

A Special FAQ and Summary of Building to Date for Holy Cross Members

A number of members have asked for an update to help put the current “Growing Inside Out” campaign in context

- A Feasibility Study was completed in 2005 – Original Concept Estimate* was 1.5 Million.
- Raising the Roof Campaign is organized in 2007. Approx 1.7 Million is pledged.
- June 2008 – Conditional Use Permit process is begun with City of Redmond.
- November 4, 2008 – Preliminary Budget from Design Development drawings is completed and totals 1.57 million dollars. This is for construction only and does not include \$400,000 worth of other costs. It is apparent that we have a budget problem at this point.
- Fall of 2008 – City of Redmond begins to require major changes to original concept.
- By Jan 2009 the following changes had been required:
 - Original design included two small storm water retention ponds
 - City requirements increased storage requirements and collection system sufficient for final (phase 2) completed project. Far more than originally anticipated for “phase 1”. This will ultimately save money by being more cost effective, but increased cost significantly for the initial project.
 - Design was modified to one huge vault.
 - Costs were increased for the vault and for many other city required revisions.
 - Civil Fees: 55k to 95K
 - Architect Fees: 47K to 62K
 - City Related Fees: 0 to 107K
- Spring 2009 – Entire project is value-engineered to reduce costs. Even with reduced costs we cannot complete the entire project with the pledged amount.
- Bridge loans and other short term solutions are explored and eliminated as options.
- Jan 14, 2010 – Construction costs re-priced and split into three phases; site work, narthex, and sanctuary/education bldg. Costs are 653K, 788K, and 133K respectively.
- Spring 2010 – Decision made to do site work only. Now that site work only is being done, work is planned to a level to allow not only the current expansion, but the next phase of expansion as well. Everything will be in the ground, the conduit, the storm water collection system, etc. that we can simply plug into in the future. Because all costs for construction contract were then associated with this phase only, a contract was agreed upon for \$816,955. Plus tax.
- Spring 2010 – site work only, plus all of escalated “soft costs” forecast at 1.4 million.
- In spite of extremely difficult conditions, due to the efforts of Ed Buffalow and especially Joe Trujillo who volunteered to be the Holy Cross project representative, many problems and expensive change orders were averted. As a result construction change orders only amounted to 20 thousand dollars on a million dollar construction project.

Where we are today:

Total Pledges Received (incl. interest):	\$1,444,553
Costs to Date:	\$1,313,500
<u>Landscaping Costs Remaining</u>	<u>\$70,000</u>
Balance	\$61,053

Q: How was all of this communicated to Holy Cross members? Why didn't we know more?

A: I don't know about you, but I was not really paying attention to the details. But for those who were, there were abundant opportunities:

- Updates were provided during announcements at both services.
- Monthly reports appeared in the Holy Cross newsletter.
- Reports online were updated at the Holy Cross website.
- Reports were made to the Vestry.
- Reports were made at the annual meeting.
- Father Jim had signs up in the church telling us all that no construction would be happening above ground this year.
- An all church meeting was called to discuss the first actual estimates. Few attended.

Q: What is the estimate to complete the balance of the project?

A: \$1,600,000

Q: How do we know that this will be enough to actually complete the project?

A: We don't know. This is the best estimate that we have right now, and we believe that it will get the job done. And we know far, far more than we did when we started; there are significantly less unknowns.

Q: Was this really a 3.0 million dollar project that we somehow thought that we could do for 1.5 million?

A: Great question. It did not start off that way. See the comments about the "Original Concept Estimate" below.

* The "*Original Concept Estimate*" – So how did we end up being as far off as we were on the original estimate? One of the best explanations I heard came from one of our fellow parishioners. He pointed out that in a new software project the range of possible costs can be very wide because there are many unknowns. As the project moves towards completion, the range becomes narrower because more and more of the unknowns become defined. In investment management this can be illustrated by a "range of returns" that could be expected, with variance expected above and below the average.

The type of estimate we started with, based upon a concept, could be thought of as an "average cost" if you will, under average circumstances, with an average number of extra challenges. And perhaps we would have been better served to have worked from a *range* of possible costs rather than a simple average probable cost. But we didn't. And who knows what we would have done if we had been presented with such a range.

One of the unknowns at the time was the site work, and, as it turned out, the requirements caught us by surprise. In short, we never anticipated the extent of the site work the City of Redmond would require. Partially as a result of these requirements, our "soft" costs (primarily architect, engineering and landscape design fees), in the end, amounted to a very large sum. But none of it was a lack of diligence on the part of any of our members or volunteers.

The bottom line is that we are here now, and we really need to move forward.