

# Building Project Update

January 20, 2008



# Original Estimate

## Program Document

- Costs
  - \$875K Hard Construction Costs (5000 ft<sup>2</sup> @ \$175/ ft<sup>2</sup>)
  - \$262K Soft Costs (30% of Hard Costs)
  - \$114K Contingency (10% of Hard+Soft Costs)
  - \$1,250K Total
- Funding
  - \$700K Contributions (Capital Campaign)
  - \$400K Mortgage (5 Year Plan)
  - \$150K Volunteer Labor (Building Options Committee)
  - \$1,250K Total



# Hard Construction Costs

(original estimate \$875K)

- Based on Malcolm Dorn's Bid per Current Drawings
  - Focus on cost containment, and high level of Built Green/Sustainability
- \$955K – sanctuary, foyer, bathrooms, kitchen, office/library space (5700 ft<sup>2</sup> @ \$168/ ft<sup>2</sup>)
- \$885K – without office/library space (4900 ft<sup>2</sup> @ \$180/ ft<sup>2</sup>)
- Addt'l \$25K to remodel back of existing sanctuary/existing kitchen
  - Could be significantly less if scope of remodel is reduced



# Soft Costs

(original estimate \$262K)

- Based on Current Estimates
- Minimum Required: \$360K +/- \$50K
- Major Elements
  - Design/Engineering Fees
  - Street Construction – 22<sup>nd</sup> St.
  - Purchase of Street Vacation
  - Parking Lot, Stormwater Handling
  - Utility Connections
  - Financing Costs (construction loan, mortgage closing costs)
- Major Uncertainties
  - Cost of Land Purchase
  - Level of Street Construction Required
  - Cost of Parking Lot/Stormwater Handling



# Other Soft Costs

(NOT included in minimum budget)

- Furnishing
  - Chairs
  - Tables
- Kitchen Equipment
- New Sound System
- Landscaping (beyond minimums required by city)
- Play Area/Basketball Court in portion of existing parking lot



# Expenses - Summary

- Referring to the Program Document:
  - To build Phase I Basic (no office space), we are \$130K above original estimate
  - To build Phase I with Add-on (office space), we are \$200K above original estimate
  - If we include the renovations to the back of the existing sanctuary, we are \$225K above original estimate
- So, we need to either
  - Increase funding
  - Decrease scope of Phase I



# Funding: Contributions

(original budget \$700K)

- Capital Campaign raised \$685K
- One pledging unit (who wishes to remain anonymous) has offered to increase his/her/their pledge by up to \$50K if
  - Matched by other increased pledges
  - Doesn't detract from stewardship campaign and operating budget



# Funding: Mortgage

(original budget \$400K)

- Note: Mortgage Payments are part of our operating budget, funded primarily by the Stewardship campaign
- Five year plan created 2-3 years ago indicated that we could afford \$40K/year mortgage payment, roughly equating to a \$400K mortgage
  - Based on projections of member growth and mean pledge increase
- Current draft five year plan questions that premise
  - Last year's pledge campaign did not produce increase in mean pledge amount
  - Membership growth over last few years has not resulted in increased number of pledges
- Looking beyond 5 years, financial picture improves
  - Possibility of short-term member loans to bridge gap



# Funding: Volunteer Hours

(original budget \$150K, 10,000 hrs @ \$15/hr)

- It is not yet clear if there is \$150K in labor that could be performed by volunteers
  - Malcolm/Irv are working on estimate

Confusing, isn't it?



# How will We decide what to do?

- First, *Information*
  - Subcommittee of BSC/BDCC
    - Continuum of building options, with costs
    - Volunteer Labor
  - Task Force (Board/Finance Committee/Stewardship Committee, BSC)
    - Funding alternatives
      - Mortgage – Stewardship Campaign
      - Contributions – Matching pledge
      - Short-term Loans



# How will We decide (cont)

- Then, *Commitment*
  - Response to Stewardship Campaign
  - Response to Matching Pledge



# How will We decide (cont)

- Then, *Decision*
  - Match funding to cost continuum

