



December 6, 2024

**TO:** CADA Board of Directors

**SUBJECT:** **December 13, 2024 Board Meeting**  
**AGENDA ITEM 9**  
**THE DEAN RENOVATION PROJECT CHANGE ORDER– 1400 N STREET**

**CONTACT PERSON:** Danielle Foster, Executive Director  
Josh Palmer, Asset Management & Facilities Maintenance Director

### **RECOMMENDATION**

Staff recommends the Board adopt the attached resolution (Attachment 1), authorizing the Executive Director to execute a change order to increase the existing construction contract for The Dean Renovation Project – 1400 N Street with Dos Amigos in the amount of \$100,000 for the renovation of two additional units, or a total of six units.

### **BACKGROUND**

CADA's Dean building currently has six vacant apartments requiring renovation. The Dean is CADA's premier apartment building and is 100% market rate. For many years, the Dean has been and currently is home to a variety of notable statewide elected officials. It has 11 apartments on five floors. The apartments all have hardwood floors, original beam ceilings in the living rooms, and many original fixtures. The lobby and landings on each floor retain much of their original charm. The building fronts onto Capitol Park. Staff's goal for this building is to position it to be a desirable home for a discerning clientele that would include lobbyists, elected officials, senior government appointees, and other professionals.

After value engineering on materials and with some additional revenue being recognized at mid-year, CADA now has adequate budget to remodel all six of the apartments requiring updates. This change order will facilitate the renovation of the last two units concurrent with the other four thereby reducing construction impacts on the tenants in the building by avoiding what would otherwise be a two-phase project. Completing all six units together also lends to a time and cost efficiency for CADA and brings the last two units online faster for rental. To make ready the vacant apartments for marketing and rental, the kitchens and bathrooms need significant rehabilitation to make them appealing to the market segment staff is targeting. Staff had worked diligently to lease the vacant apartments with the original kitchen finishes, but the market response was not as intended and staff elected to pivot to completing these renovations and marketing the apartments to higher market rate tenants. Accordingly, the kitchen countertops, cabinets, sinks, flooring and lighting require replacement with fixtures that will complement the 1929 style of the building and retain certain elements where this is appropriate. Many bathroom fixtures require replacement, too.

Approval of this contract will allow CADA to move forward with renovation of the remaining two units in the Dean Renovation Project.

### **POLICY**

This item comes before the Board because the contract change order amount exceeds the \$100,000 contract approval authority of the Executive Director and her corresponding change order authority. Construction contracts in excess of \$100,000 must be formally bid in accordance with CADA Contract Policy, and authorization for a contract award and necessary change orders must be granted by the Board of Directors.

### **FINANCIAL IMPACTS**

Work under this contract will be performed using funds allocated in the Capital Investment Program (CIP) budget. The FY 24/25 Major Construction CIP budget, which was adopted by the Board in June 2024 with a total of \$500,000 for this project. The proposed mid-year budget item includes an amendment of \$100,000 for this remodel and ensures necessary funding for the completion of the remaining two of the six units requiring updates and some contingency, for a total budget of \$600,000.

### **ENVIRONMENTAL REVIEW**

Not applicable. This project falls under the categorical exemption for existing facilities in class 1, section 15301. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

### **STRATEGIC PLAN**

The proposed action addresses the following 2024-2029 CADA Strategic Plan goal: "Deliver Community Development Leadership."

### **CONTRACT AWARD CONSIDERATIONS**

Construction contracts that will be executed to carry out work under the Capital Investment Program are bid and awarded in accordance with CADA's Contract Policy and Outreach Procedures. If construction contract change orders are needed, CADA's contract policy allows the Executive Director to approve them in the cumulative amount of \$25,000 or 20% of the base contract amount, whichever is greater. This proposed change order exceeds the Executive Director's authority amount.

Attachment:

1. Resolution 24-53

**RESOLUTION NO. 24 - 53**

Adopted by the Capitol Area Development Authority

December 13, 2024

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR  
TO ENTER INTO \$100,000 CHANGE ORDER ON CONTRACT  
C25-102 – DOS AMIGOS CONSTRUCTION FOR THE REMODEL OF  
TWO ADDITIONAL UNITS**

**WHEREAS**, in October 2024 the Board authorized the Executive Director to enter into a \$229,485 construction contract with Dos Amigos Construction Inc. for the remodel of four units;

**WHEREAS**, staff is recommending that the Board approve a change order in the amount of \$100,000 to pay for the cost of the tenant improvements at 1400 N Street which are associated with adding two additional currently-vacant apartments to the four apartments currently being renovated by Dios Amigos Construction; and

**WHEREAS**, the proposed change order to the Dos Amigos contract totaling \$100,000, exceeds the limit of the Executive Director's authority to approve a change order of more than \$25,000 or twenty percent (20%) of the original contract amount.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority that the Executive Director, or their designee, is authorized to enter into Change Order #1 with C25-102 Dos Amigos Construction Inc. in the amount of \$100,000 to provide contracting services for the remodel of units at the Dean property, 1400 N Street.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors