

Report of the Trustees to the Finance Committee and the Church Board regarding the Future of First Christian Church at 602 N Orchard St.

May 16, 2017

On May 31, 2009, an All Congregational Meeting was held and the congregation voted to begin a Capital Campaign for major renovation to bring the church to a level of appearance and attractiveness to draw in visitors and new members from the local community. The Capital Campaign was a great success and gifts large and small were gathered.

On April 3, 2011, another All Congregational Meeting was held for purpose of voting on the proposed capital project for a major renovation. The proposal failed because it did not receive the 66% affirmative vote required by our by-laws.

The funds that had already been given were judiciously and wisely spent over the next couple years on significant upgrades to both the interior and exterior of the buildings. Investments were made to construct ADA compliant restrooms, upgrades were to the sanctuary entrance area, to the courtyard and education building, among many other improvements and necessary repairs.

John Williams' ministry with FCC ended in February of 2012. Coincident with John's departure and over the next couple years was the departure of some long-time members, many by death, some due to disagreements over mission, and vision, and others for reasons known only to them. One of the great things about our church is the freedom of thought and conscience that we give one another. But change does not mean freedom from a sense of grief and loss.

Perhaps a greater gift than the gift of grief for those who are gone is the gift of resilience and the renewed commitment to mission for those who have remained. The transformation that has occurred over the past four years has been a direct result of the passion and energy of the "old" members opening hearts, minds, and doors to the community with a vital new message of inclusion and many "new" (and young) members and guests who have revitalized our community.

Barbara Blaisdell was called as Senior Pastor and her tenure began on June 2, 2014. In the years from the end of John's ministry through two interim ministers, and now through the first three years of Pastor Blaisdell's ministry, several themes are clear:

- The cost of maintaining a presence at Orchard and 6th is increasing and the revenue is decreasing. The people we are welcoming in, economically speaking, are unlike the people who have left.
- The urgency of the church's mission in this place is steadfast and unequivocal. The human resources to do the work, both lay and clergy, are here.
- Historical models of "paying" for the cost of running a church campus like ours are not sustainable. The fixed costs of this current property cannot be covered by pledges and gifts, *even if we had no paid staff.*

Over the course of the last four calendar years, about \$650,000 has been withdrawn from the Christian Church Foundation to sustain the church's budget, maintain the facilities, and implement new ministries. Each year since October of 2013, the congregation has approved budgets that have called for larger and larger withdrawals from CCF. The financial impact on the investments has been much

greater, since selling investments inevitably means that the funds cannot grow and compound in the account, further eroding the value.

Just when we were approaching the end of the funds that could reasonably and legally be withdrawn (less than \$100,000 remained), we had the good fortune of receiving an offer of \$2,000,000 from DSD Energy Resources to purchase our Texas mineral rights, and that sale was completed on December 31st, 2016. \$1,000,000 has been delivered to the CCF to restore the account that has been depleted, \$1,000,000 remains at Merrill Lynch in the church's account to be carefully managed over the next 3-4 years to underwrite the shortfall between revenue and budget.

Hence, we have less than three to four years to decide the future of First Christian Church at 6th and Orchard. What is clear is that FCC of Tacoma has mission to accomplish at 6th & Orchard. What is not clear is what is the wisest course of action to make this commitment come to fruition.

The counsel we have overwhelmingly been offered thus far is to NOT to sell the property. The unanimous recommendations from several professionals has been to retain ownership of most (or all) the property and partner with a developer to make use of the land for residential and commercial uses. We would retain partial ownership of these investments which will create a revenue stream from these investments to sustain the church for the next 100 years.

This may mean keeping the buildings as is. It may mean repurposing some or all the existing buildings and building a new sanctuary closer to 6th Avenue. That is the work of the next couple months of discernment and discussion, beginning with the congregational gathering on June 11.

Members of the Trustees and Finance Committee have held two meetings and numerous phone calls with two partners of a firm in Seattle, the DLR Group; Christopher Bell and Noah Greenberg. In the first two face to face meetings we have had, it is apparent that they bring a level of understanding and expertise that will be of great benefit as we move forward.

We are intending to invite Noah and Chris to the congregational gathering on June 11 to begin a process of exploring options for the property. This is to be the first of what will likely be several listening & talking sessions. Their initial engagement is to lay out for us a long-range plan for the property and each step-in sequence to implement the long-range plan.

Respectfully submitted,

John Unterreiner, Chair of the Trustees