone</b>	
Replace damaged synthetic stone	691
<b>Total for 2018</b>	<b>\$2,763</b>
<i>No Replacement in 2019</i>	
<b>Replacement Year 2020</b>	
<b>Stucco</b>	
Paint and Repair Stucco	7,065
<b>Siding</b>	
Paint Siding	9,232
<b>Total for 2020</b>	<b>\$16,297</b>
<i>No Replacement in 2021</i>	
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
<b>Replacement Year 2024</b>	
<b>Cluster Box Units</b>	
Maintain and replace cluster box units	1,178
<b>Elevators</b>	
Remodel elevator cab	3,927
<b>Total for 2024</b>	<b>\$5,105</b>

**Riverwalk Quartz Commercial  
RA Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2025</b>	
<b>Synthetic Brick</b>	
Replace damaged brick	2,548
<b>Synthetic Stone</b>	
Replace damaged synthetic stone	849
<b>Total for 2025</b>	<b>\$3,398</b>
<b>Replacement Year 2026</b>	
<b>Roofing</b>	
Replace asphalt roofing	2,916
<b>Total for 2026</b>	<b>\$2,916</b>
<b>Replacement Year 2027</b>	
<b>Roofing</b>	
Replace EPDM roofing	89,212
<b>Total for 2027</b>	<b>\$89,212</b>
<b>Replacement Year 2028</b>	
<b>Stucco</b>	
Paint and Repair Stucco	8,950
<b>Siding</b>	
Paint Siding	11,695
<b>Expansion Tanks</b>	
Replace the expansion tanks	10,693
<b>Circulation Pumps</b>	
Replace the circulation pumps	6,844
<b>Total for 2028</b>	<b>\$38,182</b>
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
<i>No Replacement in 2031</i>	
<b>Replacement Year 2032</b>	
<b>Synthetic Brick</b>	
Replace damaged brick	3,134

**Riverwalk Quartz Commercial  
RA Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2032 continued...</i></b>	
<b>Synthetic Stone</b>	
Replace damaged synthetic stone	1,045
<b>Total for 2032</b>	<b><u>\$4,179</u></b>
 <i>No Replacement in 2033</i>	
 <b>Replacement Year 2034</b>	
<b>Elevators</b>	
Replace elevator controls	29,026
<b>Total for 2034</b>	<b><u>\$29,026</u></b>

**Riverwalk Quartz Commercial  
RA Existing Reserve Study Summary**

Report Date	July 01, 2016
Budget Year Beginning	April 01, 2016
Budget Year Ending	March 31, 2017

<b><i>Report Parameters</i></b>	
Inflation	3.00%
Annual Assessment Increase	4.00%
Interest Rate on Reserve Deposit	0.25%
2016 Beginning Balance	\$86,545.00

***Existing Funding Model Summary of Calculations***

Required Monthly Contribution	\$258.33
Average Net Monthly Interest Earned	<u>\$15.84</u>
Total Monthly Allocation to Reserves	\$274.17

**Riverwalk Quartz Commercial  
RA Existing Reserve Study Projection**

Beginning Balance: \$86,545

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	3,100	190	12,300	77,535	85,632	90%
2017	3,224	198		80,957	93,833	86%
2018	3,353	200	2,763	81,748	99,573	82%
2019	3,487	209		85,444	108,096	79%
2020	3,627	178	16,297	72,952	101,283	72%
2021	3,772	188		76,911	110,792	69%
2022	3,922	198		81,031	120,324	67%
2023	4,079	208		85,319	129,880	65%
2024	4,243	207	5,105	84,663	134,543	62%
2025	4,412	209	3,398	85,887	141,041	60%
2026	4,589	214	2,916	87,773	148,155	59%
2027	4,772	3	89,212	3,336	72,562	4%
2028	4,963		38,182	-29,883	49,234	-60%
2029	5,162			-24,721	64,126	-38%
2030	5,368			-19,353	79,054	-24%
2031	5,583			-13,770	94,021	-14%
2032	5,806		4,179	-12,142	104,971	-11%
2033	6,038			-6,104	120,138	-5%
2034	6,280		29,026	-28,850	107,576	-26%
2035	6,531			-22,319	124,081	-17%



**Riverwalk Quartz Commercial  
RA Preliminary Reserve Study Summary**

Report Date	July 01, 2016
Budget Year Beginning	April 01, 2016
Budget Year Ending	March 31, 2017

<b><i>Report Parameters</i></b>	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.25%
2016 Beginning Balance	\$86,545.00

***Preliminary Funding Model Summary of Calculations***

Required Monthly Contribution	\$258.33
Average Net Monthly Interest Earned	<u>\$15.84</u>
Total Monthly Allocation to Reserves	\$274.17

**Riverwalk Quartz Commercial  
RA Preliminary Reserve Study Projection**

Beginning Balance: \$86,545

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	3,100	190	12,300	77,535	85,632	90%
2017	3,565	199		81,299	93,833	86%
2018	4,100	202	2,763	82,838	99,573	83%
2019	4,715	214		87,767	108,096	81%
2020	5,422	186	16,297	77,077	101,283	76%
2021	6,235	201		83,514	110,792	75%
2022	7,170	219		90,903	120,324	75%
2023	8,246	239		99,388	129,880	76%
2024	9,483	249	5,105	104,015	134,543	77%
2025	10,905	267	3,398	111,789	141,041	79%
2026	12,541	289	2,916	121,703	148,155	82%
2027	14,422	101	89,212	47,014	72,562	64%
2028	16,586	45	38,182	25,463	49,234	51%
2029	19,074	90		44,626	64,126	69%
2030	19,074	138		63,837	79,054	80%
2031	19,074	186		83,096	94,021	88%
2032	19,074	223	4,179	98,215	104,971	93%
2033	19,074	272		117,560	120,138	97%
2034	19,074	247	29,026	107,854	107,576	100%
2035	19,074	296		127,224	124,081	102%