



Segue Construction Pays \$6.5M to Settle Past Balcony Cases

By Lisa Fernandez
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The construction company that built the apartment complex in Berkeley where a balcony collapsed during a 21st birthday party, sending six students to their deaths, has been sued at least twice and paid \$6.5 million to settle the suits in cases that claimed its balconies prematurely rotted and failed.



Segue Construction, the Pleasanton-based contractor that built the Library Gardens apartments on 2020 Kittredge Street, was sued by homeowners' associations in Millbrae and San Jose. Among other allegations, Segue was accused of improperly waterproofing balconies.

Court filings reviewed by NBC Bay Area and the San Francisco Chronicle showed that Segue paid \$3 million in 2014 to settle a lawsuit over “water penetration” problems on dozens of balconies at the 245-unit Pines at North Park Apartments at 70 Descanso Drive in San Jose. The suit accused Segue of “failing to design the breezeways, private balconies and stairwells at the project in substantial compliance with all applicable local and state codes and according to industry standard.”

And in 2013, Segue paid \$3.5 million to settle a case brought by the owners of a 109-unit condominium complex that had been completed just three years earlier on El Camino Real in Millbrae, according to court documents filed in San Mateo County.

Segue was the general contractor in the Millbrae case but was not named specifically as a defendant in the original complaint, according to attorney Rachel Miller, a senior partner at the Miller Law Firm in San Francisco. An insurance company that represents Segue and all the other building contractors involved that project ended up paying the settlement recovery to the homeowners.

However, Miller said the similarities of the Millbrae case and Berkeley are striking. In the Millbrae case, the contractor failed to waterproof the balconies, which caused "immense dry rot and mold." No one has been able to use the balconies there for 18 months, she said, and the Park Broadway Homeowners Association is now in the process of opening up bids process to repair the balconies.

The homeowners board discovered the issue, Miller said, while doing their "due diligence" and hired independent experts after several tenants complained.

Segue spokesman Sam Singer said such litigation is common on large projects and "has no bearing on the tragedy" in Berkeley.

"They are completely different projects. They are completely different types of balconies," he said. Singer said of the balcony collapse: "Segue Construction has never had an incident like this in its history."

The company also issued a statement saying, "Segue's hearts go out to the families and loved ones of the young people who died or were injured in this tragic accident. We have offered our assistance and full cooperation to investigating authorities. Segue Construction has built more than 6,000 apartment units and has never had an incident like this in its history."

Cassandra Bujarski, a spokeswoman for the apartments' property management firm, Greystar, had no comment.

As the city of Berkeley demanded that the property manager take down a second balcony and Berkeley's mayor, Tom Bates, speculated that water damage caused the wooden balcony to rot, hundreds came out to mourn the six who died in the collapse, and the seven sent to hospitals with serious injuries.

The dead have been identified as: Ashley Donohoe, 22, of Rohnert Park, California, and Olivia Burke, Eoghan Culligan, Niccolai Schuster, Lorcan Miller and Eimear Walsh, all 21-year-olds from Ireland.

Hundreds came out Wednesday night at vigils to remember them, and pray for a speedy recovery for the survivors.

The Irish students were working and traveling in the U.S. over the summer on J-1 visas, a rite of passage enjoyed by thousands of their countrymen.