



Gladstone Assembly of God

# Grace Christian School - High School Project

March 19, 2006



# Project Summary

## Overview

It is the desire of the church board to re-establish an instructor led High School at Grace Christian School. Preliminary research into the feasibility of doing this has been completed, and we are presenting our findings and recommendations for review by the congregation as a whole. The information in this document is general in nature, since precise details will not be available until planning progresses further.

## Timeline

No timeline has been set; however, it would be desirable to have a high school in place for the 2006-2007 school year. This may or may not be feasible due to the timelines involved in obtaining the needed classroom space.

## Costs

We feel strongly that Grace Christian High School should be based on the current church property. The most economical and timely way to add classroom space would be to obtain a portable classroom detached from the main building. We believe that space suitable for at least 50 students can be obtained for less than \$100,000. There are a few options available, including the lease or purchase of a new building, or the purchase of a used building. Costs vary based on which option is chosen.

## Why now?

Over the past few years it has become increasingly apparent that our public high schools are detrimental to the spiritual well being of our children. This is evidenced by the personal experience of church members, and the stories shared by families inquiring at GCS about high school level instruction. We believe that God has positioned Gladstone Assembly of God through its existing school ministry to meet the growing need for Christ-centered high school education, and that failure to act on this opportunity would represent poor stewardship of the resources God has entrusted to us.

## The business case

Spiritual issues aside, there are compelling business reasons to add grades 9-12. Over the past few years we've seen a steady erosion of enrollment in our upper grades. Feedback from school families clearly indicates that many are moving their children to public schools, or other private schools, so that they can establish friendships before entering their high school years. Establishment of a high school at GCS would give parents a good reason to keep their children at Grace throughout their school years.



# Details

## Legal, Zoning, Government

Gladstone Assembly of God has an existing conditional use permit for the church property. Court precedents have established the right of churches to operate religious schools without applying for a separate use permit for that activity. We have not, and do not plan to apply for such a permit. There are, however, two factors which could result in the need to apply for a new conditional use permit for the addition of buildings to the property.

The church property is comprised of two separate tax lots. The first lot is approximately one acre, and comprises the area around the current church building and parking area. The second lot covers the remainder of the property, including the play areas, wooded area behind the parking lot. It is not clear whether our existing use permit covers the larger second lot. It is possible that the City of Gladstone could not honor our existing use permit for construction on the currently undeveloped land area. A second (more likely) issue relates to section 17.70 of the Gladstone Municipal Code (GMC), which covers conditional uses. This section indicates that modifications of existing uses, including the addition of new structures, are subject to planning review, which would require a new application for conditional use.

The church property is zoned R7.2, which is a residential zone classification with churches and schools allowed as conditional uses. The Gladstone Municipal Code provides guidelines for conditional uses to minimize potential negative impact on the surrounding areas. We believe that the addition of classroom space fits well within these criteria, and that there is no reasonable objection that could be raised to our doing so.

Although we believe that there are no legal objections which can be raised against this project, our past experience with Gladstone city government indicates that objections may be raised. It is possible that our request to add classroom space could be initially denied, and that an appeal process would need to be pursued. Such a scenario would add time and expense to the project, but is unlikely to stop it.

## Facilities options

There are several options for adding space, but only one which we believe is currently feasible. Additions to the existing building are possible, but would likely require the entire building to be upgraded to current code requirements. This would likely be prohibitively expensive. Construction of new buildings is also possible, but the time involved in planning, architecting, and permitting, as well as the expense of ground up construction makes this option infeasible at the current time. The best (and really only) alternative is to acquire a pre-constructed modular classroom.



Modular classrooms are in widespread use throughout the country, and have proven to be a quick, cost effective way to add educational space. The best option would be a double classroom with dimensions of approximately 28 X 64 feet. This would provide comfortable classroom space for at least 50 students. A new modular unit could be purchased, delivered, and ready to go in about six months. Used units are available, and could be delivered and ready to go in even less time. All timelines are of course subject to the permitting and land use approval process.

## Financial

From a cost perspective, this project is substantially larger than any this church has undertaken in the last few decades. Even so, the cost is within reach, if we tap the full resources of the church, the school, and the community.

### Building Costs

The cost for a modular unit varies depending on the whether we purchase a new unit, lease a new unit, or purchase a used unit. A new unit would run \$80-95,000, plus some site costs, and furnishings. The lease of a new unit would run \$1500-\$1750 a month, plus \$10,000 down, plus site improvements and furnishings. A used unit would cost around \$40,000, plus site improvements and furnishings. The most likely option for both time and financial considerations, would be a used unit. The total cost of the project would be \$60,000 to \$80,000, and could be completed in time for Fall 2006, provided the finances are obtained, and we are not delayed by the permitting process.

### Available Funds

The school accounts currently have a small cash balance. The amount of cash available in the school accounts at the end of the school year will depend on a few factors. There is currently a significant amount of past due tuition. This is not unusual for this time of the year, although the amount is higher than we normally see. The annual GCS auction will take place in April. Last year's auction raised approximately \$10,000, which was used to offset the cost of parking lot improvements. This year's event is likely to generate a similar amount of money. Although the school should end the school year with a significant cash balance, it will be less than sufficient cash reserves for an operation of this size. As a result, the amount of cash which could be prudently allocated from school accounts is likely to be zero.

### Financing Options

Due to the financial position of the church and the school, it is unlikely that borrowing money would be possible for this project, even if we were inclined to pursue that path, which we aren't. Although it would be possible to lease a new building, thus reducing the amount of upfront cash needed, this would be much more expensive over the long term, and would also create a longer timeline. It is doubtful that a new building could be obtained in time for the next school year.

### Fundraising

If the decision is made to pursue this project, a significant fundraising campaign would need to be undertaken. Such a campaign would include church members, but would be primarily targeted at school families, and the surrounding community. Although it seems as though the amounts of money needed are overwhelming, they are small in comparison to other projects. For example, Grace Community Church in Tualatin began fundraising for a new high school in 1999. To date, they have raised over 10 million dollars, have purchased a 43 acre property, and will be opening their first building this fall. A well conducted capital campaign is more than capable of raising the necessary funds for this project.



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### **The God factor**

Although the numbers may seem daunting, we must remember that Grace Christian School is God's ministry, and we are merely stewards of it. We believe it is God's will that a high school be established, and we believe that God will provide. We must do our part to prudently manage the financial aspects of this ministry, but ultimately, we trust God for the financial resources to accomplish His work.

## Conclusion

For more than 30 years Grace Christian School has provided this community with quality, Christ centered educational opportunities for our children. This board is committed to continuing, and growing this ministry as God leads. Never before has the need for Christian education been so great. God has blessed this church with a strategically located property of adequate size to run an expanded school. God has blessed us with a well established school to grow from. We believe the establishment of a high school would be a prudent and expedient use of these resources.