

**Article for the September 2006 Window:
Our new home on Sydney Street: How did it all happen?**

Summer is usually a quiet time for congregations, but it certainly has not been quiet for us in the summer of 2006. As most of you will know, over July and August we purchased a new building. The intent of this article is to review all that has transpired since June, discuss what happens next, and answer some questions that have been raised.

Background

In the summer edition of the Window it was reported that a committee had been formed, called the Shopping Committee, which was charged with looking for a new home for our congregation. This followed from a vote at the February 2006 Annual General Meeting at which it was agreed in principle that the congregation would look for larger quarters to accommodate our growing number, particularly in the children's program. The committee consisted of (names removed).

The committee had two initial meetings in June to discuss how we would proceed. We carefully reviewed the report of the Long Term Space Committee that was prepared in late 2005. This report presented a description of our ideal building based on a congregational survey and discussions with congregational leaders. It also reviewed the process by which several nearby UU congregations had successfully relocated to larger quarters in recent years. We felt confident that we knew what steps should be taken. All that was needed was to find the right building.

Very shortly after the committee's second meeting, a committee member told us about a church for sale in Kitchener at 299 Sydney Street South, which had been brought to his attention by a realtor at Peter Benninger Realty. On June 22, the committee went to have a look at it, and agreed that it had many of the characteristics that the congregation had identified as being desirable. Members of the Board and a few others were invited to view the building on a subsequent evening and their impressions were also very positive. We drew up a long list of pros and cons of the building. Some of the benefits of the building that were identified included:

- A central location on bus routes. This had been an important factor identified in congregational surveys.
- Ample parking.
- Since it is already used as a church it can meet our needs without major renovations.
- Larger than our current building by about 25%-30%, with room for a future addition as needed.

One negative aspect is that it is 5 km from our current location and will be less convenient for some, including those who are currently within walking distance. On the other hand, the location is more convenient for our members who live in Kitchener and Cambridge.

The Board and Shopping Committee had several long meetings and came to the conclusion that the Sydney Street church would be a desirable building for our future

home. We also concluded that it was much more economical to buy an existing church building than to buy an industrial or commercial property to renovate. A review of industrial and commercial properties for sale in the area showed that they are quite expensive at the moment, and renovation costs run in the order of \$100 per square foot. As churches of the right size do not come on to the market very often, it seemed prudent for us to make an offer.

The Offer to Purchase

A formal offer to purchase the building was made on July 7. We signed a buyer's agency agreement with the realtor. Details of the offer have already been described in a letter dated July 10, 2005 sent to members and friends. As a brief reminder, we offered the asking price of \$975,000 as we were not the only congregation bidding on the building. The closing date is October 31, 2007, but the seller may advance or extend the completion date by not more than 120 days, if they give 120 days notice. The offer is not conditional on the sale of our Dunbar Road building, but our real estate agent assures us that there are several small churches on the market looking for a building such as ours, and that we should not have any problem selling our building for a good price.

There were several conditions on the offer to ensure that the motions passed by the congregation at the February 2006 Annual General Meeting were adhered to and that the purchase was done in a prudent manner. These conditions are listed below, along with a discussion of how each condition was fulfilled.

- *That we be allowed 3 more viewing dates for anyone in our congregation to tour the building prior to our vote to approve the purchase offer.* These viewing dates took place, and many members and friends managed to view the building.
- *That our congregation approve the purchase offer at a congregational meeting.* On July 16 after the service, the Board and Shopping Committee hosted a meeting to explain the details of the offer and answer questions. The congregational meeting for the formal vote was held on July 23, 2006.
 - 78 ballots were cast by members, 13 of whom voted at advance polls. Note that we currently have 129 members.
 - 69 members (or 88% of those who voted) were in favour of the main resolution to purchase the Sydney Street Building and sell our current building at Dunbar Road.
 - 9 members opposed the resolution.
 - 11 friends of the congregation voted in favour of the resolution.
- *That the Sydney Street building receive a satisfactory building inspection from a licensed firm, hired by our congregation.* Both a building inspection and environmental assessment were done to our satisfaction.
- *That our offer be reviewed by a lawyer hired by our congregation.* This has taken place.

- *That a feasibility study, to be completed before August 18, 2006, determines that our congregation will be able to conduct a successful capital fund-raising campaign.* The Board engaged the consultants RBR Development Associates to conduct this study. As was announced at the Sunday service of August 20, the Board determined that the Feasibility Study was successful and the last condition of our conditional offer was thereby waived.

The Feasibility Study

RBR Development Associates were asked to provide us with an estimate of how much money could be raised by our congregation in a capital campaign. To do this they developed a document called the Case for Support, which detailed the reasons for the upcoming capital campaign and the amount of money that we hoped to raise. They then conducted approximately 22 confidential interviews of members. The confidentiality was intended to ensure that those interviewed could be completely honest. Individuals were asked how they feel about our congregation, whether they support the purchase of the new building, how much money they would consider pledging if a capital campaign were undertaken, and whether they would consider volunteering to assist with the capital campaign. From those interviewed RBR found a good level of support and estimated that we could raise approximately \$300,000 to \$325,000 from the entire congregation. The Board decided that this amount, in addition to the other financial resources at our disposal, would be sufficient to purchase the new building, as well as do some of the renovations we want.

A summary of costs and sources of funds for building purchase

We have provided cost and revenue estimates previously, but these have been revised as we obtain better information. The most recent estimates are contained below.

Costs of purchasing Sydney Street Building	
Purchase price	\$ 975,000
Estimated consulting, legal & inspection fees, & moving cost	\$ 48,340
Minimum renovation costs	\$ 30,000
Total Costs	\$1,053,340
Sources of funds for Sydney Street Purchase	
Anticipated revenue from the sale of 96 Dunbar Road	\$500,000 to \$550,000
Funds from Capital Building Fund & Dorle Sauter Fund	\$220,000
Anticipated funds raised from a future capital campaign	\$300,000 to \$325,000
Total funds available	\$1,020,000 to \$1,095,000

The estimated renovation costs are for what we consider to be the highest priority renovations: reconfiguring the children’s classrooms and installing a washroom on the main floor. Other desirable renovations could be done if we are able to raise the money.

Next Steps

The two key next steps are conducting a capital campaign and selling the Dunbar Road property. The sale of Dunbar Road is being handled by our agent and we hope that we

will have good news in that regard in the not too distant future. It has been put on the market at an asking price of \$549,000.

The Board will be putting together a committee to run the capital campaign. This campaign will involve asking individuals to pledge amounts over a three to five year period. You will be hearing more about this in the months to come.

Questions asked during the interviews by RBR Development

During the interviews with RBR, individuals were asked if they had any questions or concerns. The main questions raised along with responses are provided below.

Question: Why do we need a building that seats 300?

Answer: The sanctuary currently is able to accommodate 300 individuals because it contains pews, which hold more people per row than chairs. We anticipate eventually replacing the pews with chairs which offer much more flexible seating. (It would certainly be hard to do our Maypole dance with pews!) Also the main entranceway is currently smaller than what we have now. It may be desirable at some point to expand the entrance way and reduce the size of the sanctuary. We also would like more room at the front of the sanctuary to accommodate our piano, which would involve removing some seating.

Question: Why is the Dunbar Road building, which is located on prime real estate, worth less than the Sydney Street building which is not that much larger?

Answer: The Board and Shopping Committee have discussed this with our realtor. We believe a main factor is that the Sydney Street building has a larger lot size (nearly an acre) which allows for parking. It is zoned institutional and there is potential for enlarging the building by constructing a second story over the addition at the back. Our Dunbar Road property is on a fairly small lot, with little potential for expansion. It is zoned as residential, which means that it could be used for a single family home, a church or a school. In addition, the Sydney Street building is more attractive as a church than our current building, and has far better acoustics.

Question: Why was \$975,000 offered for the new building?

Answer: This was the asking price. We looked at the prices of other buildings on the market and it seemed to be a reasonable price. When we put in our bid, the Sydney Street congregation was also looking at another offer, which we understand was a 'good offer'.

Question: Are we concerned about the area of town around Sydney Street?

Answer: Our observation is that the building is on a nice looking street with mature trees and older homes. We would like to draw visitors from our new neighborhood, as we have from our Dunbar Road area. We will have even more opportunities to share the good news of Unitarian Universalism with people who may have never heard of us before. Our broad inclusivity enables us to serve people from all socio-economic and educational levels. We know that we will be proud to be a new addition to the Sydney Street community!

Question: How can we operate in a larger building when we have a deficit in our current building?

Answer: We addressed our ability to pay the operating costs on this building in a separate document that was mailed to members and friends in July. In response to that document and a call for increased pledges, we have made a significant dent in the budget deficit that we projected for 2006. We are hopeful that further pledges will be made as people return from holidays in September. If we can eliminate our deficit this year at Dunbar Road, we calculate that we will be able to manage the operating expenses at Sydney Street. This will be made easier by a larger space that will allow us to welcome more congregants wanting to be a part of our community. There is also a good opportunity with this larger building to rent out the facilities, thereby generating revenue. To some extent the move to this, or any other larger building, requires a leap of faith.

Question: Would we consider getting a mortgage?

Answer: Since pledges will be made over a three to five year time frame, we will no doubt need some bank financing while we are waiting for people to fulfill their pledges.

Question: Would we consider accepting loans from members of the congregation as was done when we purchased our first building on Allen Street?

Answer: No decision has yet been made, but we have found that the Unitarian Universalist Association does not recommend that congregations accept loans from members.

I hope this article brings people fully up-to-date with all that has happened over a very busy summer. If you have any questions, feel free to ask a Board member, or either of our new Transition Coordinators,..... and , Our Minister, Felicia Urbanski (519-208-2637) is also happy to answer questions.

I am very excited about this important step in the life of our congregation and I look forward to being able to welcome visitors to such a beautiful and spacious building.

Update, March 2008: We moved into our new building on Dec. 1 2007. We did not sell our former building until September 2007, as it was much more difficult than we anticipated to find a buyer. My advice to other congregations thinking of buying a new building: beware the advice of optimistic real estate agents. Margaret Insley