

Report of the Joint Site Committee, April 9, 2008
Exploratory Task Force
Orange Coast Unitarian Universalist Church
Tapestry A Unitarian Universalist Congregation

Our charter: To explore options for a collaborative space for OCUUC and Tapestry

Where will it be located?

The committee is looking for a property halfway between the current facilities as close to the boundaries of the I-5, I-405, and the 55 as possible. The property must be easily accessible from a freeway (within one mile if possible). We would also like it to be visible from a major street and allow for a prominent sign.

That sounds like Irvine. Isn't Irvine expensive and restrictive?

Our ideal, central location would be Irvine. Because Irvine is a desirable address, it is more expensive than the adjacent cities of Santa Ana and Tustin, and there is stronger competition for property there. It also is known for its rules and restrictions, particularly for signs. Our plan is to exhaust our possibilities there but also consider property just outside Irvine. One prospective location is the Irvine Business Complex (IBC) east of the airport.

What about the Great Park?

Diana Blaisure, a retired Irvine city planner who has been helping us, found a contact at Lennar, who owns the property zoned to include churches. We are verifying that we are on their waiting list. However, this land will not be available for purchase until at least 2009 or 2010.

What about the Tustin Marine Corp Air Station?

Diana Blaisure located a contact for us at the Tustin base. Other than "The District," the property, renamed Tustin Legacy, is not yet zoned. We will ask to be on their wait list. In general, Tustin allows churches in some commercial and residential zones, but prohibits them in industrial and heavy commercial zones.

What kind of place are you looking for?

Ideally, we would like to buy an existing church because it would already have the layout for a church and the proper zoning, including a Conditional Use Permit (CUP, see below). Since few churches come on the market, we would be lucky to find one that meets our needs. Most likely, we will find a commercial property that could be renovated to function and look like a religious building. Possibilities include theatres, health clubs, and warehouses in business parks. Because of the price and scarcity of land

in our target area, it is very unlikely that we could buy land and build. Building would be the most costly and slowest way—at least two years after escrow closed.

What is a Conditional Use Permit (CUP)?

Basically, it is a variance to be able to use the property for other uses. Even though an area may be zoned Commercial or Institutional, each city has specific rules regarding access, parking, and so on that churches must meet to be granted a conditional use permit. When we find a property that meets our criteria, we will make an offer for the property contingent on our ability to obtain a CUP from the city. Diana Blaisure is willing to help us obtain a CUP.

If we do buy land, what's involved?

According to Joe Woollett, an experienced architect from Orange who has designed churches, there are additional factors in buying land. A conditional use permit will take 6-12 months instead of 3 and is essential to have in hand before closing escrow. Building costs will be about \$175 per square foot, plus \$100,000 for planning and permit fees for schools, sewer, water, and transportation, plus 8% for an architect. Land in Irvine runs \$750,000 to \$1.5 million per acre. Locating adjacent to a medical office or school can help with parking if approval to use it is given. Another option is to buy two lots and sell the second one with an easement to use the parking as part of the contract.

Are there churches for sale in Irvine?

The Site Committee is aware of two churches that are or will be for sale near our target area. We also have listings of commercial properties in the Irvine Business Complex that are of the size and in the price range we need. After we sign a contract with a realtor, they will contact churches and denominations in our target area to see if they have plans to sell property. The Site Committee feels confident that we can find properties that will meet our needs.

Can we buy a school?

Irvine does have some school properties for sale, but the prices are out of reach due to the large amount of land—in the neighborhood of \$44 million. However, if a developer is redeveloping a school site, we may be able to purchase a portion of a site. We are not aware of any active opportunities for this kind of purchase at the moment.

How big will our building be?

We are looking for a building from 20,000 to 25,000 square feet. Due to cost, we may need to start smaller and buy something with space for expansion.

Will it be big enough so that we can go back to one service?

The decision depends on many factors, but we are assuming there will still be two services on Sunday.

What are the “must haves” for facilities we will consider?

- The sanctuary must seat a minimum of 300, with possibilities for expansion.
- As close to the triangle formed by the I-5, I-405, and the 55 as possible.
- Parking as required by building code, generally 100 spaces per 300 fixed seats.
- Zoning for a church or obtainable through a Conditional Use Permit (CUP).

What about our other requirements like windows and a kitchen?

In addition to the “must haves,” the property must have or be able to be remodeled to have the following:

- Five offices for minister and staff
- 8-10 classrooms/nursery/meeting rooms
- Social hall
- Full kitchen (oven, counter, sink with hot water, refrigerator, dishwasher)
- Windows

What about other items like a playground, good acoustics or a memorial area?

Based on the output of the cottage meetings, there are many items on the list that we have designated “would be nice to have.” While a playground would be desirable, we determined that lack of one would not necessarily keep us from recommending a facility for consideration if it otherwise met our needs. The congregation will have the final say on the property that is purchased.

How much will it cost?

Commercial properties of the size and type we are looking at will likely start at about \$5 million for a building and land.

Can we afford it?

Probably, but it depends on the property. The initial, conservative, report of the combined Finance Committees indicates that we will have about \$4 million in cash, after the sale of the OCUUC building (\$3.8 million) combined with the current amount on deposit after the first year of the three-year Tapestry capital campaign (\$100,000). We will have about \$120,000 per year available to pay on a mortgage. These figures do not include years 2 and 3 of the Tapestry capital campaign, nor any funding we could apply for from the UUA or other grant making organizations. We must allow for renovation costs (from \$250/sq.ft), one-time moving expenses, and a start on a reserve account. For

each prospective property, we will need to run financials to determine its affordability depending on the price and the extent of renovations to meet our needs. With high prices and demand, we will need to be generous, be creative, and make some compromises.

Will we still need to have renters?

Due to budget constraints, it is likely that we will still need rental income at least in the short term.

What realtor will we use?

Tapestry has been working with Phil Bonina of the Church Development Company periodically for about six years. (<http://www.churchdevelopmentcompany.com>) He has met with the Site Committee and presented at an Orange Coast information meeting. The Site Committee has also met with Mary and David Raphael of Raphael Realtors who specialize in churches in Southern California. (<http://www.raphaelrealty.com>) We will be interviewing at least one other realtor. We will not use a realtor who is a member of either congregation or one with only residential experience. There may be separate realtors for the sale of the OCUUC building and the purchase of a joint building. Anyone who can personally recommend a commercial realtor, particularly one who has experience buying and selling property for non-profits, please contact Nick Simon at OCUUC or Lynn Cowan at Tapestry.

What if I see or know of property for sale that looks like a good candidate for us?

If you find a prospective property, write down the address, name of the agency offering it, and the contact name and numbers on the sign. Send it to Nick Simon at OCUUC or Lynn Cowan at Tapestry.

What if OCUUC's church doesn't sell?

According to Raphael Realty, demand for churches remains high with more buyers than sellers, some even paying cash. We may need to be patient to find the right buyer. In the meantime, the congregations can continue their planning processes so everything is in place organizationally before we add the complexity of buying and renovating a building

What if OCUUC's church sells quickly and we can't find a building in time?

Even if OCUUC's church does sell quickly, we can put contingencies in the contract. To ensure that OCUUC would not be left without a place to hold services, they could put their property on the market and make its sale contingent on concurrent escrow closings on both properties and an approved Conditional Use Permit on the new one. If the combined congregations couldn't find a suitable, affordable property, the sale of OCUUC would fall through. Escrows on commercial property tend to be much longer than residential escrows and are negotiable. Typically, congregations purchasing a building of the size of OCUUC would be coming from leased space where they could remain during

escrow. Raphael Realty did not recommend leasing temporarily or renting from another congregation because of the potential loss of appreciation.

How will we evaluate properties?

The Site Committee is developing an evaluation checklist including the “must have,” “remodel to have,” and “nice to have” items, along with room for comments. Everyone who visits will complete a form and consolidate their observations before leaving the property. They will be rated: Strong Candidate, Has Possibilities, Won’t Work We will do a detailed analysis of properties that are strong candidates or have possibilities. We are also visiting existing churches similar in size to what we hope to buy.

How will we decide on a property?

When the New Site Committee decides they have an acceptable site that they want to recommend to the congregations, they will:

1. Coordinate with Joint Finance Committee to determine feasibility and capital requirements.
2. Notify the two Boards and the Exploratory Task Force.
3. Develop a package of materials about the site, place it on each congregation’s web sites, and advertise it widely within each congregation. The package shall include, but not be limited to:
 - Address,
 - Square footage,
 - Floor plans,
 - Site plans, including playground space and parking,
 - Cost and financing information,
 - Pictures and video tour
4. Arrange one tour for as much of the Exploratory Task Force and the Boards as may attend

Upon receipt of the above materials and recommendations from the New Site Committee and the Joint Finance Committees, each Board will meet to vote on recommending the site to the congregations. At that time, they will schedule their respective congregation meetings to vote on approval of the purchase. Both congregations have a two week notice period for a Special Congregation Meeting.

Who is on the Site Committee?

Site committee members from Orange Coast are:

Nick Simon, co-chair (nicksimon1@yahoo.com)
Bob Loeschen
Gayle Carter

From Tapestry:

Lynn Cowan, co-chair (lynn-cowan@cox.net)

Carole Shannon

Pamela Edwards (property evaluation)

Karolyn McCarter (property evaluation)

Advisors: Diana Blaisure, retired Irvine City Planner; Joe Woollett, architect

Facility Comparison: OCUUC and Tapestry
Compiled by Nick Simon

Facilities (sq. ft.)	Current			Future
	OCUUC	Tapestry	Total	Combined
Sanctuary	2100	1000	3100	6000
Social Hall	600	600	1200	4500
Office Space	500	1000	1500	1600
Classrooms	2100	3500	5600	4000
Other	1159	1850	3009	4000
Total	6459	7950	14409	20,100
Number of members	210	164	374	400
Number of parking spaces (handicapped)	39 (2)	60 (2)		175 (4) for 1.75 acres
Value of property	\$3.8 million	0		\$5 million
Annual rent paid	0	\$105,300		0
Net acres of land	1.04	0		from 2-3

~ END OF REPORT~