

PROGRESS REPORT ON BUILDING PROGRAM

Following a major discussion on building strategy in the spring the Board of Trustees concluded it should request the Architect, Kim Acorn, to redesign the proposed building by lowering the height, eliminating the classroom/office wing, making the stage/storage wing an alternate and generally coming up with a very basic building. Recent experience with similar projects in the Sahuarita-Green Valley area indicated that construction bids had dropped 30 to 40 percent over the previous year's engineering estimates. Mr. Acorn provided a redesign and asked a construction company to help in providing cost estimates. Bottom line the redesign and reduced construction unit costs indicate that the overall project would drop from about \$2.2 million to \$1.45 million dollars. This includes paying off the land note.

The redesign and reduced cost estimates, along with updated funding availability from SCVUMC, were again provided to Chase Bank, M&I Bank, the Ziegler Bond Co and the United Methodist Federal Credit Union. The two banks again turned us down but both the bonding company and credit union indicated that the project appears to be financially feasible. The redesign, cost estimates and SCVUMC available funding was provided to the UMC District Superintendent who also indicated it looked like a viable project.

Based on these findings the Board of Trustees agreed that we should move forward with final designs and consider getting construction bids before asking for final approvals. The Architect was directed to prepare revised designs and submit them to the Rancho Sahuarita Management Company for approvals under the Purchase and Sales Agreement and the Association's CC & R's. The designs were submitted in mid-July, however the Management Company indicated they were not satisfied with the design. We are now in negotiation with Mr. Sharpe and his staff regarding the building size and appearance. A pre-development meeting was held with Town officials to start the permitting process. Our goal is to have a building SCVUMC can afford and still meet the developer's concern for appearance. Timewise we would like to have the construction plans, permits and necessary approvals, including financing to start construction, shortly after the first of the year.

Building campaign funds from the Journey of Faith Commitments are still coming in although they have fallen off this third quarter. Hopefully the fourth quarter will be better when the giving units that normally pay by the year can make their payments. A cash flow analysis indicates that we must rely on our building campaign commitments being met before and during the construction period, in order to meet financial needs.