

OCTOBER

STATUS UPDATE REPORT

PREPARED BY
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CONSTRUCTION COMMITTEE

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252 Atlantic Street

Activity Report for the Period Ending October 31, 2022

The project team made significant progress on multiple fronts this month. Demolition and abatement activities were launched, the Design Committee moved closer to finalizing the interior design, key resources were added to the construction team and Stanwich staff and our construction team continued to refine the project budget. These activities are briefly described in the following paragraphs.

Demolition and Abatement

These tasks are moving forward on time and on budget. The demolition effort will continue through the end of November and entails removal of existing walls, floors, ceilings, and other infrastructure components (e.g., HVAC ducts, pipes, wiring, etc.). Demolition efforts have exposed structural support beams and other infrastructure components for further evaluation by our structural engineer. Through October, no additional problems have been identified. To the contrary, upon closer inspection, some of the concerns that surfaced last month have been deemed less serious than initially suspected.

The need for asbestos abatement was identified during our due diligence review of the building. A reduction in price was negotiated with the Seller for abatement purposes and these tasks are proceeding on budget. Abatement tasks and subsequent air quality testing are also scheduled to be completed by the end of November.

Exhibit 1 on the following page illustrates the progress of our demolition efforts.

Design Review

The Design Committee, our Construction Manager and our Architect are continuing their review and evaluation of the overall design and intended use of the space. We have also received design ideas and suggestions from congregants, all of which are being fully considered. As a result of this iterative review and evaluation process, the hospitality, children and youth spaces on the lower level have been reconfigured to facilitate interior navigation, more efficient use of the space and construction efficiencies. More importantly, some of these design changes will result in significant budget savings. For example, a slight relocation of the main stairwell from the 1st floor to the lower level will result in significant cost savings since structural steel required by the earlier design will no longer be required. Other design changes such as the elimination of a large skylight over the pulpit will also serve to reduce construction costs. Schematic design drawings reflecting these changes are available in the Meeting Room for your review.

Exhibit 1 – Building Demolition and Abatement

	<p style="text-align: center;">2nd Floor</p> <p>The 2nd floor had contained multiple offices and rest rooms. Demolition and abatement have enabled further evaluation of structural concerns with the front façade of the building. This space will be converted into apartments for the sexton and the site pastor.</p>
	<p style="text-align: center;">1st Floor</p> <p>The 1st floor walls, ceiling and flooring are all being removed. No new structural issues or concerns have been identified. Coffee shop patrons and even pedestrians on Atlantic Street will have full visibility into the sanctuary.</p>
	<p style="text-align: center;">Basement</p> <p>This is the future home of our hospitality space, commercial kitchen, rooms for Children and Youth Ministry activities, administrative offices, and restrooms. Asbestos covered pipes, a large boiler unit, and abandoned HVAC ductwork have all been removed.</p>

In November, the Design Committee’s attention will turn to the exterior design of the building. Since our building is in the Stamford historical district, any exterior modifications to the building will require review and approval by the City of Stamford Historic Preservation Advisory Commission. Obtaining the necessary approvals could be a time-consuming process.

The current storefront is shown below in Exhibit 2. Our architect (Grandberg & Associates) is developing potential designs for the front of the building that will feature the church’s name, the coffee shop’s name and provide ease of access to the building. Since the windows, lintels, and parapets on the front of the building require significant remedial repairs, we hope to present a proposed design to the congregation and the Historic Preservation Advisory Commission by late November or early December.

Exhibit 2 – Building Storefront



Coffee Shop

The Coffee Shop Committee is busy on multiple fronts. First, they have retained the services of accounting and legal professionals to assist in defining the proper form of organization for coffee shop operations. The simplest model, leasing the space to a 3rd party to operate the coffee shop, exposes the church to Unrelated Business Income (UBI) taxes and property taxes on the portion of the property dedicated to the coffee shop. We could potentially avoid UBI taxes by establishing a separate 501(c)(3) entity for the coffee shop, but the general sense is that the IRS would frown on such a designation. The accountant and the attorney are leading us through this process.

As noted in prior reports, our plan envisions outsourcing the operation of the coffee shop to an experienced business professional who shares our commitment to serving the community and providing 2nd chance employment to Pivot graduates, PEHT survivors or others who are struggling to reengage in the workforce. Our attorney will provide the guidance necessary to complete the lease and operating agreements between the church and the coffee shop operator.

Our architect has developed a high-level schematic plan for the coffee shop. It identifies entrances/exits, seating area, restrooms and counter space for food preparation and customer service. Design tasks scheduled for November include:

- Review/confirmation of food and beverage offerings
- Identification of required equipment (e.g., refrigerator, freezer, espresso machine, etc.) to support coffee shop operations
- Retention of a kitchen consultant to determine counter configuration, equipment location and/or any needed modifications to the schematic design
- Estimated cost of the equipment inventory

Launching a new food service operation is a challenging task. As such, the Coffee Shop Committee is following a structured and disciplined approach to complete their assignment.

Project Budget

The September status report noted that rising costs, supply chain delays and other related issues are adversely impacting our budgeting and planning efforts. As noted last month, the total construction cost estimate was \$11 million - an amount that significantly exceeds earlier estimates and our fund-raising results. However, ***positive progress was made this month to reduce these costs***. First, several of the design decisions (e.g., relocating the stairwell and elimination of the skylight) by the Design Committee will result in significant savings. Initial estimates are approximately \$100,000. Secondly, our Construction Manager has obtained proposals from other local contractors to perform the priority tasks in the project plan (e.g., structural steel, HVAC and electrical). As a result of this competitive bid process, our Construction Manager has now received proposals for the same scope of work for almost \$400,000 less. As a result of these efforts, total projected costs are almost \$500,000 less than forecast last month.

Project Schedule

Due to the projected increase in costs, the project team has been evaluating a phased construction schedule which will hopefully correspond to current and future fund-raising efforts. The phased construction plan currently under consideration has the following components:

- **Phase 1 – 1st Floor (Coffee Shop and Sanctuary)** – to be completed by December 2023. Estimated cost for this phase of work is \$7.5 million. This estimate is almost \$2.5 million more than has been pledged or collected to date.
- **Phase 2 – Lower Level** – this phase of work entails building out the lower level to provide a commercial kitchen, hospitality space, rooms for youth and children’s ministry and church offices. The estimated cost for Phase 2 is \$2 million.
- **Phase 3 – 2nd Floor Apartments** - to provide a parsonage for the site pastor and living quarters for the Sexton. The estimated cost for Phase 3 is \$1 million.

We remain committed to completing the Phase 1 construction efforts and launching worship services in December 2023. However, we may find it necessary to delay other construction efforts until sufficient funds can be raised to pay for the effort.