

Sanctuary Project Exploratory Task Force Progress Report

December 16, 2010

Overview

The purpose of this task force is to explore the possibility of partnering with Living Hope Community Church (LHCC) in the construction of a new larger sanctuary building to enable Tortolita Presbyterian Church to reach our full growth potential on our current site.

Major Factor	Description	Comments and Considerations
Timeline	Proposed sequence of events	On track
Partnering	Compatibility of Tortolita and Living Hope in a financial and functioning relationship.	All indicators point to a Positive relationship with financial and functional benefits for both. Living Hope's history and mission goals to be explored and possible commencement of sharing facilities at the program launch.
Sanctuary Building	Construction on existing site in possible stages with parking and other landscaping.	Other partnerships being considered Budgetary and site requirements are being obtained from architects and industry sources. Construction type and campus arrangement options to be studied. Estimates and proposals by building contractors are in work.
Funding Sources	Capital fund, Capital Campaign, Loan	Developing tentative agreements, cash flow requirements, capital campaigns and loan availability. Consultants and Presbyterian sources are available to help develop a workable system.
Demographics	Tortolita history, area growth and needs	A new demographic update is necessary and should be done by a third party professional. General impression is we are in significant growth.
Growth Potential	Tortolita's pulse to expand Ministry and Programs	Gathering information from Church growth specialists to establish successful paths. This is another area that professionals could be utilized to assure a successful project. Will we be ready??

Timeline:

- 11/18/10 Session approved formation of Task Force
- 11/19/10 Exploratory discussion with leadership of Living Hope Church
- 12/7/10 Task Force Meeting #1: discuss task, review information gathered, define goal(s) and action steps in preparation for next meeting with Living Hope (1/6/11)
- 12/16/10 Report progress to Session for information and feedback
- 1/2/11 Task Force Meeting #2: compile data gathered, prepare presentation
- 1/6/11 Follow-Up Meeting with LHCC and Presbytery leadership to present and discuss possible project scope, cost estimates, funding model(s)
- 1/20/11 Report progress to Session for information, feedback, and evaluation of next steps

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Partnering:

The current opportunity for partnership with Living Hope provides the ability to finance a larger worship space now. Doing so will enable us to:

- Pursue God's vision to reach our full growth potential and be good stewards of our current 5 acre site.
- Capitalize on the window of opportunity for partnership with Living Hope in ways that are mutually beneficial.
- Continue to develop our master plan and actively plan for a small-scale capital campaign (\$100,000) this spring in conjunction with the momentum around partnering with Living Hope in shared ministry.

Partnering with Living Hope to build a larger worship space offers the advantages of:

- Opening the door for potential strengthened partnerships in many areas of ministry to achieve maximum kingdom impact.
- Significantly subsidizing mortgage payments with rental income for 3-5 years or more while Tortolita continues to grow.
- We are seeking other examples of similar partnering relationships and their success or failures.
- Consideration should be given to begin the facility and equipment sharing as soon as the joint agreements are signed and the Capital Campaigns start.

Living Hope Community Church (www.livinghopetucson.org)

- Meeting on Sunday mornings at 9 a.m. at Ironwood Elementary School, Living Hope may benefit by having use of a "church home" facility throughout the week in which to worship, meet and grow.
- Their congregation of approximately 60 has a close relationship to the Presbyterian/Reformed theology. Sharing of their mission goals and objectives is very necessary.
- Pastor Dave Collins has a Master of Divinity from Fuller Theological Seminary. He and his wife Justine served in leadership at St. Andrew's Presbyterian Church for many years before starting Living Hope. Pastor Dave has preached at Tortolita numerous times with a good acceptance.
- Interactions and partnership with Tortolita include: Trunk-or-Treat (Oct. 2009), Project F.E.E.D. (Nov. 2009), To Save A Life Movie Night (Jan. 2010), Flock Swap (Feb. 2010), Northwest Pastor Network (monthly since March 2010), Joint Worship Service and Potluck at Riverfront Park (4th of July 2010), Talent Show (Sept. 2010), and Joint Worship at Catalina State Park (Nov. 2010).
- Energy and interest was positive at an initial meeting with Pastor Dave Collins, Duane Etter (Business Manager), and elder Jane Porter of LHCC (Nov. 19, 2010), with many questions/ideas discussed. At LHCC's request, a follow up meeting was scheduled for Jan. 6 to discuss the possible project scope, cost estimates, and funding model(s). Pastor Dave indicated that LHCC's multimedia sound and video system could potentially be utilized in a new sanctuary building.

Other Potential Partners:

- Possibly partnering with The Camp and Conference Center or other specialized ministry.
- Looking into other partnering possibilities such as daycare center, conference center, community center, Presbytery de Cristo, etc.
- A new faith based outreach initiative, Street Light Tucson, who has received a large donation and is looking for property on which to build its ministry.

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Sanctuary Construction

The original master plan for Tortolita included the addition of a 400 seat sanctuary building and a 167 car parking lot. From Advent to Easter the past two years, the average worship attendance at Tortolita has maxed out at 85% of capacity in our current facility (which seats 120). Tortolita has 5 acres of land with room to build.

Sanctuary:

Primary Goal(s) and Action Steps:

- We are gathering estimated costs for a 6,000 sq.ft./400 seat sanctuary and/or a 3500-4000 sq.ft. building which could later be expanded (in a possible Phase Two).
- Construction options—we agreed to keep our options open until more firm costs are obtained.
- Seek estimates of site costs (permits, utility hookups, parking, etc.) from Barker Morrissey and a23 Studios.

Other Construction:

Associated facilities and site upgrades: (Considerations to offset sanctuary requirements)

- Court yard, walkway, shades, walls, landscaping
- Possible separate Lounge/Restroom building or attachment.
- Upgrade and remodel existing Sanctuary, Ironwood Hall and office/storage building.
- Exterior lighting, septic/plumbing, irrigation

Furniture and Amenities:

- Initially, Tortolita's existing communion table, pulpit, piano, seating, and other furniture may be utilized.
- Multimedia and music equipment (including a complete sound and video projection system) would be available for use in a new sanctuary, provided by LHCC.
- As the project matures, a better definition of requirements should surface.

Funding

Utilization of Tortolita's Sanctuary Building Fund and potentially that of LHCC would resource the initial cost to obtain appraisals, estimates, studies, consultant fees, etc. Down payment would come from balance of the Capital Fund(s) and proceeds from a Capital Campaign lunched within the congregation(s), community and Presbytery. Final loan would likely be pursued through the Presbyterian Investment and Loan Program, Inc. and would require Presbytery guarantee.

Capital Funds:

- Tortolita Sanctuary Building Fund ~ approximate \$25,000
- Living Hope Savings ~ approximate \$30,000

Capital Campaign:

- Researching GA web site, Presbytery, internet gathering information on this process for effective methods to conduct such an endeavor.
- Any advice from the Session, Treasurer, Financial Secretary and/or other congregation members as appropriate would be helpful. This is an area that could be very sensitive in today's economy.
- It is anticipated that \$50,000 to \$100,000 would need to be raised (perhaps jointly by Tortolita/LHCC).

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- The down payment and loan terms are very critical in this project and determining how significantly our property value and financial history could influence such terms will be investigated by this task force.

Agreements and Contracts:

- A draft lease agreement stating responsibilities, facilities access, authority and conflict resolution.
- A draft use schedule depicting worship services, social activities, programs, maintenance and clean up.
- Any debt incurred must be approved and guaranteed by the Presbytery de Cristo.

Presbyterian Investment and Loan Program:

The Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. (PILP) is a nonprofit corporation of The Presbyterian Church (U.S.A.) that was created to provide low-cost loans to churches, governing bodies and related entities of the denomination for capital projects. The funds for these loans come from Presbyterian investors who purchase interest-bearing term notes from the Program. Investors earn interest on their funds. Borrowers can reduce the cost of their loans. Everyone wins!

- Up to 75% of total cost of site, 20 year amortization, no loan fees.
- Loan repayment must be guaranteed by presbytery
- Online Application requires standard financial information, church history, demographics, church mission goals and objects, energy and accessibility improvements and multiple building/zoning related documents.

Demographics:

Tortolita History

Study conducted in early '90s:

- Data including discussions with Tucson Planning and Buildings, Greater Tucson Economic Development, US Census indicated intensive growth in our area. The only roads to Phoenix from Tucson are I-10 and Oracle/Florence hwy. The Tangerine corridor connecting them was in planning stages.

Study by Percept Group, Inc in January 2007: (to 2011)

- Conducted for the 5.5 mile radius around Tortolita (includes Sky Ranch, Dove Mountain, Continental Ranch, Old Father area, The Bluffs, Canada Hills, Rancho Vistoso, and more).
- Projected a population growth of 16.8% between 2006 and 2011, compared to a US growth of 4.9%.
- Issues of interest likely to exceed national average include: Parenting Skills, Achieving a Fulfilling Marriage, Neighborhood Gangs, Time for Recreation/Leisure, Achieving Educational Objectives and Long-term Financial Security.
- Likely faith involvement level and preference for historic Christian religious affiliations was very low compared to national averages.
- Based upon the average household income of \$74,822 per year and the likely contribution behavior in the area, overall religious giving potential can be described as very high.

Area Growth:

- An updated demographics study is necessary and must be included with loan application. This is such a important part of the project, professional services should be considered. Specific projects such as those following must be identified and verified.
- We are in one of the major growth areas of Tucson. The new road from Dove Mountain to I-10 has numerous developments planned. A new shopping center (largest in southern Arizona) is planned for the I-10/Twin Peaks intersection. Oro Valley's Ventana Medical Systems just announced a \$180M/500-job

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expansion. Also, De Manana will be improved to connect Tangerine to Twin Peaks. We are in abundance demographically.

- An article in the Dec 1st Marana Weekly News that the Sanctuary United Methodist Church meeting at an elementary school near Siverbell and Coachline has added a third service (two traditional, one contemporary) due to growth.
- Hope Community Church, which has been holding launch team training at Tortolita on Sunday evenings since September 2010, has outgrown our facilities and is preparing to launch weekly worship services at Wilson K-8 School beginning January 2, 2011 with 200 people.

Growth Potential

- In response to the Triennial visit with Tortolita's Session in September 2010, the Committee on Ministry mentioned a concern after that Tortolita was formed more than twenty years ago and is still struggling to become financially self-sufficient. While Tortolita has nearly doubled in membership in the past four years and continues to grow, from Advent to Easter for the past two years, our attendance has reached 85% capacity, a proven ceiling above which participation is impacted negatively.
- As a main line church, the Presbyterian Church is highly respected. The national Presbyterian web site (www.pcusa.org) has an abundance of information and strategies to promote growth.
- Increasing visibility along Thornydale Rd. and adding parking along Camino Alto Rd. should enhance recognition of an exciting place to be.
- Other churches are growing and being built in our area. The potential is there, are we going to be ready?!

Sanctuary Project Exploratory Task Force:

Members:

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| • Jim Trask | Chairperson/Moderator |
| • Sue Van Allen | Secretary |
| • Frank DiCosola | Member |
| • Jon Ashley | Pastor/member |

Consultants:

Burak Bekat- Architect – a.23 studios / 520.245.4010 / 7330 North Oracle Road, Suite 200

- Has submitted Professional fee summary and projected costs for site development.

Kevin Morissey – Builder – Barker-Morissey Contracting / 520.323.3831 / 3619 E Speedway, Suite 101

Elder Bill Taube – Presbytery DeCristo Committee on Ministry (COM)

- Liaison role

Rev. Dr. Sue Westfall – Presbytery De Cristo Presbytery Pastor/ Stated Clerk

- Coordination and advisor resource

Ralph Long -- AMI Church Consulting Services / 704-995-7675

- Is preparing proposal for their Church Development Services to support our project. To be submitted under separate cover.