

## **REPORT TO THE ANNUAL GENERAL MEETING OF NOVEMBER 24, 2019**

### **CAMPUS REDEVELOPMENT: BUSINESS PLAN UPDATE – HIGHLIGHTS FOR INFORMATION**

Note: The full business plan and appendices are available in hard copy and electronically.

**From:** Planning Redevelopment Committee

Co-chairs: Gordon Gram and Michael Clague and members John Boyle, Mike O'Neill, Dianne Crosbie, Marg. Fletcher, Steven Epperson, Paul Prescod, Cindy Cashin, Rob. Taylor, Connie Wigmore, Emilie Aden, Keith Wilkinson.

#### **Timetable:**

- Final report and committee recommendations to the board in January 2020
- Information meetings for UCV members
- Extraordinary General Meeting to receive the business plan from the board and recommendations: February 2020.

#### **Background:**

- First draft of Business Plan presented to June 23 2019 EGM for information and comment
- Between the launch of the project in 2017 to June 23<sup>rd</sup> the following member consultation and involvement activities had taken place:
  - 10 events: workshops/forums
  - 5 member planning groups
  - Question and Answer information bulletin
  - Notices and short up-dates in the order of service.
- Member consultations: The Circle of Concerns report (June 23) was a reference in the planning of the content and process for member consultations this fall:
  - City Hall Up-date: response to the UCV request for advice on the rezoning application; environment team report
  - Potential Partnership Structure concerning ownership and operation and leasing of the non-market rental residence.
  - UCV Financial Sustainability Task Force Report – peering into the future.

#### **Purposes**

The purposes of the business plan are to a) present a vision and objectives that will attract, inspire and sustain members' participation in the life of the church into the future and b) to present a financial plan that will contribute to the financial sustainability of the church into the future.

#### **Business Plan Highlights**

1. **Capital Cost:** \$ 49,017,000. The capital monies to meet the cost include UCV land equity, grants, loans and mortgage funding. [P59].

2. **Residence:** The construction on the Oak Street side of the campus of a 6 story, approximately 90 unit non-market rental housing building with 50% of the units for families [P23]
3. **Hewett Centre:** To construct a new Hewett Centre whose roof is partially overlapped by the residence, slightly smaller than the current facility but with more efficient space design. The new Centre would be financed from the capital cost for the residence. [Pp21/22]
4. **Presence:** The new Hewett Centre and the residence are meant to provide a strong visual presence of the church at 49<sup>th</sup> and Oak. [P.33]
5. **Legal:** The church and the non-profit partners would have agreements regarding capital/equity investments and operation costs and returns. These agreements will protect the church's charitable status through the creation of a new, non-profit, non-charity society e.g. "Unitarian Housing Society" whose board is appointed by UCV. [Pp49-51]
6. **Ownership/Partnership Structure:** The church is to retain ownership of the entire site, with long term lease arrangements with a non-profit partner who would be the developer of the project and bring its own funds towards the capital cost. [Pp 52s/56]
7. **Financial:** Projected net return to UCV in year one after debt servicing and sharing 28% of revenue with non-profit partner = \$95,459. In year 10 = \$312,688. Church has increased equity in the property as mortgage paid down. [Pp 58/60] **A sub-group of the planning committee is doing a detailed review of the financial numbers and how they have been calculated.**
8. **Tenure Models – Rental or Co-op?** The project planning has involved a working group of members interested in the residents in the non-market housing forming a cooperative. The traditional coop model is no longer available – where the project is developed, owned, and managed completely by the members. Residents of the new UCV housing would have the option of forming an association to manage the day to day aspects of living together and fostering strong community life under the auspices of the non-profit project partner of UCV. They could form a cooperative for this purpose under the auspices of the Community Lands Trust or a residents' association, under the auspices of Catalyst Community Developments (called "Community Connections"). This matter continues to be explored. The tenure model decision will be part of the business plan submitted to UCV members.
9. **Transition:** The business plan includes the arrangements for temporary facilities on site and their cost while construction is underway and the cost of lost lease/rentals during construction. [Pp 62-67]

### **Related Studies and Reports**

The reports below will assist members in the consideration of proceeding with the business plan:

1. **The Alternative Plan.** A new Hewett Centre is financially possible if the whole project proceeds i.e. the non-market residence and Hewett Centre. Similarly, the proposed residence is only financially possible if it includes a new Hewett Centre as the air space

above will include some of the apartment units that are part of the revenue from the building.

The Buildings and Grounds Committee is examining the implications if redevelopment does not proceed. What are the requirements and costs for maintaining the Hewett Centre as it is into the foreseeable future? The committee has concluded that the Centre can be maintained into the foreseeable future by performing regular maintenance and repairs and replacements and modest improvements. It is not financially practical to do major improvements in terms of redesigning and reconfiguring space use in the existing building as proposed by the UCV Hewett Centre working group for a new building.

2. **UCV Human Resource Capacity.** Members have identified this as a substantive consideration in determining how much change can be successfully managed in the immediate future: campus redevelopment and the search for a new minister – do we have a sufficient pool of volunteer experience and time that can realistically be called upon? This is a matter for the board and members.
3. **Risk Register.** The project is developing a risk register to aid members to assess the degree of risk exposure redevelopment will bring, to be compared with the benefits. It is being continuously up-dated [Appendix B to the Business Plan]

#### **Summary:**

The business plan research is confirming the preliminary work of the feasibility study that redevelopment of the campus will fulfill its two desired purposes – a development whose vision will inspire members into the future and whose revenue will contribute to the sustainability of the Unitarian community. There are also challenges and cautions that will be given further attention between now and the meeting of members to decide whether or not to proceed to redevelopment:

- City requirements for making a formal zoning application can be met
- Capital financing judged sound
- Operating budget of revenues and expenditures and projected net return to UCV is realistic
- Legal protections for UCV are sufficient
- Choices and implications between campus redevelopment and not redeveloping are clear
- Demands on church human resources are manageable

*At this mid-century point of its life, our vision for the campus of the Unitarian Church of Vancouver for the next 50 years is that of a compelling, beautiful, inter-generational home for Unitarians to worship and celebrate. One respectful of the original design, one that provides an affordable place to live for a cross-section of our community, and a place for all Vancouverites to gather for spiritual enquiry, to enjoy arts and culture, and to engage in dialogue and action on matters of social justice and the environment.*