

June 2009

To the congregation of Spruce Grove Alliance Church,

At our last congregational meeting the vote to proceed with relocation or remaining at our existing site was too close to proceed in either direction. As a Board of Elders we realize the importance of having close to or a 100% vote in favor no matter which direction God leads us to success. Attached to this letter is information that highlights three case studies of successful facility expansions. Each one is different in approach and each one lays out the steps that each congregation took to give them success. We encourage you to take one, read it, commit time to pray about how God is directing us to proceed for our future. We would like to give you several opportunities to speak into what you have read, ask questions, or present another alternative that you sense would be good for us to consider. We invite you to come on June 22nd and 23rd to give us input from what you have read through round table discussions, questions and comments. There will be one more opportunity given on Aug 31st before our annual meeting in September to speak into our future as a church. What we want to do is hear from God through what he has been placing on your heart as you read and pray about our future.

As researched by the Future Expansion Committee and presented to the Elder Board

**NOTE:** This case study was prepared on the basis of personal discussion in 2007 and did not follow the same format as the other two case studies prepared this year.

### **Case Study – XXXX church in XXXX, Manitoba**

Progressive new city with a lot of new industry, a very strong surrounding agricultural base, and an influx of European immigrants to compensate for a growing labour shortage as baby boomers retire.

The existing church was built in 1985 for \$703,000 using much volunteer labour by the first wave of retirees. The first mortgage was paid off in 4 years thanks to a large influx of cash from the sale of farms and businesses of the retirees.

The church has been running 2 services for the last 10 years which were mostly full and growth was stagnant. Land was purchased for a new building (10 acres @ \$25,000 per acre). They also had a satellite church using their previous building. Eventually they broke ties and functioned as a separate congregation. At this time they attempted to sell the existing site before building. This did not happen, nor were they able to raise the money to develop the 10 acres of raw land they owned.

Three years ago they opted to sell the land and enlarge the building they are presently in. They have 4 acres of land and a 2 storey building with full basement. They are again adding 3 floors in a building 110 X 110 ft. for a total of 36,000 sq. ft. This phase was begun in August 2006 and will be completed in December 2007 with contract labour. Their ministry focus includes education and a full banquet facility seating 600. They will temporarily move services into the new addition in order to build a balcony in the existing worship area. Completion will be the summer of 2008. They are also installing elevators.

The estimated cost of the addition, including the balcony, is \$4,300,000. By selling the land and raising money they had \$1,500,000 in the bank at the time of the sod turning. They have taken 20 year financing based on pledges received.

What did they learn?

- Spend more time on uniting the congregation on one plan.
- Be wary of those people who start but do not persevere.
- Plan ministry needs ahead of time to avoid conflict and costly changes.
- Senior pastor should not act as site superintendent at any time.
- Keep congregation informed of progress and celebrate incremental steps.

Source of the Study –

**XXXX** – City mayor for 2 terms and long time board chairman of the above mentioned church. Still operates his business of 25 years and is not presently on the church board.

Prepared by Henry Banman

These two case studies were conducted in 2009. Answers were given to a questionnaire provided by Spruce Grove Alliance Church. The answers provided by the participating churches in many cases were much longer than what appear in this report. The following report is compiled in such a way that you will be able to have the basic information provided and be able to make comparisons.

	<b>Non Alliance Church - Alberta</b>	<b>Alliance Church - Alberta</b>
Key to successful relocation (mission statement)	- Selling the 'Vision' of reaching the community and not the building of a new facility. This was and is the role of the Senior Pastor.	- To Make a Sanctuary fit for our worship of God - To build a place to enable our congregation to bring their family and friends who have yet to establish a relationship with God. - To have a safe place for teaching, building relationships, fellowship and fun for future generations.
Former Facility	- Sanctuary seated 350 - 400 crowded. - No room for growth on this property.	- Sanctuary seating 500. - Limited property size. - Rezoning required for redevelopment. - 26,000 square foot building with parking for 200 vehicles.
Congregation size prior to move	- 500 when the decision to move was made. - 900 just prior to the move. - Two Sunday services being held.	- 550 when the decision to move was made. - 625 currently (the new building is under construction) - Two Sunday services being held.
Church Growth	- From 500 - 2100 in 10 Years	- New building being built.
New Facility	- 21 acres of land purchased at a cost of \$500,000.00. (current land value is about \$10,000,000.00) - 65,000 sq. ft. building with a sanctuary seating 1200 and parking for about 410 vehicles. - Planning to double the building size and sanctuary capacity in the next number of years.	- 9.3 acres of donated land at a value of \$3,000,000.00 - 60,000 sq. ft building with a sanctuary capacity of 1150 and parking for 475 vehicles. - Plans are in place to add 18,000 sq. ft. in the future
Construction Costs	- 6 million dollars ( early this decade )	- 14.8 million dollars ( 2008-09 )

Starting the relocation process	<ul style="list-style-type: none"> <li>- The church was 'hurting' with ministry needs in all areas.</li> <li>- The church wanted to expand on its vision to reach the community,</li> </ul>	<ul style="list-style-type: none"> <li>- A new pastor in 2001 began to raise the issue of expansion or relocation.</li> <li>- A needs assessment committee was set up to look at expansion, relocation, church plant, and additional services.</li> </ul>
Criteria established for new facility	<ul style="list-style-type: none"> <li>- All ministry areas were given opportunity for input.</li> <li>- Ministry to the community was crucial including the rental of the facility to community organizations.</li> <li>- Secure ministry areas for children up to age 4.</li> <li>- All other ministry areas are multipurpose and used by various ministry groups in the course of the weekly church programs.</li> </ul>	<ul style="list-style-type: none"> <li>- All ministry areas were given opportunity for input.</li> <li>- Dedicated sanctuary to seat 1200 and separate gym.</li> <li>- Building design to be as flexible as possible.</li> <li>- Original plans were to develop on the existing site and relocation plans came about after the land was donated.</li> </ul>
Project Management	<ul style="list-style-type: none"> <li>- The general contractor was the Project Manager.</li> <li>- A five member building committee was the catalyst between the ministries, church family, architect, and the builder.</li> <li>- The Building Committee was made up of people with construction and business experience. The architect and the builder were involved with the Building Committee from the very beginning in order to control costs and design factors. Once the final plans were set changes in the building construction were heavily controlled and only about \$50,000 worth of change orders were allowed.</li> <li>- The Building Committee chairman was the key communicator to the church Board and the congregation.</li> </ul>	<ul style="list-style-type: none"> <li>- The Building Committee chairman and the construction superintendent are overseeing the project.</li> <li>- The Building Committee and the Chairman represent the congregation to the architect and the construction company.</li> <li>- The Building Committee is made up of seven members from various backgrounds.</li> <li>- The architect presented a 'dream' plan which created problems with reality, affordability, and the church's instructions.</li> <li>- Architectural 'misses' and mistakes have created problems.</li> </ul>
Key factors for relocation	<ul style="list-style-type: none"> <li>- The community was not large enough for a church plant.</li> <li>- Larger churches serve people better. There is better use of staff personnel and larger churches are more cost effective.</li> </ul>	<ul style="list-style-type: none"> <li>- Donation of the land was the key factor for relocation.</li> <li>- Unknowns on the current site with regard to renovations, storm drains, parking, and rezoning were also factors.</li> </ul>

Looking back	<ul style="list-style-type: none"> <li>- All of the church's involvement needs to be directed through the building committee. There were some difficulties with others taking direct involvement during the final stages of building completion.</li> <li>- A chapel to seat 250 was built and it is too small. Research has shown that it should be about 350.</li> <li>- The ability to serve the community through rental to non profit groups has been a very positive thing. The church has also been used for large community funerals (i.e. one of the Fallen Four). These exposures of the church to the community have brought many new people into the church and there have been a good number of conversions because of this outreach.</li> </ul>	<ul style="list-style-type: none"> <li>- Communication breakdowns between the Building - Committee, the congregation, and the architect have been a problem.</li> <li>- The current world economic situation has created some problems.</li> <li>- Take more time to evaluate the plans and make adjustments together with the construction management firm. Put good cost controls in place with the construction management firm prior to tendering the project.</li> <li>- Make much better use of the district resources.</li> </ul>
Financial planning	<ul style="list-style-type: none"> <li>- Prior to building plans being in place an initial fund raising meeting for the entire congregation was held. This was held in an off site location so that everyone could attend one large meeting. The people were encouraged to come to the meeting prepared to give and to pledge for further giving for the next 5 years. Everyone knew a move was necessary.</li> <li>- Funding breakdown - 1/3 cash - 1/3 pledges - 1/3 loan</li> <li>- Building Fund giving matched the pledges.</li> <li>- General Fund giving increased.</li> </ul>	<ul style="list-style-type: none"> <li>- A one year cash drive was set up to raise 1/3 of the building costs in cash. There was a 3 month pledge drive for 1/3 of the project.</li> <li>- Funding breakdown - 25% cash - 20% pledges</li> <li>- 30% loan - 25% sale of existing property</li> <li>- Building Fund giving has exceeded pledges.</li> <li>- General Fund giving has increased.</li> </ul>
Other	<ul style="list-style-type: none"> <li>- With a new facility there will be many new people attending. We recommend that a new staff member be hired prior to opening to help these new attendees connect to the church.</li> </ul>	

Current 'Future Development Committee' members are Gerry Dargatz (Elders' Board), Del Dyck, Paul Hanlan, and Reuben Neufeld (Chairman).