



Strategic Redevelopment and Restoration Strategy

A Project Proposal for the Council and Trustees of First Met United Church

Presented by: Terry Harrison Property Resource Team Lead, BC Conference

January 15, 2018

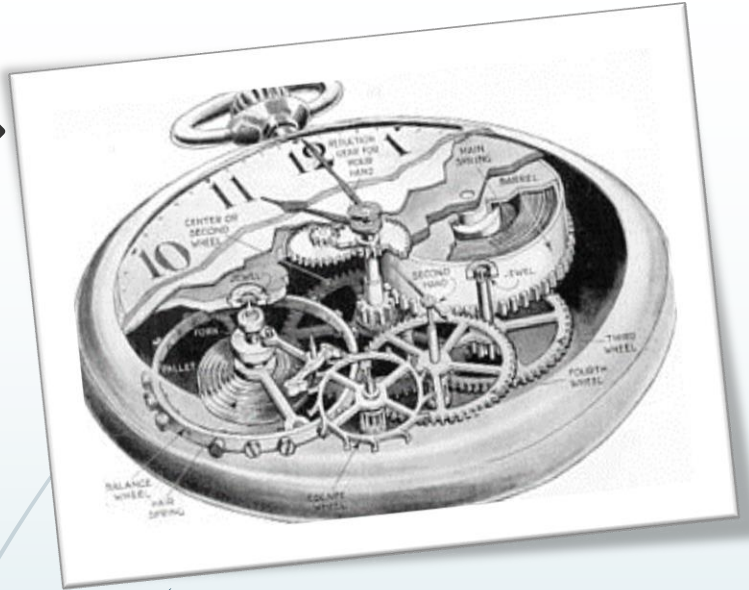
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The cost of repairing and maintaining your church building is a mountain that gets steeper everyday!

This Strategic Plan provides a viable, meaningful solution to First Met's property "problem".



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Conference's Property Resource Team (PRT)

- The PRT is a cohort of consultants and contracted professionals, who are coordinated and paid for by Conference.
- Core specialties include: land use economic/ financial analysis, development management, brokerage, design professionals, legal support, business planning, etc.
- BC Conference undertakes PRT projects using an Incorporated Society, legally constituted to own United Church property
- The *PRT Lead* is an employee of BC Conference, who coordinates approvals and works with the team, and whose specialty is process and change management, United Church governance and strategic communications.



Introducing the Development & Design Team

Colliers Consulting



Justen Harcourt, Vice-President



Mike Redmond, Development Mngtr



Imelda Nurwisah, Consultant



Jacquelyn Lising, Financial Analyst

VIA Architecture



Charlene Kovacs, Architect



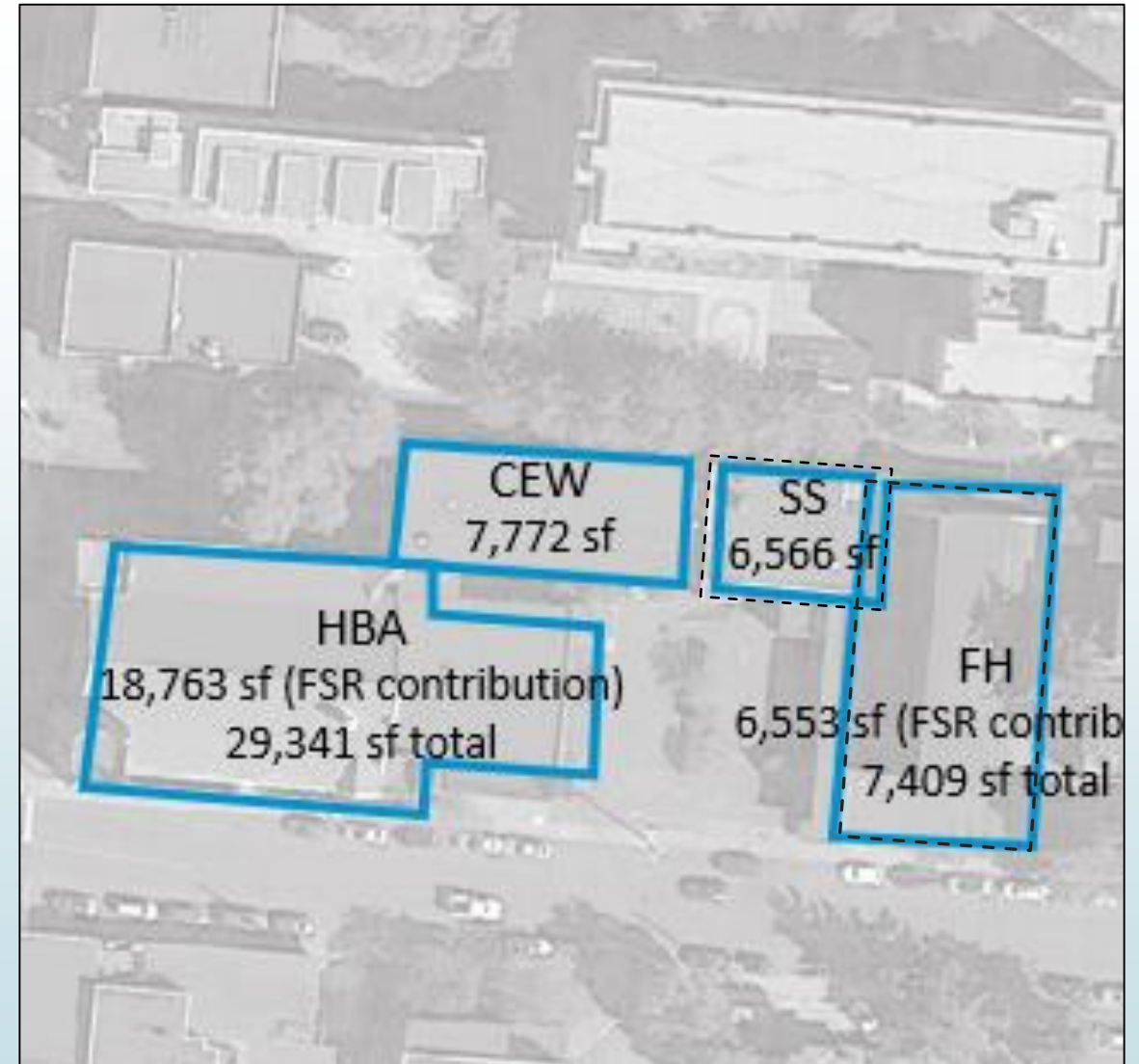
Peg MacDonald, Architect

Professional Leadership

- ▶ The Development & Design Team will lead the project and do all the “heavy lifting”, and will work closely with the Redevelopment Task Group to ensure the Congregation’s needs are understood and incorporated.
- ▶ This will provide the congregation – leadership and laity – with the ability to concentrate on other things that really matter – spiritual growth, new and improved programming, and congregational renewal,
- ▶ The Task Group will continue to share information and get input from the Council and Congregation, as the project progresses.

The Proposed Strategy

- Rehabilitate, restore and renovate the Heritage Building & Annex (HBA) and Christian Education Wing (CEW), as part of a phased in Restoration & Renovation Strategy.
- Pay for it through the strategic redevelopment of the Fellowship Hall and Social Suite (FH/SS) into **Affordable Rental Housing**, which will be owned and operated by Conference.





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The Value Proposition

- ▶ FMUC invests approx. **\$2.8M** in land value to this venture and receives at least **\$10M** worth of building upgrades and improvements over the course of 15 - 20 years.

There is no silver bullet...

It is impossible to fix all the problems, all at once – but the plan lays out a map that ultimately will:

- ▶ Improve the safety of the facility and secure the integrity of the structure
- ▶ Improve the condition and functionality of FMUC spaces to better support Church Ministries and Programs;
- ▶ Reduce building operating costs and potentially increase future letting income;
- ▶ Significantly reduce or eliminate future capital draws from First Metropolitan Foundation Trust Funds for building related renovation projects.

And it does it without the Congregation needing to fundraise or to pay for upfront costs, out-of-pocket.

Quantifiable Targets

FMUC's land contribution (at outset):

- ▶ **\$1.6M**, which is the estimated market value of the density available for development on the south-east portion of the 932 Balmoral property, and
- ▶ **\$1.2M**, the estimated value of the 921 North Park Property.

BC Conference will contribute the following amounts towards the *Restoration & Renovation Plan*:

- ▶ **\$3M** from the Redevelopment Project Budget toward **Phase 1** of the *R&R Plan*
- ▶ **\$7M** from the income of the Rental Housing toward **Phase 2** of the *R&R Plan*
 - ▶ Phase 2 will be implemented within 15 years of Phase 1's completion.
 - ▶ If PH2 of the R&R budget is less than \$7M, the remainder will be paid to FMUC as a cash annuity.

The R&R Plan - *Restoration & Renovation*

Phase 1 of the Restoration of HBA & CEW will be undertaken concurrently with the redevelopment of the SS & FH into Affordable Housing. The “R&R” Plan must include a seismic upgrade sufficient to stabilize the HBA during the construction of the housing, but will also aim to significantly improve the functionality and usability of the interior space as part of Phase 1.

Phase 1 is budgeted to cost \$3M and will be paid for as part of the redevelopment budget. It is estimated it will take 3 to 4 years to complete Ph 1 (18 - 24 mo. in pre-development and 18 - 24 mo. in construction).

Phase 2 of the Restoration will be implemented in a coordinated manner over time and will result in a comprehensive, \$7 Million restoration and renovation of the HBA & CEW. To goal is to be complete within 15 years of the completion of Ph 1.



The R&R Plan —Technical Upgrades & Space Planning

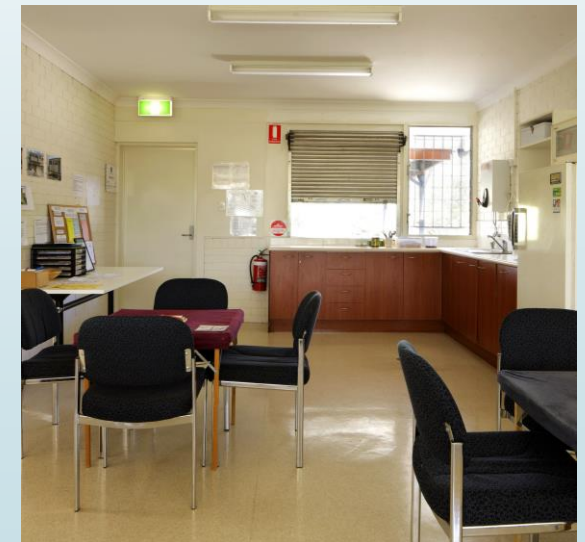
The Restoration & Renovation Plan will be developed through a robust technical review using professional sub-consultants, and a consultative design and space planning process involving FMUC's Task Group.

- ▶ Engineering specialists will update the Stantec Report,
- ▶ Heritage Specialists will ensure compliance,
- ▶ Architects &/or other accredited professionals will facilitate the design and space planning process with the FMUC Task Group, who will guide the look, feel, form, flow and function of the renovated space

The Restoration & Renovation Plan will guide the implementation strategy and payment timeline.

Functional, attractive space

- ▶ The R&R plan will result in functional, attractive space that will better serve the needs of the congregation.
- ▶ Adaptable and multi-purpose space can also be used by community organizations and neighbourhood groups.

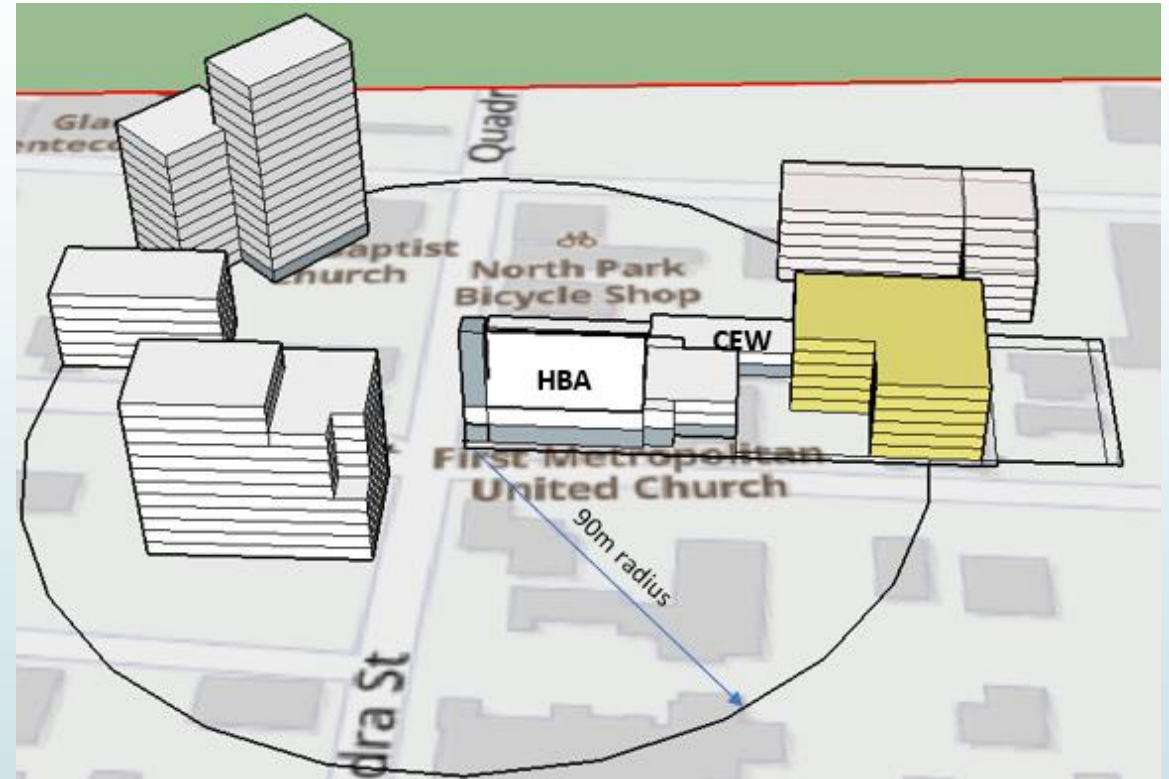


Good Neighbour

- ▶ The Plan provides solutions to FMUC building/property challenges, and it does so by providing a community good in the form of much needed **Affordable Rental Housing**.
- ▶ The Task Group and the Design and Development Team will work with the City of Victoria to ensure the neighbours' hopes and concerns regarding the housing and church restoration are heard.

The Housing

- ▶ A 6-storey wood frame building on the site of SS & FH
- ▶ 2.07 FSR as per City of Victoria's Downtown Core Area Plan
- ▶ 100% Affordable, Purpose-Built Rental Residential, owned and operated by Conference
- ▶ Rent rates to be at or below the low end of market, with 51% of the units guaranteed at **CMHC Level 1** for the Victoria region.



Pathway to Success

To begin, FMUC must agree to **temporarily transfer** the Congregation Property to **Conference**, who will:

- ▶ Underwrite the entire venture, at their risk and effort.
- ▶ Facilitate the sale of 921 North Park property.
- ▶ Apply to BC Housing, who will finance the venture (estimated in the order of \$30M). The loans will be secured, in part, by the congregational property.
- ▶ Redevelop the south-east portion of the property, replacing the FH/SS with a six-story apartment building.
- ▶ Restore and renovate the HBA/CEW to FMUC's specifications, as per the "R&R Plan".

When the affordable rental housing has been built, BC Conference will retain ownership of the Housing and will:

- ▶ **Transfer the remainder of the site (the church building) back to Congregational Trustees as a separate title.**

FMUC's Information Sharing and Decision Making Process

At the Council's direction:

- ▶ The RTG and the PRT will present this proposal to the Congregation at a series of gatherings throughout February.
- ▶ Council will make final decision, and if affirmative will instruct Trustees to act (March)
- ▶ Trustees then seek Presbytery concurrence (March)

The Enabling Motions

Following this consultation and discernment, it is anticipated that:

- ▶ FMUC will enter into a binding relationship with Conference through a series of duly constituted Motions, as per United Church of Canada bylaws (The Manual, G.2.3).
- ▶ If all the Motions are duly ratified, the specifications of the arrangement will be detailed in an Internal Agreement to the mutual satisfaction of the Council & Congregational Trustees and BC Conference.
- ▶ FMUC will transfer the property title to Conference
- ▶ Conference will then secure BC Housing Loan and Pre-Development work with begin.

Today's "keep moving" Motion

- ▶ **(M/S) That Council direct the Redevelopment Task Group to present Conference's redevelopment proposal to the Congregation for review and discussion; prior to bringing the Enabling Motion(s) back to Council.**

The Development & Design Team has done their homework...

- ▶ The strategy is well informed and viable
- ▶ The Design and Development team is capable
- ▶ The targets are based on careful planning and conservative assumptions
- ▶ The timeline is generous, we think we can complete sooner

“I like to think of ideas as potential energy. They're really wonderful, but nothing will happen until we risk putting them into action.”

— Mae Jemison (first African American woman to travel in space)