

CrossPoint Church Vision Campaign

Most recently submitted Q & A (updated Sunday, February 4)

What was done to raise money during the pledge phase beyond mailers, videos, and emails? Did you reach out to past members and other potential donors?

All past members have been contacted in one way or another. At this point we have not made specific requests or proposals to individual donors.

Did we look into grants, or help from the denomination?

Yes. Unfortunately, grants are not really a valid option for a church like ours building a ministry building. About 80-85% of grants are given by individuals, and most foundations are not Christian in nature and have restrictions on proselytizing. Meaning, if we applied for a grant and in some remote instance, we were granted \$10,000.00 or \$25,000.00 we wouldn't be able to share the gospel. Many grants are structured that you need to be invited to make application and can't just apply. We support our denomination giving them significant dollars every year, and will have someone reach out to confirm to see if they have grants we could apply for.

Was consideration given to how much of a loan CrossPoint could afford to get?

Yes. At this point, it's not feasible for us to take on any significant debt. We are running with a breakeven every month. A few other factors for not taking on debt are that we will lose the land rental on the 3 acres and our existing loan of approximately \$1M needs to be renewed at the end of the year. It will likely be a higher interest rate meaning our payment will increase significantly.

What are some of the other options that have been considered? Do these remain on the table?

Currently, there are no other options on the table that will raise the kind of money we need to build the ministry building. A few ideas have been brought to the attention of the committee just last Sunday and those are being explored but it remains to be seen if any of those could work.

Has fundraising slowed now that the land sale is being discussed?

Yes, fundraising has slowed since the end of the year deadline that was set but we believe that is also because our members were putting forth their best pledge before the deadline. It's also important to note that most of the fundraising is in the form of pledges over a 3-year period and is not cash in the bank that we can pay contractors with at the start of the project.

Are we concerned that some who have pledged to give are wondering, with the pending sale of the land, whether their gifts are necessary anymore?

We hope it's been clear that even with the land sale, we may need to rely on the pledges plus the sale (depending on the final offer for the land) to complete this project without incurring debt for the church.

Why are we selling the land so quickly? Would it be prudent to fundraise for a longer period before voting to sell an asset?

We've been fundraising for over 2.5 months and we are not close to the funds that are needed. We do believe that people have given their best pledges during this shortened campaign in order for us to make a good decision regarding the next steps. A feasibility study for giving potential was not performed before the start of the campaign because we did not want to hire an outside company to do that. Our congregation already gives generously to support our budget every year, and it may not be within our financial means to reach 6 million in fundraising on top of that. Also, most of the funds are in the form of pledges over a 3-year period, not in cash. We're grateful for the support from the entire church body, but we believe it's clear that we need to augment the church's financial support to move forward.

What will happen if the congregation were to vote against this motion? If a loan is not an option, are there other ways to raise the funds?

We would likely enter a long process of continuing the fundraising campaign until we raise the amount, which may not be attainable. We would continue looking for alternative ways to gain revenue that would be large enough to support a building project. We would continue to seek God's direction for this project.



CrossPoint Church
Vision Campaign Land Information Meeting
Notes from January 28, 2024

Building Cost Estimate

New building cost estimate from our architect	\$275 per sq ft
Estimate for 20,000 sq ft 2 floor structure	\$5,500,000
Estimated furnishings/equip	\$500,000
Total	\$6,000,000

Current Financials

Building Estimate	\$6,000,000
Current funds available in Building Fund allocated to new building	(\$750,000)
Balance needed for new building	\$5,250,000
Vision Campaign gifts and pledges	\$1,342,000
Total still needed	\$3,908,000

Potential Financials

Land Sale	\$4,000,000
Current funds available in Building Fund allocated to new building	\$750,000
Vision Campaign gifts and pledges	\$1,342,000
Ministry Building with no debt	\$6,000,000 +



Why put this land on the market for sale?

- We will soon lose the ability to have that land generate rental income. Our contract with the city is coming to an end and we will not be able to lease the land for higher income generating activities like trailer storage.
- Developing the land ourselves would be a considerable cost and the zoning and location of the land creates several issues. The zoning for the 2.9 acres is R-14 for multi-unit residential.

What's the benefit of selling this parcel and using the proceeds for the new Ministry Building?

- Currently, we are still several million dollars away from reaching our goal that would enable us to build the new Ministry Building.
- Selling the land should allow us to move forward and complete the building with zero debt.
- We would only go through with the land sale for an acceptable price, and that may take some time. It is currently valued between 3MM-5MM. Should another acceptable way to fund the ministry building arise while it is on the market, we would not need to sell the land.

Have we weighed the pros and cons of selling the land?

- We understand selling land is a decision not to take lightly and want consider the whole picture before selling. We also need the congregational vote to proceed with putting it on the market, which is appropriate within our governance model.
- We are extremely grateful for those who had the foresight to purchase this land and build our current building. We want to prayerfully consider what it means to use this land resource in this way.
- We have carefully looked at the size of our congregation, our current need for classroom space, and the additional excess land we have and believe this is a good course of action, especially given that we would not incur any debt for a new ministry building.

What are we voting on?

Although our bylaws state that motions can pass by member vote only, everyone's voice matters to us. On Sunday, February 11 at 11 AM by paper ballot, CP members and attenders will vote yes or no on the motion. Absentee ballots will be available one week prior to the vote:

To approve the sale of the 2.9 acre land parcel owned by CrossPoint and to use those sale proceeds for the construction of a new ministry building on campus.



CrossPoint Church
Vision Campaign Land Submitted Questions
Submitted on January 28, 2024

* asterisk indicated Q& A that were answered during the meeting on January 28

Timeframes

*** What is the timeline for raising the money?**

That is still something that is being debated with the council and finance team as we are waiting to see how the Vision Campaign pledges wrap up. Based on where we are today, we do not have enough in gifts, pledges, and the building fund to build a \$6M building, so we have to start seeing what we can do for additional funds.

*** When do we hope to begin building?**

The timeframe to breaking ground for the building is 6-12 months. We would develop the plans, submit the plans to the city, get approval, and then they issue a permit. It would be about 6 months to get the plans ready to go to the city. And then another 3-6 months to get the plans approved and permitted. Construction would then be an additional 12 months.

What is a general timeframe for this kind of land being ready to put on the market, being on the market, and closing with the money in hand by CrossPoint?

A minimum of 3-6 months up to 12-18 months. There is no way to accurately guess how long it would take to find a buyer. Because this is potentially a very long process, it's important that we start the process to get the ministry building project moving.

Will we pursue alternative options for funding while the land is on the market, and if one of those would work would we not sell the land?

Yes. It's important to note that the timeframe for the land going on the market to its sale, for a price we would desire, may be a long one. This is why we are asking for a vote now rather than later. While the land is on the market, we would concurrently work on alternative ideas and keep the pledge campaign growing. If a better solution presents itself for funding, we would be able to retain the land and not sell it.

Finances

*** Where does the land rental income currently go?**

Into the building fund.

*** How was the \$750,000 from the Building Fund determined?**

The building fund has been holding funds collected from the rental property. It currently has a value of 1.5 million dollars and so 50% of the fund was applied to the ministry building fund. The fund is used primarily for campus costs; building maintenance, repaving the parking lot, etc. We need to keep some of the funds for ongoing maintenance and large expenses, which is why we only applied 50% of the fund.

Land and Land Sale

*** If CrossPoint owns 2.9 acres, what role does the city have in the sale at this time?**

The city doesn't control if we sell the property or not. The land has value and the question is who wants to buy it. It might be harder to develop, but there are people or companies who are willing to put up residential property that could probably make money doing that. The city's role is more of a development agreement. The developer that would want to buy the land would normally come and they would option the land. In a letter of intent they would offer a certain price but add a contingency that the city approve their plans for development before finalizing the sale. As a church, we actually get to give an opinion and speak at public hearings on how that land gets developed. However, the land would likely be better for commercial use than residential use and it would have to be rezoned with the city for that.

*** If the proposed property for sale has economic incumbrances and constraints, how marketable is the property?**

See above question comments. For the right developer, it is marketable. Also, we have talked to a broker who is familiar with land in this area and we reasonably believe it has a value of 3M-5M dollars.

What is the land parcel zoned for and is the city changing the zoning?

The land parcel is zoned R-14, multi-residential. No, the city is not changing the zoning.

Can it be rezoned?

It's unknown whether the land can be rezoned until a plan for a specific use and proposed zone change is submitted to the city, which would take many months and cost significant dollars. The city would then evaluate the plan and respond.

Has there been any interest from buyers?

Yes, a couple of letters of intent, however, the Consistory felt it would be best not to respond to them until the congregation approved listing the land for sale. Letters of intent are not binding and don't mean too much until a formal purchase and sale agreement are signed.

*** What would be the projected cost of the 3 acres of land in the next 5-10 years?**

That is very difficult to answer. Obviously we have seen real estate increases in the inland empire and it is certainly worth more than it was when we purchased it, but putting a value on it in the future is hard to say. Of course if we sell it to build the building, we cannot sell it in the future. If we held onto it, that would leave us trying to build a 6 million dollar building with just over 2 million (in pledges and building fund), but we would still need a 4M loan that would increase interest payments and affect our overall budget greatly.

Alternatives to Land Sale

*** What would be some alternatives to the land sale for funding the ministry building?**

Our current budget does not really allow for us to incur too much additional debt and cover those payments plus interest in the general budget. We generally break even every year. Right now we have \$1m left on the mortgage for the purchase and costs of the buildings we have, which is at a very favorable rate of 2.9%. A refinance with a new construction loan would be at a much higher rate. The general budget could not absorb a new construction loan, plus we are losing the rental income from the 3 acres. We are also losing our favorable 2.9% interest rate on the \$1M remaining very soon.

The building we need today is expected to be built faster from the sale of the land plus the gifts/pledges collected combined with the allocations from the building fund.

This does not preclude us from looking closer at the other land we have. It may be possible to look at using that for something other than the current rate we are getting to rent it as farmland.

What is the long term vision for the other 5 acres?

There are no concrete long term plans for the unimproved 5+ acres to the north. Before we build on that we would probably consider the half-acre improved property (graded, utilities, grass) to the west of the ministry building site as it would be less costly to build on and be closer to the center of campus.

The Land Development Committee has discussed many different possibilities for this land, including creating sports fields for a sports outreach ministry. A portion of the land may be needed for additional parking in the future.

How is the loss of rental income from the property going to be covered?

We are currently in discussions with the City of Chino to extend the rental lease. If this is unsuccessful, we will need to pursue other options for rental income from our land, but there are very few options for the 3 acres given the zoning and where it is located.

If we do not sell, what are the options of using this land?

At this time there are very few other options. Not only does the zoning of R-14 not align with our ministry objectives, but developing the land is well beyond our financial capability. The city has already told us that we can not lease to our existing tenant on an ongoing basis because of their use. We would have a piece of land that we would need to pay property taxes on and perhaps do some weed abatement and other upkeep, but it could not necessarily be used for anything else.

Can you do a long term lease for the land instead of selling it?

This would not be a feasible option as we need the funds to build the Ministry building now, not years from now. Also, it's unlikely that we would attract a tenant that would line up with the uses within the current zoning. The existing tenant would not be a consideration because their current use is prohibited.