

Relocation and Renovation

November 19, 2023*

Overview

1. Introduction: Why Relocate or Renovate
2. Relocation: Explanation & Evaluation
3. Renovation: Explanation & Evaluation
4. Conclusion: Comparing the Options
5. Next Steps: Questions and Feedback

Introduction

Why Relocate or Renovate

Challenges with Our Current Facilities

1. Service times are early, late, and short
2. Service schedule hinders unity & fellowship
3. Children's ministry is divided into 3 hours
4. Youth Sunday School is divided into 2 hours
5. Limited classroom space during 2nd hour
6. Facilities need to be updated
7. Insufficient parking & office space

How to Address these Challenges

Primary Goal: Two Sanctuaries

1. Better service schedule for fellowship and unity
2. Longer services and better service times
3. Easier to staff children's ministries for 2 hours

Secondary Goal: Improved Facilities

1. Updated rooms for fellowship and equipping
2. Secure children's wing
3. Centralized office space

To meet these goals, we need to relocate or renovate

Relocation

Explanation & Evaluation

Summary

Goal: Find a larger property in or near the Pocket area to relocate our church

Benefits: Larger property would address all of our needs

Challenges:

- Difficult to find a desirable property nearby
- Relocating will be a significant cost
- Personal/historical ties to the current property

Desired Size for Relocation

Total Land: 4-6 acres

Building Space: 36,000 or more square feet

Current Property at 6656 Park Riviera Way

- 1.85 acres (split between two adjacent lots)
- 17,750 square feet between the two buildings
- Code restriction - cannot expand or add square footage to current property

Desired Area for Relocation

Location: Within approximately 5 miles of current location

Reasons: We believe we should stay near our current location because...

- We are seeking a new property to better serve our people
The goal is not to pursue a new flock by forsaking our current one
We should plant new churches to reach a new area
- Relocating to Elk Grove is not strategic for the gospel
LCBC, a like-minded Chinese church, is already in Elk Grove

Search Process

- Working with an independent broker with 45+ years in commercial real estate
- Exploring all options within the target radius (office buildings, warehouses, empty land, store fronts, other churches, etc.)
- Working to find lenders who work with churches
- Let the the leadership know if you hear of locations nearby that may come for sale, or if you have ideas to explore

Estimated Cost

Approximate cost based on current listings:

4-acre property w/ existing building: \$4.8 million

6-acre property w/ existing building: \$7.3 million

Renovation costs:

\$2-3 million (depending on layout, condition, etc.)

Total: \$7-10 million

Timeframe to Find/Purchase: Unknown

Renovation

Explanation & Evaluation

Summary

Goal: Renovate our current property by converting the 1st floor of the Education Building into a 2nd sanctuary

Benefits: Renovating would address some of our needs

Challenges:

- Limitations on parking, classrooms, offices, etc.
- Renovation is an expensive, “short-term” solution
- Money and effort wasted if we relocate soon after

Proposed Plan for Renovation

Overview: Convert the 1st floor of the Education Building into a 2nd Sanctuary

- Worship area (166 seats)
- Four classrooms
- Improved restrooms with accessible stalls (including a single-stall family restroom)
- One family restroom
- Storage space
- Kitchen (unchanged)

Other Considerations

1. Office spaces moved off-site

Current pastoral offices converted to nursery, nursing room, cry room, classroom, bookstore, or welcome area

2. Secure wing for children on 2nd floor

3. Possible considerations to improve the courtyard

Seating or shade for fellowship, playground, etc.

Benefits of Renovation

1. More opportunities for all-church fellowship and unity (all congregations on campus at the same time and longer break between services)
2. Easier to staff children’s and youth ministry
3. Longer services and better service times
4. Secure children’s ministry wing
5. Stay in current location (sentimental connection)

Challenges with Renovation

1. Increased demand for parking
2. Only 5 classrooms total for Cantonese & Mandarin Sunday school *
3. Off-site offices are less convenient
4. Money wasted if we relocate

**more classrooms might be available upstairs but then children's ministry would not be secure*

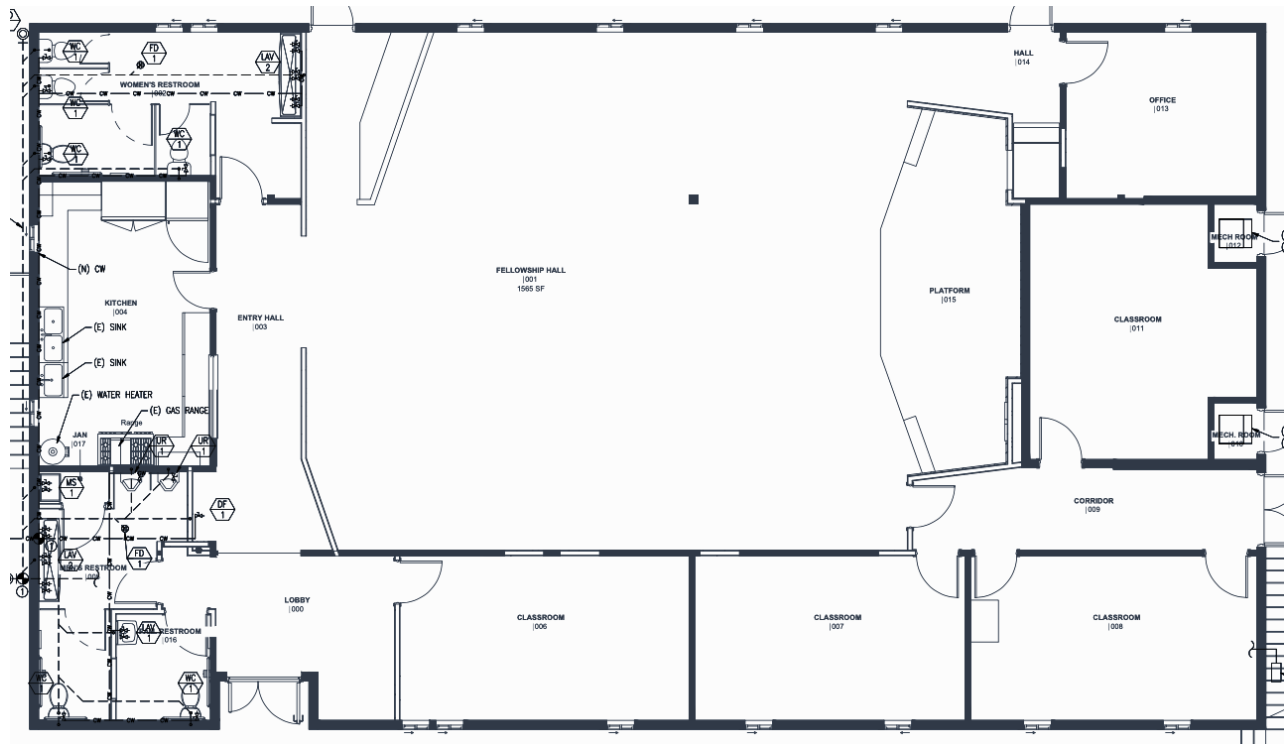
Cost and Timeframe

Cost: \$500k to \$800k (rough estimates)

Construction Time: 12-15 months total (from decision to completion)

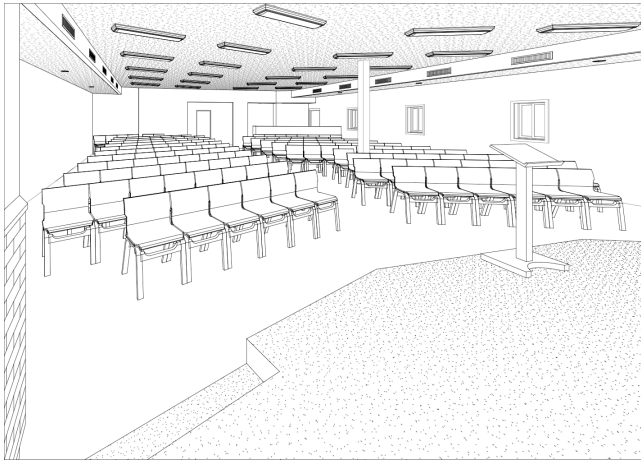
6-9 months of actual construction

Rent for Office Space: \$50-60k/year + \$15k-60k initial setup for 5 pastors, 3 admins

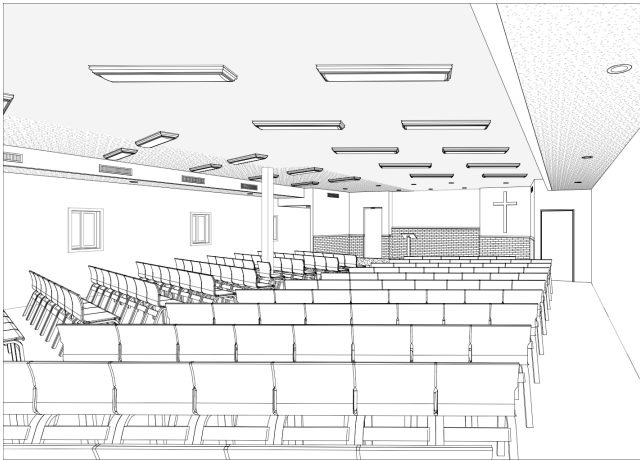


Proposed Renovation of 1st Floor Education Building

Perspective – Front Right



Perspective – Back Left



Example of Possible Schedule



Note: All children’s ministry is upstairs for both hours

	1st Service 9:00-10:30	2nd Service 11-12:30
Sanctuary	Canto Worship	Eng Worship
E1	Mand Worship	Canto SS 1
E2	Overflow	Canto SS 2
E3	English SS 1	Mand SS 1
E4	English SS 2	Mand SS 2
E5	Youth SS	Mand SS 3

Conclusion	Comparing the Options
------------	-----------------------

	Relocation	Renovation
Goal	Find larger property with 2 sanctuaries	Convert 1st floor into a 2nd sanctuary
Benefits	Meets <i>all</i> of our needs	Meets <i>some</i> of our needs
Challenges	Difficult to find location in Pocket, high cost	Parking, short-term fix, classrooms, office space
Cost	\$7 - \$10 million	\$500k - \$800k
Timeframe	Unknown	12-15 months total

Executive Board's Recommendation: Relocate to a new property if one becomes available.

Obstacles:

- No suitable locations have been available since we started looking in 2021
- It is possible we may never find a suitable location

Questions:

1. While we look and wait for a new location, should we renovate our current facilities?
2. What if a property becomes available during or right after renovation is complete?
3. What if we are unable to relocate for 15 years? Or what if we never relocate?

Possible Pathways

Relocate w/o Renovation	Renovate & Relocate	Renovate & Stay / Plant
Relocate ASAP and make only minor or no renovations	Renovate 1st floor while seeking to relocate	Renovate 1st floor and plan to plant churches if we outgrow

Next Steps	Questions and Feedback
------------	------------------------

Please share any feedback, concerns, or questions with any pastor or deacon.

Frequently Asked Questions

- 1. What do we need to do to prepare financially for a relocation and/or renovation?** The Executive Board is recommending that we set aside the majority of our savings for the purpose of relocation/renovation, and members may start contributing to that fund.
- 2. How does the commercial real estate market look currently? Are there any trends?** It is difficult to say as it is very different from the residential market. Many deals happen off-market. There are some vacancies because of the economy, but the Pocket area has less commercial properties in general.
- 3. When would we relocate to a new property?** It depends on when we can find a suitable location, so we do not know.
- 4. Can we expand our current facilities? For instance, can we add a third floor, build an additional building, expand an existing building, or add a portable classroom?** Based on the current building code and permits, we are not able to expand our current square footage by adding or expanding our current structures. In order to expand, we would be required to bring the building up to code, which would require more parking spaces and other updates, so this is not possible on our current property.
- 5. What should we do about the upstairs noise if we convert the downstairs into a sanctuary?** This has been discussed during the planning and design and will be taken into consideration during construction to minimize noise and vibration from upstairs and the classrooms next to the new sanctuary.
- 6. Will the new sanctuary have folding partition walls to create two separate rooms?** Due to space limitations, the new sanctuary will not be able to have folding partition walls. Partition walls need a dedicated space to be stored, and that would decrease the seating capacity of the new sanctuary.
- 7. Are we able to increase the number of classrooms for Sunday School?** We may consider using E24 and E25 for Sunday School, but we would have to give up having a secure children's ministry area.
- 8. What about the office spaces allocated for the pastors and staff members?** We are considering moving the pastor and staff offices to a nearby commercial location. At full staff, we would have five pastors and three admins.
- 9. Is it possible for us to use the classrooms while construction is taking place?** It is possible that we may not have access to the downstairs area during construction. Further details will be provided later.
- 10. If we decide to proceed with the renovation project, what would be the expected start and completion dates?** The purpose of this meeting is to discuss the options and collect input to help the leaders make a recommendation. We will seek member approval first if we proceed with the renovation. It is unlikely that construction will start until 2025.
- 11. What are the next steps for the renovation project?** Possible next steps: (1) Approval by members, (2) Finish construction design/plans, (3) Construction bids, (4) City approval and permitting, (5) construction.