

OAK CREEK PROPERTY TEAM REPORT

For the past several years, the Executive Committee has been aware of the National Association's aging building, and a list of deferred maintenance that includes an inefficient and breaking HVAC system, an inadequate electrical system, a crumbling asphalt parking lot, windows in need of replacement, and a faulty archival room humidifier. Heating and air conditioning companies and builders in the Oak Creek area were consulted for estimates on these repairs. When the estimates came in, the high dollar amounts involved made clear that a thorough review of the NA space needs and options was necessary.

The Executive Committee appointed the Oak Creek Property Team to review the options with respect to office space. The committee is comprised of:

- Jim Benz, member of First Congregational Church, Wauwatosa, WI
- Jo Sommers, member of Heritage Congregational Church, Madison, WI
- Hilary Bowser, Senior Minister at St. Jacobi Congregational Church, Richfield, WI
- Tom Stacey, an architect with Epstein and Uhen Corporation and member First Congregational Church, Wauwatosa, WI
- Bill Read, a developer with Kendrick Corporation and member Fox River Congregational Church, Fox River, WI

Ex-officio members -

- Dan Drea, CFO of the NACCC and
- Dr. Tom Richard, Executive Secretary of the NACCC

It was found that with the advance of technology and the reduced staff, the stewardship of space has become an issue. Originally the 8,200 sq ft. building housed a larger staff, a full sized printing press and shop, and much more inventory than is currently needed. Less than half the space (4,00sq ft) would be more than sufficient for our administrative present and future needs.

The outbuildings on the property were found to be in such disrepair that the Executive Committee determined that the cottage, barn and other buildings were a liability and unsafe. After dealing with issues of asbestos, in February, 2010, these buildings were burned by local firefighters as a part of a training exercise. A photo of the burn can be seen in the current issue of the Congregationalist on page 27.

During the last year, the property team met several times and representatives met twice with the Executive Committee. Between those meetings, representatives from the team visited the NA office examining internal systems of the building, as well as taking measurements for estimates on renovation. They thoroughly investigated the costs/benefits of following options:

- The value of the property was established by Don Churka, a licensed appraiser. The appraised value is 1.1 million dollars. Selling the property and leasing space was one option. Rental costs were also considered.
- Renovation to fix the various maintenance issues and satisfy local building codes was estimated at in excess of \$300,000.
- Renovating with the idea of renting out part of the building was investigated with renderings and estimates totaling in excess of \$600,000. Along with this, the rental market was examined, as well as the issues of tax liability if renting to a party not exempt from property taxes.

In February of this year the team sent a final report to the Executive Committee with the recommendation that the Oak Creek building be sold. After much discussion, the Executive Committee passed the following motions for ratification at the Annual Meeting in Anchorage, Alaska:

- The EC recommends to the delegates in Anchorage that we proceed with the sale of the building.
- The EC moves that the net proceeds from the sale of the building, excluding the cost of moving and establishing residence in a new office, be designated as a separate office administration fund, to be used for the leasing, building or buying of office space.
- The EC empowers the team to continue to investigate the best options for a new office space in the Milwaukee area.
- The EC voted that all churches be informed of these recommendations prior to the annual meeting.

Respectfully,

Jim Benz, chairperson

March 13, 2010