

Tapestry New Site Frequently Asked Questions (10/10/09)

Q. Why only these two properties? Every building I see has a “For Lease” sign on it.

A. Tapestry has special space requirements. We need about 5000 square feet with a large open area, six appropriately located offices, and a kitchen at \$1 per square foot. Many of the properties you see are much larger, and the landlord won’t subdivide. Many are on the second floor, with a small elevator or no elevator at all. Some have the offices along the walls of the open space making them unusable during services or walls that can’t be moved.

Q. How many properties did you look at?

A. We reviewed specifications for about 100 properties from Foothill Ranch to San Juan Capistrano, and toured nine. We put offers on 7 and received responses on 3; we responded with counter offers for lower rent on those three. One, the Bake property many toured 18 months ago, has another church interested which would pay the asking price, so they declined to respond to our counteroffer for now.

Q. I thought we were looking for a place for about \$5,000 per month. None of these places even come close. Why?

A. We renegotiated our Obrero lease down so that we now pay \$.94 per square foot for a building that is not to code (ex. no sprinklers), does not have hot water, and would not likely be granted a Conditional Use Permit. Most places on the market are priced at \$1.75 or above, many in the \$2.50 range. Of those that are close to our price and requirements, the large open space is an un-air conditioned warehouse and/or have only a few parking spaces. Like most office-type properties, the two Madero locations include utilities (Tapestry now pays about \$300 per month) and janitorial services, which are handled now by Tapestry volunteers.

Q. Why can’t we stay where we are?

A. We can’t afford to stay and we can’t afford to move. That’s the financial reality. Over the last few years, we lost a few very large pledges that made up 10 % of our budget. Other changes—the merger, ministers, the economy—have reduced membership and contributions. Jon Eckhardt, with help from our real estate agents, negotiated our Obrero rent down from \$8300 per month to \$7500 per month. The Board tasked the New Site Committee to find a place for \$5000 per month so we could stop running a \$2500 deficit each month. That has not been achievable, despite the recession.

Q. How much over budget would we be?

A. By October 2011, when the three-year lease on a new location would terminate, here's where we would stand:

- If we stay at Obrero in all 4 suites, we will be at least \$80,000 over budget
- If we give back Suite 10 (offices and social hall), which is what is permitted in our new lease that negotiated a rent reduction, we will be on budget with rent but over budget about \$36,000 through loss of our renter because we would have no kitchen and social hall.
- If we lease Madero 23436 (small), we will be over budget \$40,215 (\$13,405 per year) including purchasing chairs and obtaining a CUP, assuming we keep SDA as renters
- If we lease Madero 23661 (large), we will be over budget \$91,062 (\$30,354 per year) including purchasing chairs and obtaining a CUP, assuming we keep SDA as renters

Q. Won't it be expensive to fix up someplace new?

A. Commercial landlords provide allowances to customize the space for tenants' use. The two proposals we are negotiating provide for carpeting, repairs to ceiling tiles, paint, and constructing or demolishing interior walls. Jon Eckhardt, a commercial real estate attorney and Tapestry New Site Committee member, sketched out initial plans for new walls that the landlords have agreed to. Since the landlords are re-carpeting and moving walls, it customary for them to build the costs into the costs of the lease over the term. In return for these improvements, even the economy doesn't recover, we must commit to a three-year lease at the rates we agree to.

Q. What about the Conditional Use Permit (CUP) that we need?

A. For the City of Mission Viejo, the cost is \$3985 (plus the cost of plans) and takes 6-8 weeks. We already have the forms and have met with the city planners for an initial assessment of what it would take for the permit to be approved.

Q. Won't it be expensive to buy chairs and move?

A. Chairs cost between \$25 (for folding chairs) and \$40 for padded chairs like we have now. We currently have 143 chairs in the sanctuary so the cost would be between \$3750 and \$6000 retail, less if we purchase used. Tapestry is storing a lot that we don't need and can't take to a smaller space. So a committee will plan a "garage" sale. We'll use volunteers to take boxes and files and rent a truck for a day (and possibly movers) to move desks, the pulpit, copier, etc.

Q. What about sharing a space or going church-in-a-box?

A. Our first priority was to exhaust all possibilities for leasing on our own. Controlling use of our own space gives us the maximum flexibility, stability, and presents the best opportunity to attract newcomers and build our community. Our dedicated members already give a great deal of their time to Tapestry. Sharing or church-in-a-box would vastly increase the burden on volunteers. Imagine having to set up the pulpit, hymnals, 140 chairs, and three classrooms every Sunday and then put it all away when we are done—and that's if we have a large storage area where we sub-let, or a truck and storage bin if we don't. Imagine having to find a space every time you wanted to hold a meeting. Imagine planning an event and having to cancel because whoever controls the space decided to use it. Would it save money? Absolutely. But before we take this step, we'd need to carefully consider the non-monetary impact on our community.

Q. How can we make up the shortfall?

A. In the mid-term, we'll need to build membership and restore contributions to previous levels and more. But that will take time and an economy that cooperates. In the short-term, one way to fund the difference between the rent budget of \$5000 per month and the cost of Madero 23436 (or Madero 23361) would be the following. If those who pledged to the capital campaign but did not fulfill their entire pledge would contribute instead to an unrestricted Tapestry Growth Fund, we could make up the difference and afford to move. There are at least \$300,000 in outstanding capital campaign pledges. Anyone could make an additional contribution (above their annual pledge) to the fund. The Board would need to determine what amount of the difference we would need cash-in-hand and what would be acceptable to pledge over the three years before we sign a lease. If we did not grow during the first two years and increase our revenue to afford our new location, we would not renew the lease and would go church-in-a-box after year 3, or merge with OCUUC if that was feasible. We would not touch the current funds in the restricted account, since those funds can only be used to buy, not rent. Since we are years away from purchasing a building, shifting a small percentage of the funds Tapestry members have already committed to Tapestry's future would give us a fresh start in a new location with renewed energy. This is the natural and necessary next step in building our future together.

Lynn Cowan
Tapestry New Site Committee