Congregational Business Meeting: May 13th

Welcome: Sam Van Wagner

Introduction of Coastline leadership team: Shawn Hurley, Garrick Hanger, Gene Chou, Lorrie Tom, Kelly Donohue, Rick Seide. This meeting is informational, May 27th meeting is for vote. In the meantime, tours of property are available and questions can be directed to leadership team.

Parliamentarian: Emily Wandland, Secretary: Denise Trippett

Appointment of Tellers: Chad Schluchter (May 27th meeting)

Approval of agenda: James Pratty made a motion to adopt, Steve Stout seconded. Motion carried.

The Vision Behind the Madison Street Project: Shawn Hurley

Our vision from the beginning has been to live as God's beloved family, inviting all to experience Jesus. Over five years, we have become a family, growing in our relationships with one another and God.

Our current average Sunday attendance is 185 in-person adults, 55 children and youth, 50 households watching online. Our annual budget for 2026 is $1,358,059.

A survey was conducted last year to get an idea of how congregants felt about "the life at Coastline." (see "2025 Coastline Congregational Survey" handout). We learned that St. Andrew's is geographically located in the northwest border of where our congregants live. We were told that 11:30 am is not a convenient time for the Sunday service. People said the church signage was confusing and made it more difficult to invite others to join us for Sunday service. To live as God's beloved family requires a home, to invite all to experience Jesus Christ requires a base.

We are grateful to St. Andrew's for their generosity and kindness in renting space to us. However, we are limited in our abilities to mold the facilities to meet our needs and to create a space that will be a launching pad for impact on our community for years to come. Additionally, our advisors in the Covenant denomination have recommended acquisition of a building within ten years of starting a church in order to strengthen stability and ministry effectiveness.

Search for a new home led to disappointment, with high rental costs, rejected offers and incompatibility with other congregations. The Madison Street building is viewed as a property for the present and the future. The front building will be converted into Coastline's main property, with the back building being rented out for now. If we grow, we can move into the back building, as well, and convert it into a worship center, developing the entirety of the campus to serve a capacity of up to 1,500 people.

The Madison Street building meets several prerequisites:

1. Within the $8 million budget (negotiated price of Madison St. building is $7,550,000, with current renters of back building and annex covering large portion of the mortgage)
2. 15,000 square feet in size (Madison St. building is 29,000 square feet: front building is 17,407 square feet and back building is 10,584 square feet)
3. At least 60-80 parking spaces (currently 87 parking spots: 55 in the parking lot next door and 32 in the lot on the property and potential to use an additional 400 spaces in the lot adjacent to the property)
4. Central location for members across the South Bay (geographical survey results show that Torrance Airport is the center point and Madison St. building is at the end of the Torrance Airport runway)

Presentation of the Madison Street Project Plans: Steve Camp, Elements Architecture (see site plan handout)

Referring to the site plan, parking is convenient and not a long-term issue. There is outdoor space potential on the north side of the building, possibly a fellowship plaza. The front of the building will have a bumpout for lobby expansion. The proposed worship center will have a 350-400 person capacity. To make room, the bottom level and second level on the footprint will be demoed for the auditorium. On the bottom level will be classrooms around the perimeter (education center). The second floor will have office space and meeting rooms.

Most of the work that Elements Architecture has done for churches is converting existing buildings into church campuses, so they are familiar with the process of getting a conditional use permit (CUP), the first step in the process for this project. The project will be presented to the city planning commission (end of summer/September estimate), then public works, building department, fire department and police department. The goal will be to get approval, even if negotiations are necessary. The decision may be appealed to the city council if the answer from the planning commission is “no.” He said that he thinks the project has a good chance of being approved.

Regarding building safety next to the Torrance Airport, having a church meeting on the weekend, risk will be cut in half as opposed to having full occupancy during the work week.

All meeting rooms on the proposed plan are flex space that can be used in a variety of ways. There is potential in the future for outdoor/playground space with shade between the buildings.

Budget Presentation: Gene Chou and Garrick Hanger (see slides)

Capital Campaign: Garrick Hanger (see slides)

Discussion and Questions: Shawn Hurley, Garrick Hanger, Nikki Hernandez, Steve Camp, Gene Chou and Richelle Sanchez interview panel

Roger Applewhite asked, “Who is the mortgage holder and what are the terms of the loan?” Garrick replied that we have secured a loan for $7.5 million with Covenant National Properties which is a lending arm of our denomination. The reasons we went with them are they are flexible and willing to work with churches if any issues arise and the money comes from Covenant churches giving to help other churches, with the loan interest going back to those donors. The loan is a 30-year fixed with an interest rate of 6%. At the beginning of the loan, we will be paying interest only.

Roger Applewhite also asked about airport operations: how much of an impact is engine noise? Have there been surveys? Shawn answered that Torrance has airport noise regulations and restricts jets. The noise is mostly in the background and they expect that we will get used to it. Garrick added that when you are inside the building, it is not very noticeable.

Susan Johnson asked how many people can fit into the phase one worship center? Shawn answered that in the main building (phase one), 350 will fit and in the back building, that is currently being leased, a future sanctuary will hold up to 550.

James Pratty asked if the sanctuary will be a flex space. Nikki answered that all of the rooms in the proposed layout are very flexible. The sanctuary will have moveable seats so that we can use tables sometimes. James also asked if there will be kitchens included. Nikki replied that, yes, there is a kitchenette and a patio near the lobby area. James said that he would encourage a larger kitchen and Nikki indicated that they would consider that request.

James asked about signage and how large we can go. Steve first clarified that on the proposed plans, “serving” means “kitchen” and it can be expanded, if necessary. As far as the signage goes, a monument sign visible from Madison and placed high on the building can be used and will be addressed in the final design phase.

Taren Zorn asked about renters and contracts with those renters. How long have they been there? Garrick answered that a new tenant will be moving into the back building and the lease will begin August 1st after renovations are complete. They have a three-year lease, which can be converted to five years. The seller of the building advised that the value of the building may increase in a few years due to Santa Monica Airport closing, so we may want to consider raising the rent in the future.

Taren also asked if the second floor will need to be removed for the sanctuary. Shawn answered that, yes, the second floor is still there and will need to be taken out to make an open worship space.

Mike Whelan asked how long we expect the renovations to take. Shawn said that the CUP is the first step, followed by the design process, city permit, building process, then occupancy. Steve said that the process is not linear. First, you must get the CUP (possibly by September), then submit construction documents. We will need to decide when to start the plans, keeping in mind that design can take four months, then two-three months for approval. This leads to an estimate for starting construction early in 2027, with a twelve-month building phase. They are targeting the end of 2027 for construction to be complete.

Mike also asked if we know how many individual people are in the families/groups watching services online. Garrick replied that there is no way to track this information.

Ron Tom reported that he visited the property on his own and walked around the exterior. He said the noise was barely noticeable. He mentioned that he noticed a large drainage culvert on the north east corner of the property and asked if it was a problem. Steve answered that because we are not adding to the footprint in our plans, we will not have to do additional environmental work. Flooding is probably not an issue, but we can look for evidence.

Ron also asked if there are any issues because of the age of the property with asbestos, etc. Shawn indicated that the building has passed environmental inspections.

Ju-En Thlick asked (online) if there is money in the budget to cover 2027 double expenses for mortgage, construction and renting space at St. Andrew’s. Gene answered that, yes, we did budget for this.

Olivia Kershaw recommended a larger kitchen, if possible. She also asked about the partitioned walls shown on the plans. Richelle answered that the orange rooms with the partitioned walls on the plans are children’s classrooms that can be walled off with partitions when needed. Steve added that this makes the spaces throughout the building even more flexible so that the rooms can meet our needs more effectively.

Olivia also asked if we plan to install an elevator. Garrick said that we have not considered an elevator due to expense. Taren Zorn asked if it is required in a building project like ours to install an elevator for accessibility. Steve answered that it comes down to equal accessibility throughout the facility and it is usually possible to work around this by having flexible space on the ground level. He added that special elevators that are not as expensive may be possible.

Olivia asked about the number of giving units. Shawn said that the number has gone up recently. Gene added that over the last six months, the number of giving units is 159 (per Stephanie Robles).

Olivia also asked about interior design plans. Steve replied that they are a full-service company that can do the architectural plans, as well as interior design. Garrick agreed that we want the atmosphere to be “fully family,” warm and welcoming.

Anna Higa asked if there will be budget cuts over the next couple of years. Garrick said that there are currently no plans for budget cuts, but we can look ahead in a six-month window and assess and make changes, as necessary. It’s possible that we may cut back for a season. Shawn added that the first cut to the budget will be moving offices from the current location to the new building and working from home during the heavy construction phase. He said that he doesn’t think we would need to make dramatic changes. Gene said that he hopes we can keep growing.

Jennifer Whelan asked about contingencies in the property purchase agreement. Garrick said that the contingencies for the building inspection and the environmental impact assessment have passed. Next, we will need to acquire the CUP. Until we reach that phase, we have the opportunity to back out of the deal. If we decide not to move forward, we will get our deposit back ($230,000 in escrow). We have invested $34,000 into the project so far (design, inspections, reports).

Jennifer also asked about what happens if we don’t reach our fundraising goal. Also, what does the property tax look like? Garrick answered that if $6 million is not reached, it will not break the bank. However, if we raise enough money, we can expand our ministry reach. He said that according to Ken Hurley, we can expect to pay less in taxes when we apply for non-profit exemption for the front building. The back building lease will cover taxes for that portion of the property. Steve added that it’s possible to do the building updates in phases if we don’t have the money, but that is not the most cost-effective way to do it.

Jennifer asked if there is a pre-payment penalty for the loan. Garrick answered no.

John Jager offered his perspective on our project after seeing the work that Elements Architecture did at Journey Covenant. He said that if the kitchen size is similar to Journey Covenant's then it should be big enough. He said that he thought the Journey Covenant Church project came out well and that Elements Architecture did a great job transforming the facility.

Garrick said that we are leaving $750,000 in reserve for 2027 to help pay for added expenses as we transition to the new property.

Brenda Stipa asked when the capital campaign will begin. Garrick said that he is still interviewing firms and putting a team together to bring a recommendation to the financial team and leadership team, who will make the decision. He would like it to line up with the CUP approval, if possible. His goal is to start working with the firm early in the summer so that we are ready to start shortly after the CUP is approved.

Brenda asked if Garrick thinks it will be this calendar year and he replied that it's possible, but the CUP approval may be extended to later this year, so it may make sense to wait until the new year. Steve added that there are many factors to consider and that at this point, it is educated guesswork to predict how things will unfold.

Brenda also asked if there is flexibility with the amount of money we will raise with the capital campaign. Garrick said that the capital campaign goal is set at $2.5 million. They are expecting a budget on the high end, so instead of raising the capital campaign, it may be necessary to renovate in stages or return to the congregation to raise more money. At this point, the dollar amount has been agreed upon, but if the costs creep up, they may need to ask for more money from the congregation.

Lorrie Tom asked if the capital campaign firm will come talk to the congregation. Garrick said that the firm will advise the capital campaign team, but not the congregation as a whole. Donors will be asked to make pledges and will receive biblical teaching in sacrificial giving.

Presentation of motion: Shawn Hurley

- "I move that the members of Coastline Covenant Church approve the purchase of the real property located on Madison Street in Torrance, California, at a purchase price of $7,550,000, under the terms negotiated by the church's leadership.In addition, we approve a renovation budget up to, but not exceeding, $2,500,000.This approval is expressly contingent upon:

1. The successful approval of a Conditional Use Permit (CUP) by the City of Torrance permitting church use of the property;
2. Satisfactory completion of all due diligence by church leadership" a. Any material

deviation from these terms, including a significant increase in renovation cost, or financial exposure beyond the approved scope, will require further congregational approval."

Shawn added that per our bylaws, a majority vote will be needed to pass.

Motion to table the discussion until May 27th: Sam Van Wagner made a motion, Drew Messick seconded. Motion carried.

Meeting adjourned.