

ECPAC FOUNDATION

c/o Citizens Oversight Projects
a 501(c)3 Organization
771 Jamacha Rd, #148
El Cajon, CA 92021



FOUNDATION

June 21, 2012

Douglas Williford, City Manager
City of El Cajon
200 Civic Center Way
El Cajon, CA 92020

Dear Mr. Williford:

It gives our organization great pleasure to submit this proposal for the operation of the ECPAC theater to the City of El Cajon, in response to a direct request for such a proposal by City Council Member Tony Ambrose on May 22, 2012, during the workshop on the proposed demolition of the ECPAC theater so as to build a hotel on the site.

This proposal is the result of the work of a group of concerned citizens from this area who have ties and an interest in seeing the theater continue to operate and not be demolished. We started meeting on March 26, 2012, shortly after the City Council voted to negotiate exclusively with Neal E. Arthur for six months regarding the proposed hotel project on March 13. Subsequently, the "Save ECPAC" group met ten times to discuss options to renovated, repair, and reopen the theater. These meetings have been open to the public and held in public locations, and we attempted to contact all major stakeholders to participate. The proposal was approved by the body on June 18, 2012 after an extensive review.

We also arranged to tour the theater so as to discover the work required to reopen the doors of the theater, in terms of repairs, maintenance, and renovations. We learned that the work proposed by Kurt Swanson in his "Conceptual Business Plan" of 2010 for \$4.3 million was mostly not necessary to reopen, although certainly some repairs are necessary. On the other hand, Swanson did not mention some key improvements we feel would be appropriate for the theater, and we have proposed a phased improvement plan.

We know that our research and cost estimates are largely rough guesses, because our discovery process was incomplete. With that said, we feel the theater can be opened for far less than the figure suggested by Swanson. The work we feel should be done in the phase 1 renovation plan is more like \$400K rather than \$4.3 million, and our multiphased improvement plan will still cost less than \$4.3 million when fully implemented and will provide much better results, both for the theater and for the downtown El Cajon business district.

The primary premise behind our proposal is to keep the direct and mandatory subsidy from the city to

an absolute minimum. We feel the theater can be best run as an “Arts & Entertainment” venue and not require any direct subsidy at all. That will save the City \$350,000 or more per year from when compared with the prior management approach. The business points we feel will allow the theater to be successful while keeping the cost to the City at rock bottom are spelled out in our proposal.

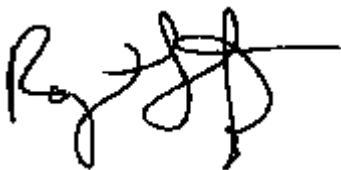
We have heard that the six-month negotiating period with Neal E. Arthur is no longer effective and he is no longer contemplating the ECPAC site for a hotel. We hope this is true, and that you will extend to our community group which wants to save the theater the same courtesy that was extended to the developer that wanted to rip it down. In other words, we think it is only fair that we be allowed to enter into exclusive negotiations to save and reopen the theater.

It is essential, however, to get this moving as quickly as possible, so that the theater will be open for business under the ECPAC Foundation's 501(c)3 nonprofit umbrella during the City's Centennial Celebration this November. Therefore, we would like to suggest that we schedule a time so that the ECPAC Foundation can present this proposal to the City Council, staff and other members of the public as quickly as possible. At that meeting, we would like to respectfully request that we be offered a negotiating period similar to what was extended to the developer so we can resolve the unknowns and determine the best path forward for continued operation of the theater.

Our proposal considers all the options the city has to reopen the theater and to successfully operate it as an “Arts & Entertainment” venue, and it is clear that a 501(c)3 public-benefit nonprofit organization is the best umbrella for that purpose. We have crafted the ECPAC Foundation to be such an organization with ties to the original funding, construction, and initial outfitting of the theater. These ties to the historical backbone of the theater is what the ECPAC Foundation can provide that no other option can, and allow it to embrace grants and tax-deductible contributions from the public as well.

The ECPAC Foundation would like to thank the City Council and the staff members who helped us in our initial discovery process. We know that city staff time is valuable and the courtesy that you have extended to our group has been very much appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ray Lutz', with a long horizontal line extending to the right.

Ray Lutz
Founding Chair,
ECPAC Foundation