SUPERIOR AVENUE BAPTIST CHURCH

PROPERTY, BUILDING, & DESIGN COMMITTEE UPDATES



February 13, 2022

Summary

In October of 2018, the Property Committee of Superior Avenue Baptist Church reported to the church on the condition of our church facility and the need to develop a long-term plan to address our facility issues.

In February of 2019, SABC voted to form a building committee for the purpose of developing a longterm plan to meet the building needs of our congregation, studying the financial implications of the long-term building plan, and making future recommendations to the church regarding our building needs. The Building Committee recommended that the church relocate.

In February of 2020, the church voted to relocate. That same month, the Building Committee formed two sub-committees to carry out the task of relocating the church. The Property Acquisition Committee was tasked with finding a suitable property to relocate the church. The Design Committee was tasked with designing a new church facility. The church's existing Property Committee was tasked with selling our current facility. The church's existing Finance Committee was tasked to work with lenders to finance our relocation project.

In July 2020, the church voted to hire Nobles and Associates to design our church facility.

In September of 2021, the church voted to purchase 7.1 acres on HWY 21 for \$103,000 contingent on the sale of our current property.

Update on Sale of our Current Facility

Two and a half years ago, members of the Property Committee received a standing verbal offer from the Pigott family to purchase Superior Avenue Baptist Church (SABC) *AS-IS* with the understanding another meeting would occur to negotiate the final terms of the sale when SABC was ready to move forward.

In mid-year of 2021, members of the Property Committee met with the Pigott family to finalize the standing verbal offer for the purchase of the property. After the meeting, the following terms were requested by the Pigott family to finalize the sale:

- 1. A \$400,000 total offer was made by the Pigott family.
- 2. SABC will perform the remediation and demolition of the building before the act of sale to provide a clear tract of land.
- 3. A timeframe of 18 months was requested by the Pigott family to complete all remediation, demolition, and finalize the act of sale. Any time exceeding 18 months would require SABC to pay a penalty of \$1,000/month.

The Property Committee countered the Pigott's offer, requesting they purchase the property *AS-IS* without SABC performing demolition. A major roadblock in the final offer was for SABC to perform the demolition without having any certainty of final demolition costs. Although the Property Committee spent considerable time obtaining quotes for the required remediation and demolition costs, the Property Committee had several major concerns with SABC performing this work as listed below:

- Numerous unknowns associated with final cost and unexpected issues during demolition. Questions such as what if something unexpected is found in the soil/building/foundation, etc. during demolition were discussed with the committee. SABC would be locked into an estimated \$280,000 demolition project that could possibly double or triple in cost without any increase in purchase price. If this occurred, SABC would be financially responsible for more money than would be paid for the property.
- The timeframe to complete the act of sale would require SABC to be in the new facility in a short time frame as compared to the original offer. With remediation and demolition being a required part of the final offer, the new facility would have to be operational within 6 to 8 months in order to complete the additional work for the act of sale without penalty. Although the design portion of the project is significantly complete, a timeframe for new construction would be in the 12 to 18-month range before the new facility is ready for occupancy.
- The Property Committee discussed the current budget of SABC. At the time of the original offer by the Pigott family, SABC needed the sale of the property to go toward the down payment of the new facility. At this point in time, we are financially strong as illustrated by the attached financial summary.

The Pigott family declined this counter offer.

In response to the Pigott family declining the offer, the Property Committee met on January 30, 2022 and recommended the following:

- 1. In the short term, move forward with building construction and communicate locally that the church property is for sale by owner. This will allow the current facility to be used until we have a significant portion of new construction complete. If anyone comes forward to negotiate a purchase, SABC would have additional flexibility in working through sale by owner options. Also, SABC is currently in a different financial situation as compared to initial talks at the inception of the new building program. At the start, SABC needed the additional funds from the sale of the existing facility for down payment and start-up costs. At this point in time, SABC has more than enough funds to cover down payments, start-up costs, and future note payments.
- 2. In the long term, list the property on the market with an agent at the midpoint of construction. Once major construction milestones are accomplished (>50% complete), if no sale by owner agreements are reached, SABC would officially list the property to reveal sale options to a larger market. At this point, SABC would have an accurate timeframe for moving from the current building into the new facility and would be in a better position to entertain an immediate closing on an offer.
- **3.** If no sale is made before the completion of the new construction, SABC would close the current facility and keep only general liability insurance. Removing the existing facility from the current budget would free up considerable monthly operating funds. These funds would be applied to the new facility and almost balance the new construction obligations when compared with SABC's current operating budget.

Financial Update

Listed below are the financial numbers we presented to the church in February 2020:

| LLL Fund: | \$167,177.96 |
|----------------------|--------------|
| Excess Cash on Hand: | \$80, 989.44 |
| Building Fund: | \$81,783.78 |
| Total: | \$329,951.18 |

Listed below are the current financial numbers as of December 2021:

| Total: | \$556,459.20 |
|----------------------|-----------------------|
| Building Fund: | \$256 <i>,</i> 407.78 |
| Excess Cash on Hand: | \$132 <i>,</i> 873.46 |
| LLL Fund: | \$167,177.96 |

We have reached out to several lending institutions. We have been pre-approved for a construction loan through a lending partner associated with LA Baptist Convention. Local lending institutions require building plans for appraisal before pre-approval.

Design Documents

Since July 2020, Nobles and Associates, LLC has worked with the Building Committee, Design Committee, and Property Acquisition Committee to complete preliminary design and construction documents for the new facility.

A brief overview of key design concepts for each facility component is described below from the committee meetings:

Property Survey:

- 1. A final survey of the proposed property purchase relating to the Breland property division is attached.
- 2. The survey (including the division of the property) has been approved by The City of Bogalusa and approved for zoning as a church facility.

Master Site Layout:

- 1. A site layout was completed with allowance for three separate structures and phased construction (if required due to budget restrictions).
- 2. The layout allowed flexibility for phased construction, future expansion and easier accessibility of all buildings.

Building Layouts:

- 1. A three-building arrangement was developed consisting of a (1) sanctuary, (2) educational building, and (3) multipurpose facility. *Sanctuary:*
 - 1. Designed based on our current membership with room for 15% new growth
 - 2. Sanctuary interior and exterior aesthetics are both appealing and budget conscious
 - 3. Sanctuary is the main focal-point of the overall site

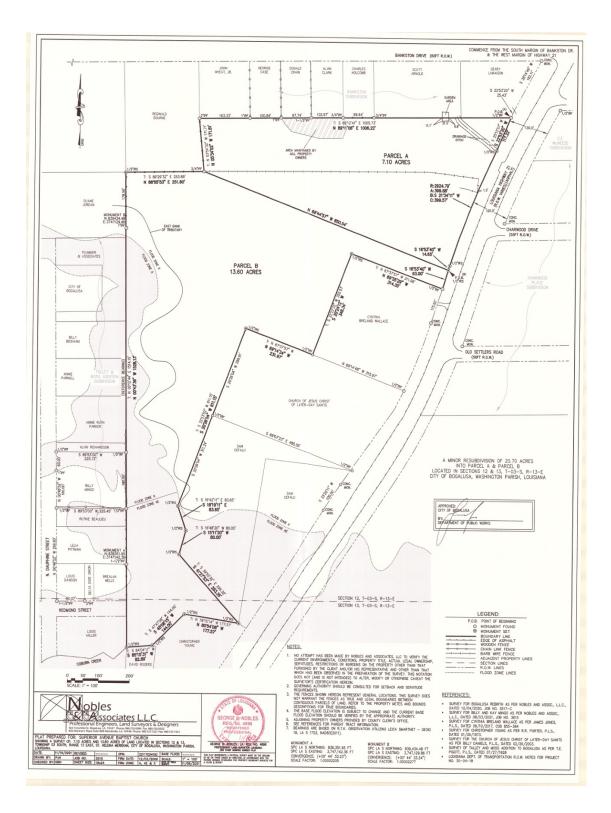
Educational Building:

- *1.* Designed based on our current membership and room use with the space availability for 15% new growth
- 2. Educational interior and exterior aesthetics are basic, while complimenting the layout without distracting from the sanctuary
- *3.* The site arrangement of the educational building provides easy access and flow from one building to the next

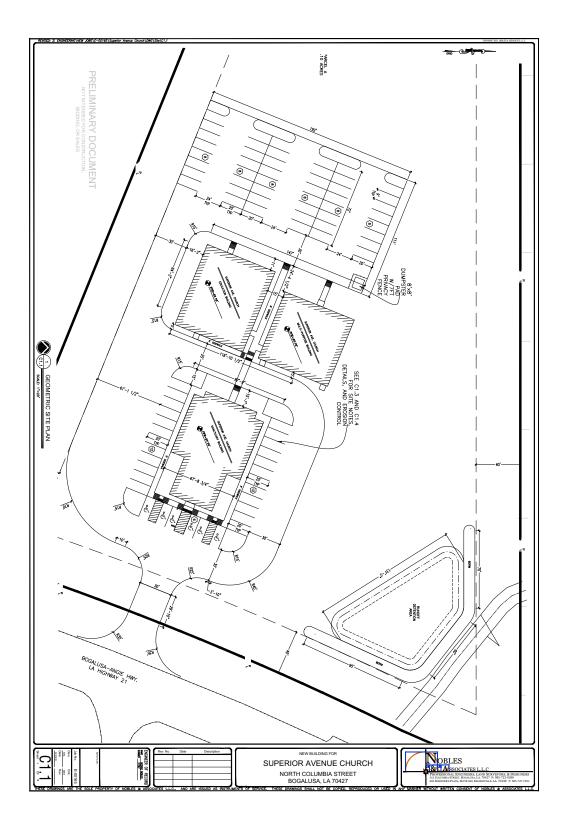
Multipurpose Facility:

- 1. Designed to provide a common area for gatherings, meals, fellowship, and youth
- 2. Allows for expanding potential church opportunities
- 3. Multipurpose interior and exterior aesthetics are basic, while complimenting the layout without distracting from the sanctuary
- 4. The site arrangement of the multipurpose building provides easy access and flow from one building to the next

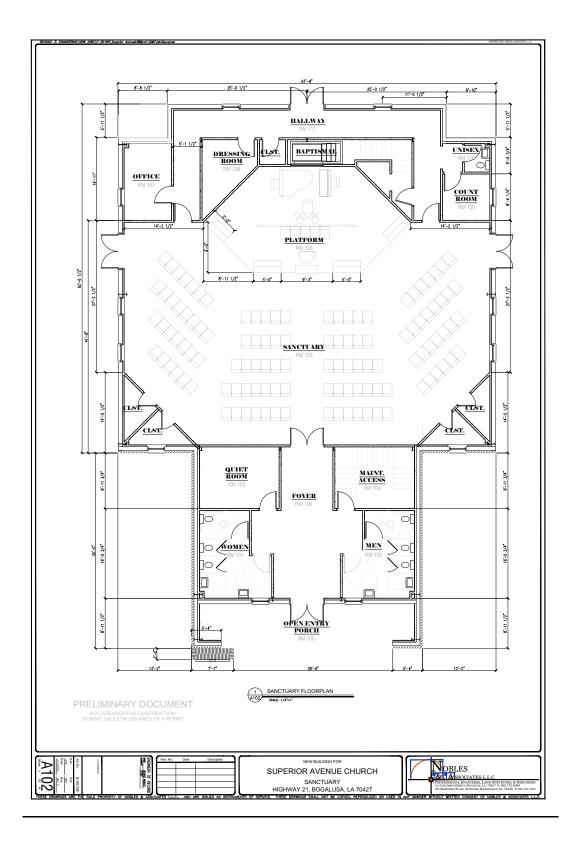
PROPERTY SURVEY/DIVISION:



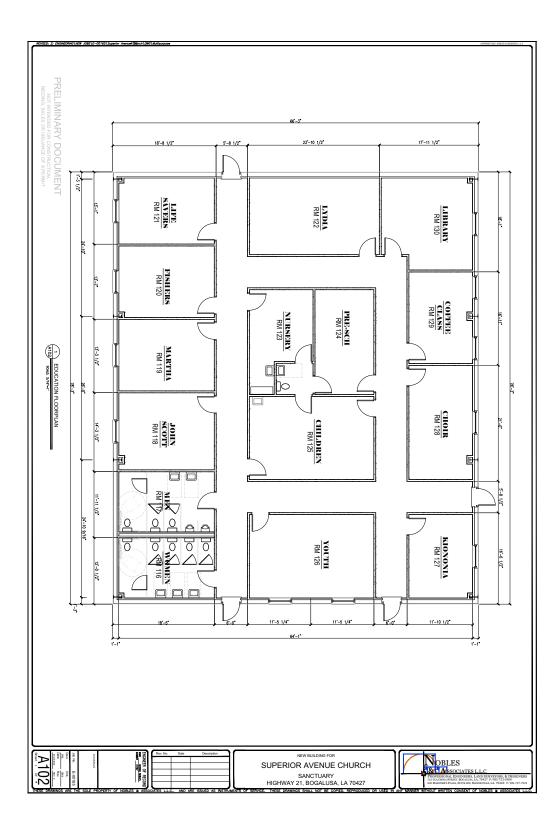
MASTER SITE LAYOUT:



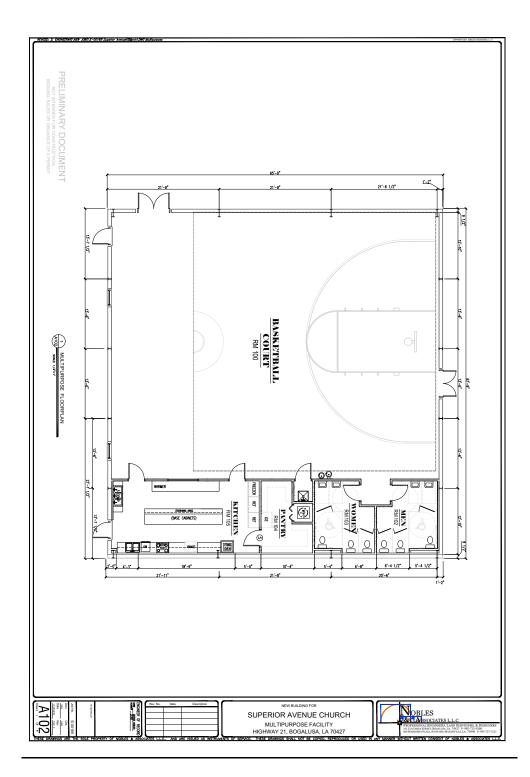
SANCTUARY FLOORPLAN:



EDUCATIONAL FLOORPLAN:



MULTIPURPOSE FLOORPLAN:



Conclusion

We will have a Question-and-Answer session on Sunday, March 6th at 3:00 PM in the Sanctuary. We will vote on the following motions on Sunday March 13th at the conclusion of the Morning Worship service.

<u>Motion 1:</u> The Building Committee, Property Committee, and Deacons are recommending that we move forward with the purchase of the Breland Property on HWY 21, thereby removing the contingency to sale the current church property from the original Breland Property purchase agreement.

Motion 2: The Property Committee, Building Committee, and Deacons are recommending that before listing the current church property, we communicate that the current church property and facility are for sale by owner. If the current church property and facility have not sold by midpoint of construction on the new facility, the current church property would then be listed with a realtor.

<u>Motion 3:</u> The Building Committee, Design Committee, and Deacons are recommending that we accept the building plans which are 95% complete, allowing us to move forward with bids, code approval, and financing.

This is an exciting time in the life of our church. As we consider all the information about our relocation plans, please continue to make this a matter of prayer.

For the full set of building plans, please visit www.superioravenue.net/relocation.