

Mission Property Committee

(A progress report to the Synod.)

Purpose

1. The purpose of this report is –
 - (a) to provide an update on the Mission Property Committee (MPC) Greenfield acquisition program, and
 - (b) to seek the approval of the Synod for a proposal for certain parish contributions to MPC funded building projects.

Recommendation

2. It is recommended that the Synod –
 - (a) note the progress of the MPC in relation to Greenfield acquisitions;
 - (b) note that in addition to its other funding sources, the MPC proposes a financial contribution from those parishes benefitting directly from the MPC's current and future Greenfield developments, and
 - (c) provide in principle support for –
 - (i) parishes that receive MPC funded ministry centres paying a contribution to the Mission Property Fund equal to 10% of annual parish offertories from the date of occupation of the building for a period of between 15 and 30 years, or until substantial commencement of any "stage 2" building, and
 - (ii) parishes that receive MPC funded ministry residences paying a contribution to the Mission Property Fund equal to 50% of the market rental valuation, increasing to 100% after five years, until the original capital investment of the MPC is repaid.

Greenfield acquisitions

3. The MPC has been actively searching for land within the identified areas of rapid population growth across the Diocese in line with its Strategic Report as amended.
4. The MPC recently placed an offer for a site for \$2.6m which has been accepted (subject to due diligence) located at the geographical centre of the North West Growth Centre with a potential population of 180,000.
5. The MPC has implemented a number of actions in order to reduce the significant capital costs required to meet the demand for the provision of land and construction of ministry centres within the Greenfield areas of rapid population growth across the Diocese. These include –
 - (a) Making a small number of longer term strategic early land acquisitions. The MPC recently received valuation reports for the MPC's most recent acquisitions which show an increase of land values above acquisition price over a 2 to 4 year period of 10% (Oran Park), 29% (Austral) and 64% (Stanhope Gardens), confirming the appropriateness of the MPC strategy.
 - (b) Working closely with other Anglican Organisations as appropriate.
 - (c) Staging of building designs on the optimal land size (so as not to restrict future ministry growth) with development occurring in line with surrounding population growth as and when required.

6. In the context of limited funding, the MPC has identified a need to supplement its existing multi-faceted funding strategy that includes the greenfields land acquisition levy, proposed capital fundraising campaigns, and contributions from the sale of parish property through the large receipts policy.

Proposed new parish contributions to MPC Building Projects

7. The Mission Board has provided in-principle support for a proposed additional (rental) contributions from parishes which benefit from the MPC's current and future Greenfield developments.
8. There is significant precedent for parishes contributing to ministry facilities funded by the MPC (or from other Diocesan funding sources), although in the past the amount of such contribution has not been consistently applied.
9. The Oran Park fundraising feasibility study found that the potential financial support from across the Diocese would be enhanced if there is a plan for the new congregation to also make a modest contribution to future projects. The proposal is for the new parish or congregation to pay a relatively small rental contribution that will be "recycled" by the MPC towards other greenfield projects.

10. The MPC suggests there are several advantages from such a proposal –
- (a) gifting may create a lack of parish commitment/ownership in comparison to adjoining church plants that are required to financially contribute to the ownership or rental of facilities;
 - (b) a contribution of 10% parish net offertory receipts towards a new ministry centre funded by the MPC is significantly below what the parish would otherwise pay in rent for a school hall;
 - (c) a contribution based on the market rental value, discounted for the first 5 years, of any ministry residences funded by the MPC enables parishes which benefit from such residences to contribute to the provision of a sustainable source of new residences for other parishes;
 - (d) parishes would have reasonable certainty from the outset as to what they would be required to contribute, with their financial contribution being recycled to the next Diocesan Greenfields project.
11. Subject to the in-principle approval of Synod, in due course it is proposed that the MPC and recipient parishes jointly promote ordinances to the Standing Committee in relation to the specific details of how such rental contributions will be applied.

For and on behalf of the Standing Committee

GEOFF KYNGDON
Chair, Mission Property Committee

16 September 2013