

RESOLUTION NO.     -18

A RESOLUTION AMENDING THE EAST COUNTY PERFORMING  
ARTS CENTER RENOVATION PROJECT BUDGET  
TO ADDRESS ADDITIONAL PROJECT COSTS

WHEREAS, in 2009, as a result of declining revenues from events and the cost of annual upkeep combined with the level of renovations required to keep the facility operating, ECPAC was closed indefinitely; and

WHEREAS, in 2017, the City Council directed staff to examine the feasibility of remodeling the facility and study the issue of bringing in a professional management organization with the eventual goal of re-opening ECPAC; and

WHEREAS, in December, 2017, the City Council approved a management agreement with Live Nation to operate and manage a newly renovated ECPAC; in January, 2018, the City Council approved an agreement retaining architects RCHS to provide architectural services and design; in May, 2018, the City Council approved an agreement with Weiland to provide construction management services; in August demolition of the interior of the building began; and originally, the Council authorized a total of \$6,300,000 for the ECPAC renovation project (the "Project"); and

WHEREAS, in the course of planning the Project it became clear that the original budget was insufficient for accomplishing the necessary improvements after it became clear that a complete heating and ventilation ("HVAC") system replacement was necessary as much of the original ductwork was found to have degraded beyond its useful lifespan and would need to be replaced in its entirety; and

WHEREAS, Weiland began soliciting requests for bids for a complete system replacement and based on the review of bids received, staff estimates that a new HVAC system will cost approximately \$2,500,000; approximately \$1,400,000 above the original estimate; and

WHEREAS, it was further discovered once demolition began, that the structural integrity of the standing metal seamed portion of the roof was breached in several places due to the overall age of the building, causing significant water infiltration and water damage throughout the building, necessitating a portion of the roof to be replaced as part of the overall building renovation, adding approximately \$280,000 to the Project budget; and

WHEREAS, a 10% construction contingency is the industry standard on a project of this scale, a lower percentage of 7% was originally factored into the budget in an effort to be cost conscious; and

WHEREAS, staff and the construction management team have already discovered unanticipated structural deficiencies; it is considered likely that additional unanticipated items will be uncovered during the actual construction process thereby approaching the industry-standard 10% contingency, so that based on the increased cost of the overall Project, the total contingency should be \$772,000; and

WHEREAS, there is presently \$605,000 remaining unencumbered in the current Project budget and the total estimated cost of the three items described totals \$2,400,000; making the overall funding request \$1,850,000 from the General Fund; and

WHEREAS, it is to the benefit of the City to provide for the complete renovation of a regional performing arts venue.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.

2. The City Council hereby approves the amendment of ECPAC Project budget by allocating an additional \$1,850,000 from the City's General Fund for the renovation of ECPAC.

12/11/18 CC Meeting

Budget Amendment (ECPAC Renovation) 120718