



**BAF** BUILDING  
FOR THE  
FUTURE

Our recent \$6.6m cost estimate for developing the Lords Place site (**Cinema**) has given all of us good reason to take a deep breath. The building committee has taken the opportunity to stop and do some hard thinking about our building project. We have looked at who we are as a church and how God has grown us as a church. We have also considered how God may continue to grow us in the future. Recently, this information was explained in a video that was shown at our January combined service and a flyer distributed at church the following week. As we think about our current building situation it's worth being reminded of just a couple of those points previously raised.

We have grown by 14.5% per year, for the past 20 years. Currently OEC is 750 people. Our children make up 1/3 of church. That is, we have 250 kids at OEC. If we grow at 10% (not 14.5%) for the next ten years, we will have over 1,900 people who call OEC their church and over 1,200 people turning up on the average Sunday.

With those things in mind, we've been reminded that we need a building that serves all of our current ministry needs, including our large youth and children's ministries. We also need to be ready for significant growth in the years to come, if God continues to grow us at something near the rate of growth we have seen in the last 20 years.

We encourage you to prayerfully and carefully consider the following information regarding our building project.

### Timeline of OEC's Building Project

2007	Partners decision to obtain a building for OEC
2008	Purchase of Ploughmans Lane ( <b>PL</b> ) property
2010	DA approved for a church on PL site
2010	Partners made decision to purchase Cinema. Significant points discussed at the general meeting... <ul style="list-style-type: none"> <li>• Cinema would be a better location</li> <li>• Cinema would be about \$700k cheaper</li> <li>• Cinema would be quicker to build</li> </ul>
2013	DA approved for Cinema.
2015	Quantity Surveyors building costs estimate for Cinema - \$6.6m

## Building Costings – as at February 2016

	Cinema	PL
Build Cost per sqm (1)	\$3,500	\$2,450
1500sqm Build	\$5.25m	\$3.7m
Subtract 200sqm (Using existing house as office)(2)		-\$500k
Sub total PL		\$3.2m
Carpark (130 spaces) + access road		+\$550k
<b>Total project cost</b>	<b>\$5.25m</b>	<b>\$3.75m</b>
70% Start up Cost to raise (3)	\$3.65m	\$2.6m
Sale of other property (4)	-\$150k	-\$600k
<b>Start up (5)</b>	<b>\$3.5m</b>	<b>\$2.0m</b>

### Assumptions:

- (1) We have reduced the cost for the Cinema on a pro-rata per sqm basis (2100sqm down to 1500sqm) . However, Greg Schwenke (our project architect) advises that if we build only 75% of the original plans it is most likely to cost about 85% of the original estimate because major services will cost the same no matter what the building size.
- (2) The existing house at PL would be used as church office space. This means that PL requires a 200sqm smaller build for similar facilities when compared to the Cinema.
- (3) Because of stringent bank requirements on lending, OEC will likely have to raise at least 70% of the total building cost (because a bank will only lend a maximum of around 30% of the build cost)
- (4) The cinema is valued at \$1.2m and PL is valued at \$750k. Our current building debt is \$600k. If we sell either property we will first pay back that \$600k. We are then left with \$600k in equity if we sell the cinema or \$150k if we sell PL.
- (5) The final dollar amount that OEC would have to raise in order to start building.

## Building Quotes and Estimates for Ploughmans Lane Site

<b>Ploughmans Lane</b> - Estimate on cost of DA approved building.	
Carpark, Access Road and Road Widening (as per council requirements): (1)	\$550k
Tree Removal: (2)	\$14.3k
Existing House used as office space:	\$Nil
Church Building: (3)	\$3.185m
<b>PL Total Cost:</b>	<b>\$3.75m</b>

- (1) Quote from Colemans Earthmoving.
- (2) Quote from TreeCraft.
- (3) Cost Estimate from Ricard Meiring, commercial building estimator for Hines Construction.

## **Our Current Situation**

In 2009 a DA was approved for a 1500m<sup>2</sup> church building and 165 car spaces at PL. Following the purchase of the Australia Cinema in 2011 a DA was approved for a 2100sqm, 3 level development. This was quoted at \$6.6m. Advice is that considerable savings on that estimate are probable. However, substantial items have also been left out of the estimate. Bruce Litchfield (Sydney Anglican Schools Corporation Building project manager) gave his opinion of a full estimate at \$8.3m or \$6.4m for a 'bare bones' cost if the project ran without any complications.

One of the biggest hurdles for any building project we undertake will be the initial start up cost. It appears that a best case scenario is that we are able to borrow 30% of a build cost. This requires a substantial initial fund raising. Therefore, a reduced project cost appears to be highly desirable.

It is worth noting that the partnership of OEC overwhelmingly endorsed the purchase of the cinema at a general meeting in 2010. At that meeting the partners were told that the Cinema would be around \$700k cheaper to build than PL, the project could be completed faster and the location gave us opportunities to engage Orange with the gospel that could not be delivered elsewhere. This information was based on professional advice. Our partnership voted 'Yes' to the cinema with information that has now substantially altered. The project is about 50% more expensive and has taken far longer than anyone expected. The cinema location still offers considerable opportunities.

### **Cinema – Points to Note**

- Potential large internal size.
- Evangelistic opportunities.
- Gives OEC a profile in town that an edge of town location will not.
- Lack of parking and outdoor space.
- Significant price increase for a future expansion of the site (estimated \$4,500sqm for future renovations).

### **PL – Points to Note**

- Ease of parking and outdoor space.
- Sale of portion of land near Ploughmans Lane & Cargo Road to council for approximately \$90-170k.
- Existing house and granny flat can be used as office space and some kids' church space (granny flat) reducing the build size and cost.
- New build enables us to locate a building for future expansion, if required.
- Need to build road (\$270k) and carpark (\$275k)

### **Sydney Anglican new church building policy:**

The building committee has been gathering information and learning from the experience of others. In this regard, the Sydney Anglican church has a clear plan for developing new church buildings in the new suburbs of Sydney. Although their experience does not exactly fit our situation, because Ploughmans Lane would be a new church building, here are some points from their policy.

- Buy 2.5 – 5 acres.
- Corner block to allow for good access.
- Major road or significant suburban road – high visibility to residents in the area.
- Build for 300 capacity.
- Increase size to 500 or 1000 capacity if required.
- Buy at or below market value due to the possibility of having to resell if not able to develop the site.

### **Where to from here...**

The comparison between our two building options has given us cause to completely re-think our building project. The difficulties of developing the cinema site within a reasonable budget and a functional size for our church means we need to seriously consider the option of building at Ploughmans lane. The PL site would give us the ability to restrict our initial costs and allow for expansion of a church building in the future if needed. Although this would be a very significant change of plans it appears to be the best financial option. The reduced project cost at this site would allow us to have a smaller and more achievable start up cost, but it will be a substantial amount of money.

This information may feel like a lot to take in. We will hold two meetings in order to give you the opportunity to hear a summary of what you've just read as well as ask any questions.

### **These two meetings will be held on;**

**Tuesday, 23rd February, 7.30- 9.30pm at Orange Anglican Grammar School and  
Sunday 28th February, 1-3pm at Orange Anglican Grammar School.**

Please continue to pray for the building committee in their work. Pray also that God would help us to have a building that would be a great help in growing the kingdom of God in us and in Orange.

### **OEC Building Committee**

Paul Owens, Kristy Cordery, Charlie Harris, Tom Sheehan, Justin Paul, Steve Adams, Warwick Baines, Steve Sanders.

### **OEC B4F (Building for the Future) Committee**

Michelle Blowes, Warwick Baines, Simon Rollin, Paul Owens.