

Synopsis of Recommended Strategy for the Building Project Going Into 2019

BACKGROUND:

After months exploring the congregation's needs and wants, clear priorities emerged by late 2016, of which one was retiring the long-term loan from the 2006 building project. Space requirements were:

- Two additional large rooms for RE (all ages) programming, community engagement, and events
- Accessibility on all building levels
- A list of desirable renovations to existing space in the Jones Building and the Commons area

The responsive conceptual design was estimated, spring 2017, at \$1.2M. That design was amended in January 2018 based on extensive congregational feedback in Fall 2017.

SITUATION:

Our capital campaign raised \$1.5M. After paying off the 2006 building project loan, and allowing for current pre-construction costs, about \$1.1M is expected to be available for this construction project.

After the capital campaign, we worked with the architect on an updated estimate for the January 2018 scope. The revised estimate was drastically affected by a combination of two factors: in addition to the increase of 1030 square feet needed for stairway relocation and technical adjustments to improve accessibility, the costs of construction labor and materials have risen dramatically due to significant market forces in the building industry (competition for resources due to last year's hurricanes, the improved economy and new tariffs). The cost per square foot of new construction has increased 31%. Largely as a result of these factors, the cost has risen to an estimated \$1.8M.

RESPONSE AND RECOMMENDATION:

- The Building Construction Task Force analyzed many alternative ways to reduce the cost of the project, working with the architect over the summer of 2018.
- Proceeding with the full scope was ruled out based on its cost (\$700,000 more than available funds), because a large long-term loan that would cut deeply into our church's annual operating budget (funding for staff, maintenance and programs) would be unacceptable.
- The option of simply completing a comprehensive list of desired renovations without building any new space was ruled out, because, while affordable within our available funds, it fails to resolve the urgent need for additional space, i.e. the two large rooms for flexible use for RE (all ages) and other programming and special events.

The recommended strategy is to build the new (not lavish but very nice) building, but forego all renovations to existing structures, except just those few structural renovations essential for accessibility, health and safety, and to undertake projects on our own to spruce up the existing space after the tenant preschool leaves the end of May 2019. The estimated cost is \$1.3M.

RATIONALE: This strategy will give us exciting new space to meet our high priority, current program requirements, in a manner ensuring accessibility at all building levels. It is reasonable to believe that the funding gap of \$200,000 can be closed through a creative variety of potential mechanisms. This strategy does not rule out undertaking discrete fix-up projects for existing space in the future.

NEXT: The Board seeks congregational feedback on this strategy by October 21 and will subsequently propose a course forward for resolution at the Congregational Meeting January 13. (For details, return to previous page "Current Project Status" and click on "Schedule of Specific Events.")