

Land/Building Committee Roundtable Sessions Q & A

Sessions were held on February 7, 13 and 29, and March 1, 2 and 13

At each roundtable session the Land/Building Committee discussed the work that has been done to date to evaluate what we own, what options we have for our property in the future, and who might be our partners. Our options were identified as 1) Capital upgrades to what we currently own and remaining in two buildings 2) An addition on the Worship Center building 3) A new building on our current property, either on the same site as our current Worship Center or on our current parking lot or 4) Building on vacant land to the west of Fairview Drive. Options 2-4 all involve either the lease or sale of the Christian Life Center Building. With some extensive capital updates needed in the next few years, this is the perfect timing to evaluate all we have and the opportunities we have in front of us.

You've probably heard the phrase "form follows function". That's certainly true as we consider our options for our land and buildings. Sure, it can be exciting to be in a building process. Everyone loves that "New Church" smell! But ultimately our decisions about land and building must be driven by our ministry – both our ministry today and tomorrow. So, how might new or reconfigured space open doors to greater ministry? Here are just a few of the many answers to that question:

- More flexible worship space could comfortably accommodate a funeral for 150 people as well as Easter for 800.
- A first floor sanctuary would provide greater accessibility to an aging population as well as to individuals with physical disabilities.
- Having all ministries under one roof would allow family ministry to actually do more ministry together with the whole family!
- One central entrance to our facility would provide a more hospitable welcome to our guests...who are often confused about which entrance or which building to enter.
- Mission Outpost could design a more efficient layout for the needs of our guests, including child care and expanded services.
- Well-designed and flexible community gathering space will encourage members and guest to stay, mingle and build relationships.
- CDLC and Family Ministry would have vastly improved space for learning, as well as greater student safety with limited entrances and exits.
- New space could be designed for new partnerships with other community agencies, much like our current partnership with The Salvation Army.

Ministry isn't dependent upon space. The early Church grew without a single church facility! But effective and efficient space can facilitate ministry and allow for new growth. And by building more flexible space we would provide opportunity for ministry we can't even imagine in a generation or two, all without saddling those generations with crumbling infrastructure.

Form follows function. Buildings are built for ministry. What a great opportunity to grow today and bless the church of tomorrow.

The sections below answer all of the questions that have been raised at the roundtable sessions. If we do not have an answer today, or are not in a position to respond we will provide the answers when we are able.

Demographic questions

What is our current membership? How many family units make up our membership? What is the size of our congregation vs. 30 years ago?

In 1986 we had about 5600 baptized members. We have 5756 baptized members on record today. There are 8500 active participants in the congregation, whether members or not, which is about 2900 families.

What happens when the baby boomers leave the church? Do we have input from younger membership (25-30 age range?)

We know the ages of about 80% of our membership. This is the age demographic for our congregation: 34% are under 20, 39% are between 21 and 54 and 27% are 55+ years old. Our congregation will probably skew older with the proximity to senior housing and the demographic trends in Burnsville, Dakota County and Scott County. However, we have many young families in our congregation, with more than 700 students in family ministry programming. As baby boomers age, the next generation will take its place. And any construction would need to provide flexibility to alter the uses of our building to meet the needs of the next generation and our partners. We scheduled the 8 roundtable sessions at various times and dates to accommodate a variety of schedules, but we have had little attendance from the 25-30 age group. The land/building team has worked closely with family ministry and the Children & Teens Implementation Subcommittee for the needs of families in this age range.

What do you project for growth (e.g. 5-10 yrs.)?

Prince of Peace, along with other churches, has seen a decline in membership over the last decade. Part of the decline is changing patterns of worship with less frequent attendance. And we've experienced significant demographic changes in Burnsville, where about 1/3 of our members reside. We are beginning to see an uptick in both membership and family ministry registrations, and know that we will continue to have a significant senior population with the proximity to senior housing options.

Are there any other churches in the same situation we are in?

Many churches are wrestling with their future and what they need to do God's work in today's world and the future.

What are we doing to make sure we don't have to replace a new building 40 years down the road again like we are now? Is there a process to evaluate how space could be used in 20 or 30 years – to stay as flexible as possible?

It is difficult to look ahead that far and anticipate the needs and how congregations may change. We need to design with flexibility and for efficiencies, and multipurpose space as we are able. We will be working with design firms and continue to be in conversation with our partners on their long term needs.

Can we also focus on the other areas we draw from: Lakeville, Rosemount, Apple Valley, etc.?

Two thirds of our current membership comes from outside Burnsville. We need to continue to focus on the entire South Metro.

What do we currently have?

What is the square footage of the sanctuary and the Worship Center building? What is the seating in the sanctuary now and what is proposed in a new sanctuary?

The sanctuary is about 22,000 square feet and the Worship Center building is about 57,800 square feet. Seating with the current chair configuration is 1097, with another 150 chairs in the choir loft. We probably need seating for about 700, with room for overflow, plus an additional chapel space that could seat 200 - 250.

How much are our current utilities for the 2 buildings?

We incur up to \$200,000 per year for gas and electric utilities.

We have \$4-5 million in maintenance. How much do we expect to occur in the next 3 years?

All of the capital maintenance identified should be done within the next five years. HVAC system replacements are critical to replace soon, our parking lot was patched two years ago to buy us a few years before needing replacement and roof replacement may be done in stages over the next five years.

Are the bones of our current buildings good enough to be repaired?

This needs to be determined through engineering studies, as well as a cost/benefit analysis of other options.

Has a building between our two buildings been considered as in past plans?

There were plans a number of years ago to connect the Worship Center and Christian Life Center buildings. This is not being considered at this time, as we have more building space than we need and this would create even more.

Can we put something out there that would say where we will be if we do nothing for 12-18 months? Demonstrate how things will add up.

We recently had an \$18,000 expense for the heating/cooling loop in the Christian Life Center. Prior to this we invested \$38,000 in HVAC upgrades and repairs in the last 3 1/2 years. During this same time period we've paid more than \$16,000 for repair of broken wiring below the parking lot for the lot lights and \$11,000 to patch the parking lot. We need new roofs for both buildings in the next 5 years and have spent \$30,000 to extend the life of the roofs. These expenses will continue, including needed stucco joint repair to prevent water intrusion in both buildings.

What is the current acreage for the Worship Center parcel vs. the acreage available across the street (west of Fairview Dr.)?

The current Worship Center parcel is 8 acres. There are 7 acres available across the street.

Who owns the land across the street? Is the land adjacent to Nicollet Blvd owned by Prince of Peace? Who would be our neighbors if we built across the street?

The land to the west of Fairview Drive is owned by Fairview Development. There are 14 acres of land to the west of Fairview Drive, and the 7 acres to the north are still available. Fairview is interested in building a clinic on the south 7 acres.

There is no option to remodel Christian Life Center. Is it not conducive to worship?

We did discuss a remodel/addition onto the Christian Life Center building. The CLC building has structural support posts every 20 feet throughout the building. This impacts sight lines as well as room configurations within the building making it difficult to use for worship space. We also recognize that the CLC building has the greatest value to us for sale or lease because of its location and building configuration. It would provide the greatest cash resources to apply towards the cost of a new facility or addition onto the Worship Center.

Building questions

Are options 3A, 3 B and 4 the same type of building?

Any of the options would be similar size buildings with similar amenities, but the design would be based on the topography and the building space available.

What do we anticipate the needed square footage in a new building?

We currently have 110,000 square feet of building space in the two buildings. We estimate 75,000-80,000 square feet of space would be space needed for all of our ministry, with efficient design and sharing of multi-purpose space.

Is the \$14-19 M estimate before or after any sale or lease of building and land?

This is just a broad estimate of cost, and it is before any sale/lease of property or application of capital campaign funds.

We have a lot of storage. Do we have a storage policy to review what we have before buying more stuff?

We have more stuff than we need because much is duplicated to be in both buildings. Storage will be factored into new space, but people will need to be good stewards of our space so that we don't overbuild or overbuy.

Is one of the existing buildings in better condition?

They are in similar condition, and are about the same age. Both have issues with roofs, stucco, HVAC systems and windows.

If we add a sanctuary to this church building is there room for Mission Outpost and everything else in the CLC building? In regards to Mission Outpost, have we considered separate buildings?

New space would be designed with greater flexibility and multi-purpose. Both buildings have inefficient space for us. Any new construction would account for all of the ministry needs we have, and be designed for more efficient use. One goal we had was to have all ministries under one roof for greater collaboration among ministries and for efficiency. However, if it became preferable to have Mission Outpost separate, it would certainly be considered.

Any issues building on a hillside?

There are both issues and opportunities with building on a hillside (if we built west of Nicollet Blvd.) We would need work from a design firm to determine if this option stays in consideration.

Have there been studies done in sanctuary buildings to figure out sale or lease options?

We would use the expertise of a broker who specializes in our types of buildings and uses for any sale or lease of property.

In regard to Option 1, would we consider a covered walkway between buildings?

No. Connecting the buildings would add more space when we already have more than we need.

What would the new sanctuary look like? Have we visited other locations in the area to give us an idea of what we want the sanctuary to look like? Has stadium seating been discussed for the sanctuary?

Design work has not been done yet for potential buildings. We have not visited other locations yet to give us an idea of sanctuary design. Stadium seating would provide better sight lines, but less flexibility for other uses of the space. The design would need to incorporate good visibility from all sections of the sanctuary whether it has stadium seating or not. This will all be discussed and evaluated.

Do we have to hire an architect?

Yes, we'll need design services.

Sound in the new building needs to be altered.

A new sound system would be designed for the sanctuary space.

What is the meaning of a net zero building?

A net zero building means that the total energy used annually is roughly equal to the amount of renewable energy created on the site. Our goal with any construction is to be as energy efficient as we can be, and determine what can be accomplished with a cost/benefit analysis.

Have we engaged or looked at other green buildings to get an understanding of what a new building would cost? What is the impact of going green?

We have not investigated costs of green construction. We would do a cost benefit analysis and incorporate as much energy efficiency as we can within the budget that we'd set. There is much that we can do in planning and design to have a far more efficient building as part of the construction process.

What type of efficiency (cost savings) will we realize by building new?

We will need to have an analysis done of our options for energy efficiency, how much it will cost to invest in and what the savings might be. We currently spend nearly \$200,000 for gas and electric in the two buildings. We'd realize significant savings from having less space, in an efficiently designed building.

Do Options 1 and 2 include insulation – energy efficiency? How energy efficient would renovated space be?

We need to have this analyzed as part of the next phase of studies. How much more efficient can we make the buildings through added insulation or new HVAC systems? If we stayed in one or both buildings, how can they be reconfigured inside to be more flexibly used? We will provide this information when we have it.

The numbers \$14-\$19M seem very low to build a new building.

These are just broad estimates. The numbers were estimated using \$185 - \$250 per square foot. We have not yet requested quotes for the building, but have estimated numbers to show the proportional difference between only taking care of capital repair vs. renovation/addition or new construction.

What if we sold all our property and leased what we need for the next five years?

We could look for leased space, but then decisions would need to be made five years from now for any permanent facilities. We'd need space for worship, various ministries, meeting space, storage, administration/office space and space for weddings and funerals. We'd lose a large part of our legacy going off this campus.

Is there any advantage in pouring new money into an old building?

Yes, if the buildings are structurally in good enough shape to last several more decades and a cost/benefit analysis determines this is the best long term option. But, the first option still does not address inefficient space or longer term capital updates.

If we lease the Christian Life Center building, would we need to upgrade it?

There would be upgrades needed, perhaps not to the extent of what we would upgrade if we remained in the building. We would also negotiate with a potential tenant for what upgrades are done and how that cost is split. Lease revenue would have to be adequate to both support the cost of renovations and offset to some of the financing needed for a new building.

Land & Parking Questions

Who would occupy our current land if we moved?

Those on the Ridges Campus are non-profit organizations with a focus on health & wellness, spirituality, senior care and education. Anyone who buys or leases our space would have a similar mission.

How many acres do we think we need as opposed to our current 23 acres?

The Worship Center sits on an 8 acre parcel. This currently meets our needs for church parking and playground space for CDLC. We will reevaluate our needed acreage as we identify a final option. We also have the option to negotiate easements for continued use of land with a potential buyer.

If we build on 7 acres, is there enough parking? Is there enough parking and buildable acreage across the street (west side of Fairview Dr.)?

There are 7 acres available, but it hasn't been determined how many buildable acres there are. Fairview is considering construction of a clinic on the south end of that parcel and would want to share parking if we built on the north end. Our high need is on Sundays, Wednesday nights, Christmas and Easter when a clinic would be closed. We currently have 8 acres of land for the Worship Center and upper parking lot, with sufficient parking available.

Is there additional cost for land preparation across the street?

There will be cost for land preparation as the property has not been graded. These costs will be determined with studies done before a final option is recommended.

What are our parking needs on our current land– will we have enough with others needing space?

Our greatest parking need is on Sunday morning, Christmas Eve and Easter, which gives us an opportunity to share parking during the week. The city has minimum parking requirements which will be met with either ownership of land or easements with others on campus.

Is our land more valuable without the buildings?

Our buildings have value beyond the land. They may not be the desired layout for a new owner, but the asking price will reflect both land and building values.

This land is valuable. What other option do we have to build somewhere besides our vicinity (e.g. Apple Valley or Lakeville)?

This land is valuable from a monetary standpoint, but is also very valuable from a ministry standpoint. This campus is in the center of a campus with critical partners in the heart of the community. Our location is well known to those we serve, and we're on a bus line. We did discuss locating elsewhere, but this location is ideal for our ministry work.

Comment: a new building might draw new members

A building that is visually appealing, with a welcoming layout and a 'front door' may be appealing to new members. People do find our campus difficult to navigate.

How many years are we looking at for the long term?

We are looking out at least 20-30 years before major repairs would be needed on new construction. New construction would be designed with multi-use flexibility to extend its usable lifespan

What are the Pastor & staff going to be thinking 40 years from now about what we do? Are we thinking it through?

Any new construction needs to be built with flexibility for multiple uses. We don't know what 40 years from now looks like, but we'd like to design space that can accommodate various needs.

What do we need? Impacts on ministry

What will happen to Mission Outpost? What would space look like for mission outpost and accessibility?

Mission Outpost is a critical ministry of Prince of Peace, and the long term needs for this ministry and the needs of our community will be a part of our planning. Layout hasn't been determined yet, and we continue to look at the longer term needs. Accessibility is a prime consideration in new space.

How do we deliver Mission Outpost even better than we do today? The outpost needs more space with better traffic flow. How can that be incorporated into a new building plan?

Those who work in Mission Outpost would like a more efficient layout for better flow. A loading dock would be a huge benefit. We would like larger, more efficient refrigerator and freezer space. Mentoring programs take a different kind of space that would need to be considered in a future layout.

Are Mission Outpost and Salvation Army better off here or somewhere else?

At this time we are well located for those who need to be served and those who are serving in Mission Outpost. We're in a central location on a bus line, with close proximity to retailers who provide some of our food to be distributed. We are also on a campus with great partners.

All we hear is about Mission Outpost, when do we concentrate on young children (in home study)?

We have, and will continue to work with all ministry areas on their long term needs. We have needs for CDLC Preschool that coincide with the space needs for both family ministry and small groups/meeting space at different times of the day and days of the week. This is one opportunity to be more efficient in our design of space and still meet the needs of all ministries.

Is continuing the CDLC Preschool a long term goal?

CDLC has been a part of Prince of Peace for over 40 years and we are in the process of becoming a nationally accredited preschool, and a state Parent Aware preschool. (We have always been a licensed preschool.) CDLC needs for classroom space fit in well with the needs for family ministry space on Sunday and Wednesday, and small group/meeting space in the evening.

Is the state taking over the CDLC level of education?

Changing level of state support for preschool education is being watched very closely. Our efforts to become nationally accredited and a state Parent Aware preschool provide opportunities to receive scholarship and state funding if independent preschools continue to be the format for preschool education in the state.

Does CDLC cover its cost? Can they do more to share space with other programs?

CDLC covers the direct costs of running a preschool, but none of the 'overhead'. Space needed for a daytime preschool can be easily used by family ministry and small groups in the evening.

What does the reference to "we may lose part of our legacy" in Options 3 & 4 mean?

We have been in the Worship Center for more than 40 years, and in the Christian Life Center for 30. Moving into a new structure means change – and loss of the current buildings.

Have the implementation teams' work and potential partnerships been considered for long term building needs?

The Land/Building Team was in contact with the other teams during the entire process, attending their meetings, and working with each to identify needs. This will continue as we begin implementing our vision work.

Would we continue to have outdoor services?

Whether outdoor services continue would be dependent upon a final decision on the options and the space that would be available, as well as input from the Worship Ministry.

What about the organ moving to new space?

We were already aware of potential for new or remodeled facilities when the new organ was donated, and the organ would move to new space.

If we embark on this journey, it would be good to know if senior leadership will be here for the journey

All leadership is deeply invested in the best long term option for the ministry of Prince of Peace. Ultimately we are all leaders and all a part of this journey.

What happens with the Mega Sale? We currently need all the space and parking that we have to run the sale. Mega Sale is very hard on facilities, how do we handle that in new space? Can the church absorb the hit to the revenue budget if the sale goes away?

We may need to adapt to different space in the short and the long term. The Mega Sale may need to change to be good stewards of our space. If we are flexible we can handle the financial impact of changes in any of our ministry areas. If certain revenue changes we need to adapt.

Do ministry areas have a preference for one option over the others? What do they need?

Ministry areas want to be in a single building with greater opportunity for collaboration, as well as more efficient, welcoming space. All ministry areas will have extensive input into the design of new space, if we choose an addition or new building.

How do we determine what programming and the needs would be when looking at a new building?

We've met and continue to meet with every ministry area on their long term needs and wants in new space.

Can the other subcommittees speak about how the proposed options will affect them?

The Land/Building team has worked closely with the other subcommittees. Representatives of all committees were on a core team and the land/building team met with individual subcommittees and held larger meetings where all could express their ministry needs, as well as addressing hospitality and accessibility.

What type of commercial kitchen would a new or remodeled building have? The current one does not work well.

Commercial kitchen space is high on just about everyone's list. Having one central, well equipped kitchen will serve the needs of all ministries

What is the role of our partners?

Can we rely more on our campus partners to keep debt to a minimum? What can we leverage?

We've discussed our Vision work with all of our campus partners and met with several to determine their long term campus needs and how we can work together. If we choose an option that puts us in a single facility, then sale or lease of the Christian Life Center building and its land would reduce our debt.

A lot of churches are in the same mode with size requirements changing etc. Would we consider working / sharing space with other churches?

We would consider working/sharing space with other churches, as well as other non-profits looking for both space and partnerships.

If our partners such as Ebenezer have a desire to expand, would we consider a campus like Shepherd of the Lake (assisted living etc.)?

Yes, we would consider all options. We have a wonderful asset with our property, not just for us, but for the whole community.

Where does Fairview want to build a future medical center? Does Fairview want the land for visibility purposes?

The Nicollet Blvd corridor is ideal for additional medical services with proximity to the hospital and other services. Fairview has not disclosed specific plans, except that they are interested in building a clinic on the southern end of the open parcel of land to our west.

Our campus partners have 5-10 year strategic plans. Would we consider a multi-story building with the option of renting /leasing to our campus partners?

We have discussed the Vision for Prince of Peace in conjunction with the long term plans of our campus partners. We've left open the option to share space or maintain equity. We will continue to keep our key partners informed on our plans for collaboration opportunities.

When you speak of partnerships on campus, where else do they play in the future? Other partnerships? Are we maximizing community collaboration on our missions and initiatives?

We have partnership opportunities with Fairview Ridges Hospital, Ebenezer, the Y, other medical clinics, The Salvation Army, Casa de Dios, Feed My Starving Children, other care centers, the school district, community groups, Dakota County, the city of Burnsville, and other churches. We have opportunities to share space as well as work in ministry together throughout the community.

Have we spoken to community developers to mirror our vision (50 year demographic)?

We've had extensive conversations with those we may partner with. We've looked at current demographic trends in Burnsville and the South Metro area.

Have we considered partnership with Victory Vineyard since they have a food shelf, too?

Yes, we would consider a partnership with anyone who would serve with us in ministry.

How serious is the YMCA about acquiring our property?

They expressed an early interest in being part of the conversation. Discussion with them has not gone beyond this phase.

How does Ebenezer figure into what we are looking at doing?

Ebenezer has potential for expansion if they were to purchase a portion of our property. Sale of some of our property could help finance new construction.

Questions on offsetting revenue and potential debt

What kind of revenue would the Christian Life Center generate?

We have not actively marketed the Christian Life Center, although we have worked with an appraiser and broker on potential uses of our property and received a range of potential income. We are unable to disclose the amount of income at this time to preserve our ability to negotiate. We do know that the CLC building is in a prime location and has significant value from both a sale and lease perspective.

When will we know the value of the land across the street?

Fairview Development owns the property across the street, and the north 7 acre parcel is still available. We have not discussed a price with them, but if they are the ultimate purchaser of some of our current holdings, we could accomplish this with a land swap, plus additional payment to us for property acquired.

What will the city give us in tax financing?

We do not pay property tax as a non-profit entity, so there would be no tax increment financing available to us.

As land offer information becomes available will it published on our website?

We will publish any information that would be of value to the congregation so long as it does not interfere with our ability to negotiate.

What is the current value of the 23 acres we own? Do we know what the value of the buildings we own is? When will the building value be available?

We have an appraised value, as well as an insured value of our property. We need to hold this information while we negotiate. But ultimately, if we choose to sell property the amount will be determined by a negotiated price that provides us a fair value for our property at a price that finances enough of our construction costs. This information will be shared if an acceptable offer is made to lease or purchase our property.

Is there an estimate of the offsetting revenue?

There is an appraisal of our property that also includes its value to lease.

Do we know what the value of the property across the street that we may build on is?

It has a lower value than the lower east side parking lot that Fairview Ridges Hospital currently leases from us. Any purchase of land on the west side of Nicollet Blvd would likely be a land swap for the lower parking lot with some additional payment to us.

Do we have a sense of who would be interesting in buying or leasing, and how much would they pay?

There is interest by several campus partners, and we also have options to sell or lease to a charter or private school or other non-profit entity. We have not discussed price at this time.

Is Fairview willing to negotiate for our existing land?

We have been in conversation with Fairview and they are interested in being a part of any sale of property.

Can Foundation money be used for construction needs? Can Foundation grants be structured to go to construction needs for specific missions?

The Foundation Board annually allocates grants from earnings on investments, up to a maximum of 4% of total assets, so long as there are earnings to cover. The principal balance is held in perpetuity. Grants from the Foundation are typically given for ministry work, or a one time expenditure that impacts a particular ministry. For instance, a Foundation grant helped offset some cost of expanding Mission Outpost a few years ago, giving us the ability to vastly improve this ministry. It seems unlikely that construction needs we face will be appropriate use of Foundation grants or that the funding available will be significant enough. It is far better use of Foundation grants to fund the ministry work we do as we live into God's vision.

Does leasing of property cause tax exempt issues?

Lease of property would be to another non-profit entity with similar mission to Prince of Peace or our current campus partners. If we choose to go this route we would have legal tax advice on how to handle the lease, and could choose to have a tenant pay the taxes if they are applicable.

What does it look like to borrow money these days? Bank loan, interest rates, and floating bonds?

There have been several conversations with our current lender, as well as the ELCA Mission Investment Fund. Currently rates are at 3.75% with 5 year adjustments to the rate. We will certainly look at all options for financing, taking into consideration the length of time we may need to borrow, overall costs and our ability to prepay. Non-profits using tax exempt bond financing typically are constructing schools or community facilities, not church buildings.

Are we better off fixing/adding on vs. having a large debt?

We may end up with fairly similar debt regardless of the option chosen. Fixing our buildings does not have any offsetting revenue from sale or lease of what we own. The cost of other options will include sale or lease of property to reduce the debt. We also need to determine how much life is left in our buildings and whether our current buildings are worth investing in on a long term basis.

What level of debt can we afford? What is the risk to programs with taking on additional debt?

The level of debt will be determined by how much is pledged in a capital campaign and the timing of those pledges, along with any other ongoing revenue sources we have from lease of land or buildings to pay down that debt. Whatever debt is assumed will be affordable with a plan in place to pay it off. Any cost of long term debt (principal and interest) needs to be determined so that it can be factored into our overall budget or long range fundraising plans so that there are resources available for the ministry work we are called to do.

How are we planning on loans, trying to keep finances as cheap as possible?

We've had conversations with lenders on our capacity, potential terms and current interest rates. We'd ideally structure any new debt with enough flexibility to meet our needs and keep borrowing to a minimum.

Is there such a thing as a safe debt limit for us?

Yes. Banks provide a number of ratios to evaluate ability to borrow and repay a loan, and use those ratios to determine how much they are willing to lend. A safe limit is a final debt amount (after applying all capital campaign funds) that allows us to make principal and interest payments without impacting our ability to do the ministry we are called to do.

Would the church books be open to the public?

We are not required to file a Form 990 for Prince of Peace that makes our finances public to everyone. However, information on the church finances is always available to our membership by calling the finance office.

How much does it cost to bring buildings up to code to lease?

Our buildings are up to code, but there capital upgrades that should be completed before we lease our space. At a minimum there are upgrades needed to HVAC equipment, stucco repair and some roof replacement. Windows may or may not need to be replaced for a tenant, depending on their usage. Roof work can be done in stages, and up front our cost may be up to \$500,000. Any other upgrades would be negotiable with a future tenant over how those costs are covered.

We're coming off of a campaign to pay off debt some 40 years old. Are we willing to go back into debt again?

The No Debt! Know Mission! Campaign was designed to pay down debt that had been in place a long time without a plan in place to pay it off. Debt should be used responsibly as a bridge to an opportunity, structured to be paid off over time. Just as families use debt to purchase a first home or move to a different place, it's a bridge to an opportunity for a family, providing for the needs that they have. And families structure their debt with an end date to pay off the mortgage. The No Debt! No Mission! Campaign was very successful in nearly eliminating old debt. If we had not conducted this campaign, we would have no opportunities in front of us today. We wouldn't even be able to afford to handle the capital repair on our existing buildings. This campaign has put us in a very favorable financial position today. Any new debt incurred will be affordable, without impacting our ability to do the work that God calls us to do. And it will have a plan in place to pay it off.

You mentioned that by saving on expenses we could use that savings to borrow some of what's needed to finance construction. How does \$100k in savings allow us to borrow another \$1M?

Actually the annual payment on \$1,350,000 of borrowing is about \$100,000 for principal and interest. So, for every \$100,000 in annual lease revenue we receive, or annual savings on utilities or other expenses in a new building we could pay the debt on \$1,350,000 without impact to ministry.

What is the projection on how soon we need to get going to avoid interest rates going up?

Our banker doesn't believe that interest rates will move very fast. We have time to make good decisions.

What are the next steps?

Will there be upfront architectural costs prior to a congregation vote?

Yes, we will have costs for studies and architectural work to have enough information to recommend an option.

What is the timeline for a congregational vote?

There is much work to be done before a congregational vote. We will continue to gather and analyze information, and have additional congregational input as we have drawings and more firm costs. The Board of Directors will evaluate the options and make a recommendation to the congregation. Notice of a special congregational meeting will be in the Direction at least 30 days in advance, and it will be well communicated through social media and on the website.

How will the congregation vote? Will there be more than one option? (e.g. at church, mailed . . .) Who will be able to vote? (e.g. active/non-active members, attendees but not members) What age votes?

Our Constitution requires that votes be by written ballot by confirmed members of the church who are at least 18 years old.

When would a timeline be available to determine how much our current buildings and land are worth?

Once we have offers for lease or sale of property, the congregation will be fully informed.

Is there any consideration of phasing or staging the changes?

There is opportunity to stage some of the options. Option 1 (keeping our current buildings and taking care of the capital repair needs) could be done over a several year period of time. Option 4 with a land purchase on the west side of Fairview Drive could be staged with the purchase and payoff of land prior to construction.

Does Fairview have a timeline for any decision?

They do not have immediate needs for any of our property as they have just completed an expansion on their campus. They are interested in our property on a long term basis and want to work with us if we're ready to sell or lease space.

How does the congregation get information and have input?

Please put information on website. The current website is not always user friendly.

Information will continue to be updated on the website. We are in the process of developing a new website and anticipate it being live by fall, 2016.

Can we involve more people in this process so everyone can have input?

Yes! We will continue to hold roundtable sessions as the work progresses. And more people will be needed to serve on committees as decisions are made and any construction or reconstruction begins.

Questions and comments may be addressed to the land/building team: info@popmn.org or to the Board of Directors: boardofdirectors@popmn.org