

Building Committee Update

October 2020

In June 2020, Steve Scott and Michael Pandich told Pastor Joe that they wanted to support PCC's efforts to construct a new facility on the land it owns next to the PCHA building. Steve and Michael met with Monique and Daniel Henderson on July 21 to understand the current status, as well as some history from the past 10 years, of the proposed facility. The key takeaways from that meeting were:

1. There is an existing set of drawings for the new facility created by Horacio Diaz. Previous building committee/board members had approved commissioning those plans and their purchase.
2. Previous building committee/board members had selected and approved hiring a subcontractor to construct the facility. That subcontractor was paid ~\$40,000 to start the project.
3. Due to various internal/external circumstances, including hurricane Maria, the project was put on hold. During this time, the current board/committee members concluded that constructing a new facility was not feasible, and the entire project was tabled.
4. In 2019 the board approved the construction of a new church facility and the building committee began making preparations in early 2020. However, due to COVID, the planning was delayed.

After the July 21 meeting, Steve and Michael met to identify the core issues/items that would need to be addressed before any decisions could be made for the facility's construction. Those items included:

1. Confirmation of covenants in the purchase agreement and deed for the land purchased by PCC for the facility.
2. Confirmation of available funds for the project.
3. Resolution of sewer and water access.
4. Confirmation of parking availability.
5. Ability to cost-effectively modify the facility's latest plans to meet PCC's needs now and in the future.

After identifying these critical items, Steve and Michael wanted to get a firsthand perspective from individuals closely involved with the project over the past five years. They included several past board members, committee members, and Horacio Diaz, who was commissioned to create the construction plans. Steve and Michael met have had extensive conversations with

these individuals, along with Pastor Joe. Also, they have had numerous casual conversations with PCC members to gain their perspective on the project.

From these discussions, Steve and Michael wanted to begin addressing the core issues that would need resolution before approval of any church facility on PCC's land. Actions they have taken, and the learnings are as follows:

- Met with Tony Maldonado regarding easement rights from PHCA for water/sewer. Some believed that we would be able to tear up the PHCA parking lot to access their sewer line, which is not the case. We also discussed parking options using PHCA facilities and the parking lot to the south of the property.
- Met with Danny Torrellas at PDMU about sewer connection and disposal options. Danny was very familiar with all of the ramifications of sewer connections based on the property topography and offered some excellent alternatives and concessions from PDMU to reduce construction and ongoing PCC costs.
- Contacted Edd Siler at PDMPI regarding covenants in the purchase document and deed for the property that allowed for ownership of the land to revert to PDMPI if certain restrictions and covenants were not met. We were already in violation of a critical covenant regarding the required construction start date. Although some have been informally 'waived' verbally, we have requested confirmation in writing before construction begins.
- Met with Horacio Diaz to review the last drawings he did for the facility and our suggested changes to accommodate both the short and long-term needs of PCC based on the input we received from others. We have requested cost estimates to make these changes to get board approval.
- Discussions with various contractors on the project to understand their interest and capabilities to construct the building. Although this is a church facility, it is a very simple design and construction with four straight walls and a single roofline. We also learned that the upper level and roof are not poured reinforced concrete, potentially making the construction cheaper and faster, although still able to withstand hurricanes and earthquakes. Tony Maldonado was very helpful in providing the names and contacts of some contractors who built, are currently building and will be building new homes here in Palmas. From a cost and speed perspective, it could be beneficial to PCC to use one of these contractors who have crews in PDM at the same time.

Conclusions and Recommendations

Based on the above, we propose the following to the PCC Board:

1. The building committee would comprise Steve Scott, Luisa Ross, David Sauls, and Michael Pandich (Chairman).

2. Continue working with Horacio Diaz to modify the existing plans to meet PCC's requirements. We believe that hiring a new architect is unnecessary and not a prudent expenditure of funds. Steve Scott has successfully worked with Horacio extensively in the past. Because of the building's simple design, we can modify the current design cost-effectively, including the addition of:
 - a. Pastor and administrative offices.
 - b. Classrooms
 - c. Fellowship Hall
 - d. Kitchen
 - e. Community Food Bank
 - f. Communications center for disasters
 - g. Sufficient space to minister to the community at large in the event of a natural disaster
3. Horacio Diaz has submitted the costs for modifying the plans. A qualified draftsman would do the modifications that Horacio has worked with for many years and under his direct supervision. The PCC Board approved the funds for these drawings during the October 6, 2020 board meeting.
4. The committee will submit the new proposed layout for the first and second levels to the board before completing the final drawings. To expedite the project, we plan to do that via email before the next board meeting for approval.
5. Once final plans are approved, the building committee will create a comprehensive bid package to be submitted to multiple building contractors for proposals. This will include the contractor who was previously hired by PCC.

Target Date for Bid Package Distribution: December 1, 2020

Target Date for Proposal Responses: January 5, 2021

6. The building committee will evaluate the proposals and create a detailed construction plan, including dates, and budget for the new facility. There is approximately \$500,000 in the building fund in the form of 2 Certificates of Deposit that will mature in May 2021, along with ~\$260,000 in a savings account. Assuming a majority of the savings account is available for the project, it is estimated that additional funds will be required for the facility. The building committee will evaluate all options to begin construction, which could include delaying the buildout of the lower level.
7. Once a final budget is established and approved, the building committee will work with the board to establish a capital campaign for the project's total completion.
8. Target Construction Start Date: March 1, 2021