

Report of the Real Estate Development Task Force

First Unitarian Portland

March 31, 2021

During the 2019-2020 Church year, the Board asked Rev. Bill Sinkford to convene a task force to help us understand our property, both its current needs and the options we might explore in the future. This look to the future of our property is an on-going Church goal and a Board goal to help us utilize our assets in the service of our mission. We called this work “Phase 0” because it is information that we need before we can even begin preliminary conversations in the congregation about dreams and ideas for our facilities.

The Board is grateful for the work of the committee, which was very thorough and professional. Committee members included: Robin Boyce, Ian Carlton, Ryan Deibert, Dev Dion, Rev. Tom Disrud, Lorelei Juntenen, Randy Russell, Karen Shawcross, Rev. Sinkford, and Dan Valliere. The Board thanks them for serving on this important task force.

The task force submitted its preliminary report in June of 2020. The advent of COVID and the move to being a virtual church caused the Board to put any action on the report on hold. The task force submitted its final report in March 2021 with the proviso that the options presented would need to be revisited after we are again able to occupy our facilities. This document is a summary of the task force’s findings.

The task force identified three questions that must be addressed before any decision on how to proceed can be made. Post pandemic, what will the Church need in terms of space, for example:

- a. What size (seating capacity) of a sanctuary will we need – will people all choose to come back to physical services or will some choose to continue attending remotely (it is worth noting that approximately 300 people who live beyond driving distance to the Church currently attend virtual services);
- b. How much office and meeting room space will the Church need - will some staff continue to work remotely post-COVID;
- c. How much classroom space will we need?

Clarifying our program needs and priorities is essential to cost effectively determining how much space the Church will need and how that space might be configured.

It is now clear from the assessment of the current condition of our facilities that doing nothing is not an option. At a minimum, the main sanctuary needs seismic upgrades to bring it up to current safety codes and the Church office building is past its useful life.

The task force considered three options in addition to just upgrading our current buildings.

- a. Housing over Church Concept: Building housing over Church uses would create some mission-positive possibilities, yet the taller (high rise) building requires a different structural design that significantly adds to construction costs. These added costs are not offset by the sharing (allocation) of land, roof and other costs between the housing and the Church.
- b. Sale of Portion of Site: Design options that allow the Church to sell a portion of the block would augment the needed capital campaign. Per the appraisal that was done, selling the slightly larger than quarter-block (15,100 square feet) site where the office building, Green House and A

Classroom building are currently located would provide (pre-COVID appraisal) about \$4 million (less demolition) to the Church to help augment capital campaign needs for the project.

- c. Sale of Portion of Site for Affordable Housing: Since affordable housing projects almost always purchase land at market value, any land freed up by a new Church design could be offered for sale to an affordable housing nonprofit without the Church losing needed revenues. This could still achieve a mission of the Church (meeting the needs of low-income Portlanders) without the complexity and cost of the Church doing a “co-development” model with housing built above the Church uses.

In addition to assessing the property, the task force undertook a financial capacity analysis to understand the Church’s ability to fund a capital campaign for any of the three options. The study found that though there is significant capacity in the congregation, the costs of all three options exceed it.

Once we have passed the pandemic and have settled a new Senior Minister, the Board will reopen this conversation. That process will include many opportunities for congregants to give input into the vision for the Church and the ways we might move forward.

The Board of Trustees