| 1 2 3 4 5 6 7 | Joseph Romano, In Pro Per 4723 Muirfield Court Santa Rosa, CA 95405 Telephone: (707) 542-2224 Facsimile: (707) 542-2227 Plaintiff in Pro Per: JOSEPH ROMANO, individually and as trustee of THE JOSEPH ROMANO AND PIXIE ROMANO LIVING TRUST Attorney for Plaintiff/Cross-Defendant Joseph Romano, individually and as Trustee | |
|---------------------------------|---|---|
| 8 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 9 | COUNTY OF SONOMA | |
| 10 | | |
| 11 | JOSEPH ROMANO, individually and as | Case No.: SCV-262714 |
| 12 | trustee of THE JOSEPH ANDPIXIE ROMANO LIVING TRUST, | DECLARATION OF EDWARD J. |
| 13 | Plaintiffs, | NESSINGER IN SUPPORT OF PLAINTIFF/CROSS-DEFENDANT'S |
| 14 | V. | OPPOSITION TO DEFENDANT/CROSS-COMPLAINANT'S APPLICATION FOR |
| 15 | FAIRWAY VIEW ESTATES | PERMANENT INJUNCTION AND ORDER TO SHOW CAUSE |
| 16 | HOMEONWERS ASSOCIATION, and DOES 1-10, | Date: April 7 th , 2021 |
| 17 | Defendants. | Time: 3:00 p.m. Dept.: 17 |
| 18 | Bolondants. | Location: ZOOM remote |
| 19 | | A. 1. 1. C. 11. D. |
| 20 | FAIRWAY VIEW ESTATES HOMEONWERS ASSOCIATION, | Assigned for all Purposes: Judge: Hon. Arthur Wick |
| 21 | Cross-Complainant, | |
| 22 | V. | |
| 23 | JOSEPH ROMANO, individually and as | |
| 24 | trustee of THE JOSEPH ANDPIXIE ROMANO LIVING TRUST, and ROES 1- | |
| 25 | 10, | |
| 26 | Cross-Defendant. | |
| 27 | I, Edward J. Nessinger, declare as follows: | |
| 28 | 1. I am not a party to above-entitled action. I have been retained by Plaintiff, Joseph | |

DECLARATION OF EDWARD NESSINGER

Romano, as an expert witness in the industry of general construction, including project costs and estimates, and underground engineering. I make this declaration based upon personal knowledge and shall testify to the facts herein if called as a witness.

- 2. This declaration is made in support of Plaintiff's Opposition to Defendant's Application for Permanent Restraining Order.
- 3. I have over 30 years of experience in the construction industry and hold the following contractor license classifications: "A" (engineering), "B" (general contracting), C-27 (specialty). Attached to this declaration as Exhibit "A" and made a part hereof is my curriculum vitae which is true and complete.

SOIL STABILITY

- 4. In the afternoon of March 11, 2021, I met with Joe Romano and Pat Conway, civil engineer from PJC Engineering, at the job site located at 4723 Muirfield Ct., Santa Rosa, CA.
- 5. We walked and inspected the construction that had commenced. The work progress was in the foundation phase; particularly, the foundation footings had been poured, the stem walls framed and steel re-bar installed, but not yet poured.
 - 6. The work I inspected was to applicable building code standards.
- 7. I also inspected the surrounding property lines and soil conditions related to the construction work and did not witness any danger or erosion resulting from the construction work.
- 8. In my professional opinion, the construction work will not cause the dirt and soil underneath or surrounding the construction work to erode, slip or slide. Construction of the garage does not pose any risk of harm to the HOA or surrounding property. I estimate that based on the size of the garage/ADU project and the progress made thus far utilizing a small construction crew, that Mr. Romano has approximately 30 or more months of construction activity accomplished. Mr. Romano should employ a full-service contractor with a larger crew to speed up construction and reduce the impact of overall inflation costs.

DAMAGES

9. I keep up with current cost trends in the construction industry by reading magazines

and newspaper articles, obtaining quotes and proposals from our materials vendors, preparing our own construction costs estimates are many projects that we work, and by reviewing invoices from material suppliers.

- 10. Notwithstanding, it is no secret that construction costs have skyrocketed in the last few years. For example, I read an article in The Press Democrat (Press Democrat, 2/11/2021 Front Page News) where it reported that one large garage type structure, (a firehouse in Fountain Grove), had construction cost increases from 2015 to present day, by 5 times the original construction costs. The burned down fire station was 5,300 sq. ft. and cost \$4,000,000 (exclusive of land costs) is \$756 per sq ft. The new fire station is 10,000 sq. ft. and is projected to cost \$21,000,000 with land acquisition costs or \$2,100 a sq. ft. The building part of the fire station without land costs is estimated at \$950 per sq. ft. or \$9,000,000 with land costing \$12,000,000.
- 11. If this ratio holds true, the estimated cost of delay of Romano's garage/ADU and game room/gym projects could increase from estimated material costs of \$1,465,000 to \$7,325,000. These structures total 8,200 sq ft of floor space. Because no land acquisition costs are involved in the Press Democrat example, Plaintiff's construction expert estimates the cost delays from the two fires, and earthquake and delays by the FVEHOA for not approving the plans in a timely manner, (not including the TRO construction delay of 60 days minimum) as shown below.
- 12. In my opinion, the construction costs per sq. ft. will rise from the original estimated cost of the garage and game room on 1/14/2014 of \$1,465,398 (8,200 sq. ft is \$178 a sq ft.) costs of materials and labor have risen to \$560 per sq. ft. for 8,200 sq. ft. or \$4,592,000 (an increase of \$3,026,602 or 206.53% increase in construction costs since the estimate on 1/14/2014 to 2/1/2021 or \$36,030 per month for 84 months).
- 13. As of February 1, 2021, the cost per sq. ft. increased by over 70%. Construction costs continue to increase on a monthly average basis of at least \$30,000 per month. Even higher increases in costs for labor and materials is projected in the balance of 2021 and 2022 due to labor and materials shortages nationwide and due to the massive building efforts in Sonoma County due to the recent fire storms.

- 14. This increase in costs is 2.8 times the original estimated costs and is a 67% on estimated costs as of December of 2020. This projection is conservative, and the actual costs likely will be significantly higher as delays continue because of the FVEHOA's continued interference with construction.
- 15. Prices are continuing to rise as the market experiences additional shortages of lumber, concrete, and most importantly, the availability of skilled labor.
- 16. Delay of construction to July 9, 2021the date of trial will result in great hardship to Romano. It is estimated that construction costs are increasing by 3% per month in 2021 alone which breaks down to about \$1,000 per day in inflationary costs. This is the minimal amount of delay if the Plaintiffs TRO dismissal is not granted by the Court.
- 17. Each time that a construction job of this magnitude is shut down, even for a brief time, the owner must expend efforts and funds to shut down the project and protect the forms, onsight materials and equipment as well as comply with municipal regulations for fire safety, ground erosion, and other hazards of a vacant job site. I reviewed Mr. Romano's letter of February 12, 2021 (Exhibit 16) describing the project shutdown required by the Courts TRO. The steps and actions Mr. Romano indicated he would take, and the estimated costs of mitigation of damages seems reasonable considering the site and the size of the project. The estimated \$30,000 in shut down costs, storage, and other mitigations at \$4 a sq ft for 60 days appears to be conservative.
- 18. Mr. Romano also informed me that on two previous shut down periods he expended approximately \$12,000 for each shutdown period to comply with City of Santa Rosa ground covering and runoff wattles for erosion control is very conservative at approximately \$2.50 a sq ft of open foundation (5,000 sq ft), not including covering 10,000 sq ft of exposed soils on site. Remobilization of construction likely would exceed those shutdown expenses each time.
- 19. Not only does the cost to Romano increase for that time that construction is delayed but into the following winter because the job must be mobilized, materials ordered and contracts re-bid, to obtain concrete, concrete pumping, qualified carpenters, electricians, plumbers, and other workers in a very competitive market. It is likely that delay until July would not allow

construction to resume until January 2022 and at much higher cost.

- 20. Based on my analysis, a four-month delay to the trial date would likely cost Mr. Romano more than \$150,000 assuming there are no further cost increases during that time, which is very unlikely in this market. This delay most likely would require construction to be delayed further to January 15, 2022 because of weather, competition, and other factors.
- 21. Calculating construction cost and labor increases alone, at current rates, from the TRO date of March 12, 2021 to January 15, 2022 is 339 days at \$1,250 0 per day is \$\$423,750.
- 22. In this case, I would recommend a bond of at least \$500,000 to cover most delay costs, however even that amount could prove to be low because the real costs by this year's end will in all probability be much higher.
- 23. Balancing the hardships here makes clear that there is no risk to the FVEHOA to allow Romano to construct the buildings approved by the FVEHOA'S ACC and by the operation of the CC&R's, which again approved Romano's plans.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true.

Executed this 24th day of March 2021 at Santa Rosa, California.

Edward Nessinger,

Declarant

EXHIBIT A

EDWARD J. NESSIGNER

244 Colgan Ave. Santa Rosa, CA 95404 Tel: (707) 953-4500 de@ewestconstruction.com

Construction Industry Expert

Over thirty (30) years of experience in the construction industry, including both private and public works, residential, multi-family, commercial and plan development • Experienced in all phases of construction, including demolition, underground, foundation, structural and high rise • Project budgeting and job pricing • Managed multi-million dollar projects • Plan development and operations management • Deal directly with clients and negotiate contract terms • Project and subcontractor coordination and contract administration • Oversee project and schedules • Coordinate design and administration construction processes • Public works • Permitting • Manage subcontractors to ensure quality • Production and safety compliance • Hundreds of successfully completed construction projects

Contractors Licenses: A, B and C-27.

AREAS OF EXPERTISE

Commercial Construction

➤ Steel Construction

➤ Estimating

➤ Public Contracting

➤ Grading & Paving

➤ Residential Construction

Project Budgeting

Bids and Proposals

> Permitting

➤ Community Development

Underground Engineering

> Construction Financing

> Design-Build

➤ Landscape Construction

PROFESSIONAL EXPERIENCE

E West Construction, Inc. (Former Owner/Vice-President) 2015-*Present*. General and underground engineering contractor specializing in the areas of both commercial and residential construction and highend remodels. Currently constructing large custom-built homes and multiple re-builds of private residences lost to the Sonoma County 2017 and 2019 wild fires.

RE West Builders, Inc. (Owner/President) 2006-2014. General Contractor specializing in large commercial residential and multi-family remodels and commercial building construction, public works, grading, paving and underground.

Nessco Construction, Inc. (Owner/President) 1996 –2015. Landscaping contractor specializing in both commercial and private landscape & development, including parks, golf courses, open space fields for sports, planned community and common areas.

Nessinger, Inc. (Owner/President) 1996-present. Construction equipment holding and leasing company.

North Bay Construction. (Project Superintendent) 1984-1996. Engineering contractor formerly specializing in large residential development projects, commercial and public works.

PROJECT HIGHLIGHTS

COMMERCIAL PROJECTS

Esposti Apartments. New construction of 36 residential apartment units. (7 M)

Boulders Project. Remodel of large 300 unit multi-family apartment complex. (22 M)

Yarborough Brothers Towing. Construction of a new commercial building. (1.4 M)

Cove Clubhouse. Large remodel of commercial building. (2.7 M)

<u>Car Wash</u>. New commercial/industrial car wash facility. (2 M)

<u>Yolanda Project</u>. Commercial construction of three commercial warehouse units totaling 32,000 sq. ft. with follow-up 2019 tenant improvement project. (3 M)

Petaluma Transit. Commercial remodel project (1.4 M)

Hamilton Elementary. Gymnasium and administration building (2.0M)

Middletown Senior Center & Library. Commercial project remodel and new construction (3.4 M)

Santa Rosa Transit Mall. Renovation of bus stop facility (2 M)

<u>Kia Automotive</u>. New commercial construction of automotive dealership. (2.8 M)

<u>Pet Care Veterinary Hospital</u>. 13,000 sq. ft. complete remodel of a community center to a specialty 24-hour urgent care veterinary hospital. (3.2 M)

San Clemente Apartments. Large remodel of multi-family apartment complex (2.3 M)

Chanate Apartments. New construction of multi-family apartment complex (2.7 M)

RESIDENTIAL PROJECTS

Currently in contract to re-build multiple private residential homes previously lost to the Sonoma County fire storm in October 2017, totaling approximately \$20 M.

Adobe Canyon Properties. Large, multi-million dollar residential custom homes. (7 M)

<u>Desforges Residence</u>. Large custom-home remodel. (4 M)

<u>Mayer Residence</u>. Large multi-million dollar custom home using all steel framing. *Under construction*. (7 M)

<u>Powell Residence</u>. Large multi-million dollar custom home using all steel framing. *Under construction*. (3 M)