



Newberg First United Methodist Church

A vibrant church that loves God, grows together, and serves others.

July 21, 2021

Dear Oregon-Idaho Conference Trustees,

After a 60 day period for due diligence and deliberation on the proposed sale of the Dundee church property and buildings for the sum of \$1 to Newberg First United Methodist Church, we would like to move forward with this purchase. Our understanding is that the Conference Trustees will install the property line fence and remove the tree prior to the property sale, per our discussions with Larry McClure.

Church Council appointed a Dundee Task Force of church laity, which prepared a report on building conditions, asbestos and lead paint status, relevant city development codes, and four possibilities for the property's three buildings. That report is included for the Conference Trustees to review. The recommendation of the Dundee Task Force was to ask the Oregon-Idaho Annual Conference Trustees to sell Newberg FUMC the Dundee property for \$1.

Our Church Council met via Zoom on July 13, 2021 and unanimously approved the Task Force's recommendation. On July 14, our Finance Committee also unanimously approved the Task Force's recommendation. The Dundee Task Force Report was shared with our congregation, with an invitation to submit questions and comments for our Trustees to review at a special called meeting on July 19. The only concern that was raised was regarding whether our congregation would be obligated to maintain the property if it became financially burdensome in the future. While we intend to use the Dundee property in ways that keep the campus self-sufficient financially, our Trustees want assurance that we could sell the Dundee property years down the road if the campus became too financially burdensome on the Newberg congregation. Pastor Casey shared that the Book of Discipline has clear guidelines on how church property is sold, and we discussed that if that became necessary to sell, Newberg FUMC would not receive proceeds from the sale. We would either return the property to conference ownership or sell it on behalf of the conference and then follow the conference's instructions for property proceeds. After that assurance, our Trustees unanimously approved the recommendation.

Since approvals have been obtained from Council, Finance, and Trustees, we feel confident that this project has widespread congregational support and that this project will benefit our ministry, our ministry partners, and the community of Dundee. Church Council held a special called meeting on July 21 to finalize our preferred vision for the Dundee property. At this time, our preferred vision includes the following:

- Creating a new lease with By His Grace Fellowship for the Sanctuary/Fellowship Hall, with additional space for children's ministry.
- Removing the asbestos and lead paint from the parsonage, as needed.

- Allowing the fire department to demolish the parsonage, and potentially the education building, via burn practice.
- If the education building is also demolished, we intend to offer a temporary portable classroom space for the tenant congregation for children's ministry.
- Partnering with Newberg Habitat for Humanity to create a 3-story, multi-use new construction. The church will own the land, and we will work with local lawyers to craft the legal structure necessary to achieve our vision:
 - The ground floor of the new construction will include multiple income-generating commercial spaces with usage determined by Newberg FUMC after conducting a community needs assessment. Ideally, we hope to identify existing nonprofits and social services who wish to expand their services into Dundee. Some space may be designed for children's use, possibly shared by the tenant congregation and another nonprofit.
 - The upper two stories will be affordable housing, sold like condominiums with mortgages to Habitat for Humanity's eligible families. Habitat for Humanity would manage the mortgages, and homeowner's association fees will cover shared property maintenance.

Our Finance Committee feels that the financial considerations associated with this vision are feasible. With a new lease with By His Grace Fellowship tenant congregation, we expect \$18,000 of rental income per year. Our additional insurance premium to add the Dundee property to our current policy amounts to less than \$1,300 per year. This leaves a net balance of \$16,700 to place into a Dundee maintenance fund annually, which will cover the roof replacement work that needs to be done in the next 3-5 years. Additionally, as of June 30, 2021, our cash reserve fund has \$42,642 and our Endowment Funds have the capability of loaning the church \$20K-\$50K to get a project going, should that become necessary.

The possibility of partnering with Habitat for Humanity on a long-term project to assist the community with affordable housing was met with great enthusiasm by many church leaders and church members. While there is much work remaining to make this a reality, we have a core group dedicated to this dream.

We would like to thank the Oregon-Idaho Annual Conference Trustees for this opportunity and hope that it will be a blessing for all concerned.

Sincerely,

Newberg FUMC Church Council

Rev. Casey Banks, Pastor
 Christopher Lee, Church Council Chair
 Meg Lewis-Price, Lay Leader
 Greg Pitman, Trustees Chair
 Patricia White, Co-Treasurer
 Syd Wermlinger, Co-Treasurer
 Robert Knowles, SPR Chair
 Brent Heimuller, Newberg Methodist Men's President
 Sue Chambers, United Methodist Women's President