NORTH PROPERTY and CCUU’s Capital and Space Needs

The “North Property” refers to the house and land just north/adjacent of the church parking lot.

At the time of the purchase, CCUU had very limited parking, no room to expand (the park district lot to the south of us did not exist). Per village rules, the church is restricted in how much seating it can have inside the building based on the number of available parking spaces.

Our building ended at the double doors just past the first set of bathrooms. Atherton Hall was one-third of its current size. The other two-thirds of the existing fellowship hall were the RE classrooms. The ability to expand our building was limited by the size of our property.

The Palatine Park District was buying all the surrounding houses. There was a concern that CCUU would be hemmed in by the park district and have no room for expansion. At the very least, having room to expand parking was a concern. Following is a summary of the relevant meeting minutes authorizing the purchase:

**June 4, 1995**: a congregational meeting was held to discuss and vote on whether or not to purchase the property directly to the north of us. Financing was to come from the Frank Seacord endowment fund, along with donations from the Atherton and Stokes families, specifically for the purchase of the North Property. The vote authorizing “the Board of Trustees to proceed with negotiations for the purpose of purchasing the acre (approx.) of land directly north of the 1025 N Smith Road property… that there be no negative impact on the Operations Budget; and that there is no capital fund drive for the purpose of purchasing…” passed 65 to 7. The purchase and sale agreement was signed on Aug 30, 1996 by Mel Graben, who was finance secretary at the time.

At a congregational meeting on **Sept 22, 1996**, it was reported that the purchase took place and all stipulations made by the congregation were met. A $40,000 mortgage was taken out on the North Property to meet the full purchase price. At a congregational meeting held Jan 19, 1997, Bob Atherton appealed for further donations to pay down that mortgage so the rent would go to the operating budget. That goal was met through member donations and a matching grant from the Athertons. After the purchase, the property was separated for taxing purposes. The front half of the property containing the house and the immediate area surrounding the house were kept as a taxable property. Property taxes are covered by rent. The back half of the property was removed from the tax rolls and is considered part of our church property.

Steps that have been taken by the current Board of Trustees (BOT) to explore options for the North Property:

Use of the building, as is, by our congregation: Twice in recent years, 2012/13 and 2015/16, research was done within the congregation to determine if there was interest, energy, and resources for using the North Property for something aligned with our mission or vision. There was no interest or identifiable assets for taking on additional projects.

The current BOT has explored the possibility of re-development of the property, by us or in partnership with another non-profit. Any potential use other than a house, that involves any kind of licensing (daycare, homeless shelter, medical facility, etc.) and represents a ‘commercial use,’ involves rezoning of the property. Rezoning is not possible, however, without a comprehensive plan for the new use, whatever it might be, as the village will not initiate the process without approving a (new) use as part of the conversion.

A community partner, i.e. an organization that could bring a needed community service, would likely look to partner with us, as opposed to buying the property outright and developing and funding a new facility. That means they would probably look for us to donate or deeply discount the property and maybe even have some cash in the deal. Even in the unlikely event a well-funded organization did want to buy it at full value, we lose
all control, which might be okay if we like the proposed use, but it is most unlikely that a nonprofit would be in a position to buy the property from us at full value.

CCUU has no liquidity or funds set aside to explore highest and best (charitable/community focused) use (let alone redevelop the site). A study of this type would probably cost thousands, and once completed, there is no assurance (and in fact, very little likelihood, absent a financially flush partner) we could go forward with the recommendation. An interested outside organization may be willing to explore a use, but there would have to be some strategic locational benefit for them to consider it.

CCUU Space Needs

We do not have any indication that there will be a need to expand our physical footprint any further. Our current building is under-utilized. Sunday mornings are full, but there is ample space at other times of the week. If needed at some point in the future, there are still options for physical expansion with our current property and building. The parking space issue is no longer an issue because we have access to the park district lot to the south (built since we acquired the North Property) and the school lot across the street. The concept of ‘membership’ in organizations is changing due to cultural, generational, and technological shifts. Expansion of our message and engagement with a wider audience is highly likely to be in the virtual world.

Practical Considerations and Potential Sale

Currently we are landlords. The net income from rental of the North Property has averaged ~$16,000/year and is income to our operating budget. However, the building is aging and there have been no reserves set aside. Repairs and maintenance have been addressed as they arise and to date have been covered from rental income, which reduces the income earned for our operating budget. The house has reached a stage where investment is needed, certainly if we intend to attract new renters, and even if we intend to raise the rent.

The house and immediate surrounding land as an asset to sell has been explored. The only portion of property to our north that would be considered for selling is the front section with the house, a 100’x140’ area. Picket Fence Realty places the rough value at $240,000 - $280,000 depending on the condition of the interior. According to their agent, “Keep in mind that it is a unique person who will buy a property on a busy street that is surrounded on all sides by un-like properties. That said, it is still a salable property.” It seems reasonable to consider that CCUU could clear approx. $200,000 from the sale of the house. If sold, the proceeds would be used for capital purposes only, as part of a larger plan to pay down our mortgage and fund the capital reserve adequately.

At the moment, our renters are dealing with a serious family situation, and out of respect and compassion, we want to give them time to sort out matters. More information will be provided at a fall congregational meeting.