

Church Conference 6/14/09 – Questions & Answers

Q. Are churches immune from property taxes?

A. Yes, so long as the property is used for church purposes (excepting as a residence). Gerry Blain further clarified that we have applied for an exemption from taxes on both the Forest Rd. Parsonage and Silver properties since they are no longer being used as residence.

Q. Can you explain what you mentioned about the Wellington DOB being partially leased?

A. When we inquired about purchasing the building we were told there was some sort of agreement between Wellington and a div. of Neyer, Unit Building Services (UBS). Initially we were told only the rear 1/3 portion (about 3300 sf) was available for lease, and that there was a Letter of Intent from a Family Practice to lease the front 2/3 of the space. We speculate that UBS needed to have 100% of the building leased in order to obtain financing. In this process we did determine that the 1/3 rear portion was inadequate to house the church administration offices.

Q. How are we going to cover the cost to redo the Master Plan to reflect the Wellington DOB?

A. It is included in the initial costs (part of the \$228,000 line item in presentation slide)

Q. What is the initial renovation work to be done if we purchase?

A. We have allotted an initial \$20,000 to secure the building, make a few interior changes as well as the 5 Mile Road sign to reflect AHUMC.

Q. Is any of the \$228,000 initial renovation cost for the sanctuary?

A. It is not. It includes funds to update the Master Plan, initial maintenance items in the Wellington DOB, architectural and engineering fees for initial Master Plan work, and development of a scope of work for sanctuary renovations.

Q. Is the \$228,000 to be used for renovating the Wellington Building?

A. No. Only \$20,000 is budgeted for minor repair or work in the Wellington Building. After the master plan has been updated and preliminary designs and cost estimates for renovating the Wellington Building have been completed, we will present the plans and cost estimates in a church conference for approval to move forward.

Q. Will having the property ease the work of the Master Plan and save any money in the long run?

A. Yes and Yes. For instance if we located church offices in the Wellington DOB we would save a minimum of \$650,000 on the Master Plan for new office space in the church building (current Master Plan requires building NEW space as well as renovation of existing space). It also eliminates adding entirely new classroom space (Master Plan Phase 1a) because we would have more space available in the existing building to replace that which will be lost in Phase 1b of the Master Plan. It should be noted we will still have renovation needs/costs but no where near the same cost as new space. It will also

help ease renovations in the future by allowing bigger areas to be renovated without major disruption.

Q. Is the Family Practice lease in or out of the picture now?

A. If we vote to purchase the property it is out. Our offer is to purchase the building. The Building Committee believes that we will have a more immediate use for the building to assist with implementing our Master Plan. However, one of the first things we will do is have the Master Plan updated to reflect future use of the Wellington DOB and how that impacts renovation in the main church building. If in the unlikely event we will not be using the building for 3-5 years (min. lease terms) then we could revisit whether to short term lease the building to help make mortgage payments until such time as the space would be needed. We want to be careful not to paint ourselves into a corner on future use.

Q. We own three parcels south of the parking lot. Have we investigated the cost of turning them into parking spaces and/or office space?

A. During the development of the Master Plan, the entire site was considered in long range planning. Eventually this space will become parking (giving us 370 spaces, which is still considerably short of long term requirements). Even with this, we would be dependent on using adjacent parking lots. This factored into our interest in obtaining the Wellington DOB property (which has 70 parking spaces).

Q. By not purchasing we need to consider the implications of it NOT being available, don't we? It might be purchased by a retail entity that might be open on Sunday, not only eliminating our ability to park there but also cut off our current Five Mile Road access.

A. Yes, this ensures accessibility and a Five Mile Road presence. If we were to decide not to purchase, we really don't know what the future owners might do with regard to parking. Our agreement with the DOB is verbal and not binding on new owners.

Q. First, I think this is an excellent plan to buy the building. We will likely see enormous inflation in the coming years. I suggest we skip updating the sanctuary and move directly to completing changes in the Master Plan. We could go directly to Phase IV (new contemporary worship center), we solve the 9:30 over-crowding problem, there are more people coming and that means more money for future improvements. These new people will drive what we do with regard to other renovations too.

A. The cost estimates in the Master Plan reflect inflationary costs and the Building Committee is being mindful of savings that could be realized due to inflation.

Q. How come we never mention and no one ever uses the American Legion parking?

A. American Legion has an arrangement with Forest Hills HS and rents them 'student' parking. They are not presently interested in selling the property; however, there is an informal "understanding" with the Am. Legion of our interest in that property.

Q. What will the mortgage value be at year three and beyond?

A. Until our new plans are developed implementing use of the Wellington DOB, we cannot determine the costs for renovation and long term use.

Q. So, the \$1.2MM isn't for renovation?

A. It is for the purchase, design fees and minor initial renovation. Once new plans are developed, we will come back to the church with plans and estimates. The Master Plan is fluid. The \$3.6MM in the current Master Plan is for "rearranging" renovation (such as moving offices, chapel & parlor to consolidate Family Ministry). The Wellington DOB could modify the Master Plan by eliminating much of those rearranging costs (doesn't quit offset purchase but significant portion).

Q. We have spent 55 minutes discussing the purchase of the property. We have twelve people on the Building Committee who have studied this, along with the pastors, and who know what they are talking about. Can we have a motion to purchase?

A. Pastor Mark asked for a motion to terminate Q&A (received/seconded), and a motion to purchase the Wellington DOB (received/seconded). A vote was taken and passed by overwhelming majority.