

Building BLOCKS



John Klakamp

The Seven Secrets of Successful Restaurant Construction

Secret #7: Surviving and Thriving in a Renovation Nation

by John Klakamp

[Editor note: Secret #7 is the last in a series designed to help you avoid common pitfalls in planning and building your new restaurant. The entire series can be found online at www.foodservicemonthly.com]

During this current economic downturn, many restaurateurs are opting to renovate an existing restaurant rather than invest in a new facility. Whether this is your first restaurant or an expansion, the planning process is paramount in a restaurant renovation project. Having a construction team in place early on to assist with code compliance and assess feasibility will provide you an accurate picture of the obstacles you will face and a reliable conceptual budget for your project.

Let's review some of the toughest challenges in renovation design and construction today.

Unlocking the Code

One of our current projects perfectly illustrates why it is so important to understand code requirements when establishing your renovation budget (instead of after construction has started). We discovered during pre-construction that the restaurant's scrubber exhaust system and associated ductwork were undersized and therefore not up to code. The total cost of these

upgrades was nearly \$100,000—a lot to spend in any situation, but by knowing the cost up front the client was able to make other budgetary decisions with that cost in mind.

Additionally, for many restaurants that were built prior to 1994, this is the first time that they will be required to meet current Americans with Disabilities Act standards, the only national building code. In the case of our client mentioned above, ADA-required upgrades added another \$65,000 to the project; again, a cost that is far better budgeted and planned for before construction begins.

Also of note is a recent shift in local code enforcement. For many years, the code of some local jurisdictions stated that if the renovation affected 20 percent or less of the total space it was exempt from bringing the entire restaurant up to current code. What this meant was if you phased a project into several segments over time you could essentially remodel the entire restaurant without meeting current code standards. This "20% rule" is now gone in virtually all local jurisdictions, so if you expand, increase occupancy, or make any changes affecting egress or life safety then the entire project is subject to current code requirements. (There is some ability to negotiate minor projects, such as bringing your restrooms up to ADA but this has to be negotiated with the local jurisdiction upfront.)

Not an Open and Shut Case

One of the biggest decisions to make when renovating a restaurant is

whether to stay open for business or close during the renovation. While not always the case, on larger and longer projects construction costs can become prohibitive when trying to stay open. Even though closing can mean sending customers away, a loss of revenue, a loss of employees and paying dead rent, it is still sometimes the lesser of two evils and it makes more sense to close. The right team can help you assess your options and make the best decision after quantifying and substantiating project costs for both scenarios.

Turn to the Experts

Just as with new construction, a renovation project team typically consists of the owner, architect, engineers and contractor. The team's experience and continuity has a direct impact on the success of the project. Contractors have a vital role in a renovation project, even more so than when building a new restaurant, because of the need to verify existing conditions.

Evaluating existing conditions and providing a design to upgrade the restaurant to meet current code is crucial, any inaccuracies are potentially devastating. Without an accurate existing conditions survey developed with subcontractor input, the starting point for the design is fatally skewed. Much more than just a report, this is a very fluid process that involves a great deal of interaction between the team members.

In my experience in today's environment, my estimate is that 50 percent of a restaurant renovation budget is

spent bringing deficiencies up to meet current code. The most cost-effective time to resolve issues is during this pre-design stage, as resolving the same problems after the design is in place results in added cost for the same outcome.

Plan at the Beginning for a Happy Ending

While there are many unavoidable challenges that can arise during a renovation, with the right upfront work they can be identified and controlled so they don't devalue the project and lead to cost overruns. Without going through this process there is no way of knowing the problems inherent to your specific project and you cannot accurately determine cost. But by putting your team in place early and performing your due diligence, you can sit back and enjoy your well-organized and well-planned renovation.



John Klakamp has over 30 years experience in restaurant construction and is owner of Annapolis, Md.-based Encore Construction (www.encoreconstruction.net), a firm that specializes in providing pre-construction, construction and project management services to the restaurant industry.