



# **Unitarian Universalist Association Strategic Plan for Facilities**

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# Unitarian Universalist Association Strategic Plan for Facilities

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# Strategic Plan for Facilities

“A freedom that reveres the past,  
But trusts the dawning future more.”

--Marion Franklin Ham  
As Tranquil Streams  
Hymn #145

## 1. Overview of the Facilities Issues Facing the UUA – Peter Morales

### Introduction

At the core of Unitarian Universalism is an openness to new possibilities. Ours is a tradition that has embraced the new – new interpretations of scripture, new sources of religious inspiration. Our heroes and heroines have always been people who broke through old barriers of thought and social rules that marginalized others – people like Servetus, Emerson, Margaret Fuller, Theodore Parker, Susan B. Anthony, James Reeb. The best way to honor this tradition is not to worship these giants, but to emulate them. Our challenge is to embrace the challenges and opportunities of the 21st century.

Today we are called to serve congregations and people in a world our founders could not have imagined. We live in a time of rapidly increasing diversity and an era of dizzying and accelerating technological change.

The shared vision of the association, expressed in the Ends, speak of congregations that unlock the power that transforms lives, that live in covenant with one another, and that are engaged in transforming our world. We also recognize that the very term “congregation” is coming to have a new meaning – a meaning beyond the traditional physical church.

Today is the “dawning future” of our faith. There would be no better symbol of our aspirations for this new day than a new UUA headquarters, a headquarters that is open and welcoming to both UUs who would visit and to the larger community; a headquarters that uses the most up-to-date technologies to engage people within and beyond our congregations, a headquarters where our treasured history can be honored and our future created.

The UUA staff is charged with helping move into the future we envision by supporting our congregations and by giving national and international voice to our values. In order to do this the UUA must be focused, innovative, flexible, and technologically up to date. In order to support and lead transformation we must create a headquarters culture that is collaborative and agile.

### Our physical headquarters

Our Universalist and Unitarian forebears were not reluctant to adapt to the changing needs of their day. Between 1865 and 1927, the American Unitarian Association occupied four different headquarters in Boston. When the “new 25” opened in 1927, it was seen as both a modern

workspace as well as a symbol for the aspirations of the Association. But our aging buildings on Beacon Hill were built for another era. They were designed to house an organization where staff work independently of one another in specialized roles. Individual offices create barriers to communication and collaboration. They use space inefficiently. Our properties are better suited to revering the past than to the dawning future. The fact that our staff are spread out on twelve floors in two separate buildings a block apart severely limits informal interaction. In addition, 41 Mt. Vernon suffers from poor internet access because of prohibitive costs to install high speed lines.

Our headquarters should reflect and promote our values and our aspirations. UUA headquarters should facilitate a high level of communication teamwork, be technologically state-of-the-art, and have the minimally practical environmental footprint. It should be accessible to people with disabilities and accessible by public transportation. It should use energy efficiently.

We share a vision of Unitarian Universalism as a transformative religious movement. As part of that vision, imagine a headquarters with state-of-the-art communication facilities, with flexible meeting space for lectures and concerts open to the public, with a contemporary worship space that allowed our worship services to reach a global community of Unitarian Universalists.

We live in a time of such rapid change that it is not possible to predict our space needs 20 years from now. We may need more space than we need now; we may need less. Changing needs may well dictate a different configuration of space a generation from now. This means that versatility must be a critical criterion. Ideally our space would allow us to grow or become smaller and to change how space is used. Our current property gives us very little versatility.

## **The first major decision: Move or not**

The first decision we must make is whether to stay at our Beacon Hill properties. The central issue is the value of tradition. The address 25 Beacon St. has been synonymous with Unitarian Universalism since merger and with Unitarianism for generations before that. Many people have fond memories of visiting. We have a lot of history on Beacon Hill. In addition, location in central Boston makes our headquarters accessible by public transportation. Proximity to the Massachusetts Capitol has had a public witness value.

However, the reasons to look elsewhere are compelling. There is another side to our historic location. It is a symbol of our past, not our future. As mentioned above, the buildings are not suited to a modern organization. There is also the issue of stewardship. Staying on Beacon Hill will incur costs of between six and ten million dollars to renovate all of our buildings, and we would have to vacate the buildings for several months while renovations were completed. Our properties, because of their location in an extraordinarily expensive area, are worth a great deal of money. The financial analysis we have done shows that we can probably get far better space and add \$10 million or more to our endowment. That would translate into more than \$500,000 per year for our programs.

Our guest facility at Eliot and Pickett House provides a venue for many gatherings. However, it makes little sense unless our offices are next door. This property, too, is worth a great deal of money.

In sum, we have the opportunity to move into space that serves our association better and to add substantially to our endowment.

The UUA Leadership Council strongly recommends that we move to space that fits our future better.

## **The second major decision: Boston or another state**

The next decision is more complex. Should our headquarters remain in the greater Boston metropolitan area or move to another part of the country? Let us look at the major factors.

### **Cost**

Boston is an expensive city. There is no doubt we could purchase a headquarters for less in another city. However, further analysis has showed us that the costs of moving would be substantial. (See Appendix B for more financial details.) Those costs would include moving the UUA offices, moving staff who chose to move, paying severance for staff who do not move, and offering financial incentives to retain key staff during the transition to hire and train staff in the new location. The issue of severance merits special mention. The UUA does not pay into unemployment insurance. Instead, we have a long standing severance policy that pays staff one month of severance for every year of service up to six months. As a matter of conscience and justice we are morally obliged to pay severance for those who cannot move or choose not to move. Our estimate, based on a survey of staff, is that between 56 percent and 89 percent would not move. In our analysis, we used midpoint assumption of 76 percent. The costs of a move are such that it would take approximately 16 years or so to recoup the costs. (See Confidential Appendix C for detail.)

### **Staff effectiveness—the opportunity cost**

The greatest cost of a move to another state is difficult to quantify with any precision. It has to do with the loss of momentum and effectiveness of our staff. A move to another state would be enormously disruptive. Staff who do not want to move would begin looking for other employment immediately. Most of the Leadership Council would not move, plus essential staff in finance and human resources. The staff who would move would be consumed with the transition for many months.

A staff committee (Tim Brennan, Harlan Limpert, Rob Molla and Kay Montgomery) met with two consultants who have worked with other denominations, in one case it was consideration of a headquarters, in four cases it was an actual move. The two consultants were consistent in saying organizations, including religious denominations, that have moved their headquarters to other cities have experienced serious disruption. The conventional wisdom is that they lose at least three or four years. At a time when we are in the midst of such important work in regionalization, in public witness, in communications, in leadership development and more, a move would mean terrible loss of momentum.

The fact is that we have an enormous investment in our staff – in their expertise and in their relationships. A move to another city would mean a major loss of capacity.

## **Other considerations—Beacon Press and marriage equality**

For Beacon Press, being in the heart of the publishing world – which is centered in the Boston-New York corridor – has been key to its continuous and growing success. The Press benefits tremendously from a Boston address and easy access for visiting authors, agents, and media representatives. Virtually every week they receive visits from influential people who would not be likely to make the trip to a remote or less central location. Beacon’s impressive volunteer board of advisors could not function if members needed to travel extensively—ten of the eleven members are Boston or NYC based; one is in New Haven.

Marriage equality has been and continues to be a major focus of our justice work. Massachusetts is one of only a few states that recognizes same sex marriage. A move to a state that does not recognize same sex marriage will affect current and future employees.

## **2. Criteria for the New Headquarters**

A new Unitarian Universalist Headquarters building would enable the UUA staff to do their best work at unprecedented levels and dream big about leading Unitarian Universalism into the 21<sup>st</sup> Century. It would provide not just a better, more technologically advanced working environment, but an impetus to a new culture of collaboration and innovation. The staff has been working for over a year to define our needs and identify the characteristics of a new headquarters facility. The key criteria are itemized below, but presented with the understanding it is unlikely that any facility will meet all of them.

### **Key Characteristics**

- Building that is identifiable from the exterior as the home of the Unitarian Universalist Association. This may be a stand-alone building or a building in which the UUA is the primary tenant and is identified by exterior signage and a presence at the entrance. Any consideration of leased property must allow for the exterior identification of the building as the home of the UUA.
- Location: in urban Boston or Cambridge near public transportation and services. Also should be close to lodging facilities. Should be a location that feels welcoming to all people, including marginalized communities.
- Size: At least 45,000 to 50,000 square feet. We envision less space devoted to permanent offices and more to convening space, hotel offices, and public space. We anticipate that a higher percent of employees are likely to be located away from headquarters as result of regionalization, improvements in conferencing technology. A building with space in excess of our immediate needs would be subdivided for subleasing. All UUA departments, including Beacon Press, would be under one roof.
- Architectural characteristics:
  - ⇒ whether an older building or a new building, must allow for an open design with maximum flexibility.
  - ⇒ Large floors (minimum 8000 sf) are preferred.
  - ⇒ The design will convey openness, hospitality, and accessibility.
  - ⇒ There will be much natural light penetrating into the core of the building.

- ⇒ Must communicate a strong sense of welcome to marginalized communities, off-site staff, volunteers, board, leaders from congregations, districts and regions, and visiting UUs and UU youth.
- ⇒ Will use green design to minimize environmental footprint and maximize energy efficiency. May use LEED or Energy Star standards.
- Public spaces: a grand welcoming area that would provide space for a visitor center including displays recognizing UU history and contemporary presence and a bookstore/shop. We will explore the possibility that a more substantial physical bookstore might serve the purpose of attracting the public into our open spaces.
- Convening spaces:
  - ⇒ Large meeting hall 1500 to 2000 sf (150% to 200% the size of Eliot Chapel) for worship, meetings, receptions, and performances. It would have built-in state-of-the-art video, sound, viewing, and internet connectivity.
  - ⇒ Six medium meeting spaces 400 to 700 sf
  - ⇒ Four small meeting spaces at 200 to 300 sf
  - ⇒ Several open, casual meeting spaces throughout the facility
- Dining facilities:
  - ⇒ a large dining area with a catering kitchen would serve as an employee lounge, lunchroom, and dining room for board meetings and other events. Such a space would foster informal interactions among staff and hospitality to visitors.
  - ⇒ Each floor would have a refreshment station with filtered water, hot water, coffee, and a sink. Vending machines would offer healthy drinks and snacks.
- Offices: would be in an open architecture with few if any perimeter offices. Much glass would allow the penetration of light to the core of the building.
  - ⇒ Private offices: fewer in number and smaller in size at 180 to 240 sf
  - ⇒ Cubicle spaces: would be generous in size with some offering privacy at 100 to 120 sf
  - ⇒ Hoteling space: would include both open cubicles and small private offices for traveling staff, volunteers and guests
- Technology:
  - ⇒ The facility will be located where a fast internet connection and telephonic connections are available.
  - ⇒ The building will be wired for fast internet connections and have wireless connections available throughout. Free guest wireless connections will be available in all public spaces.
  - ⇒ A video studio will allow for the creation of high quality video recordings and live internet broadcasts.
  - ⇒ Selected conference rooms will be set up for high quality video conferencing.
- Storage: adequate onsite storage and loading dock facilities. Prior to moving to a new HQ, the UUA will digitalize much of our paper-based files, destroy outdated files, and use offsite storage to better manage documents and archives designated for retention.

## **A Welcoming Facility**

To be a true center for convening and meeting of Unitarian Universalists, any new UUA headquarters must be welcoming to all of the Association's stakeholders, and especially people who have been historically marginalized. This includes staff, volunteers, visitors from congregations, youth, seekers, and the curious. Beacon Hill, for all of its rich history and association with Unitarianism and Universalism, also signals privilege and exclusivity. The new

UUA headquarters is envisioned to be in an urban area that is comfortable to people of differing economic means and all ethnic backgrounds. By being close to public transportation, it will be accessible to those without access to an automobile and will be affordable for those who cannot afford one or who choose not to have one. By locating the headquarters near the center of the metropolitan area, it will be accessible to employees and visitors from throughout the greater Boston area.

The design of the building itself will signal welcome in the entrance and reception area, and the building will be fully accessible to those with disabilities. We intend to make the building ADA compliant, but beyond that to confer with the disabled community to achieve the highest standard of accessibility and comfort for those with disabilities. We imagine displays in the public areas that will enable people from all backgrounds and abilities to find images of people with whom they can identify.

### **3. Financial Considerations**

A new Unitarian Universalist Headquarters building would provide sufficient advantages to justify a move even if there were no cost advantage to doing so. But in fact our real estate advisors tell us that our Beacon Hill properties would command a premium in the strong residential market while we would be purchasing or leasing into a relatively weak commercial real estate market (although there have been recent signs of improvement). The result would be better facilities and an addition to our invested assets providing ongoing income into the future.

In addition, it is important to keep in mind that staying on Beacon Hill is not free. While our regular maintenance program keeps our facilities in good repair, the most recent Facilities Condition Assessment shows that many major building systems – such as roofs, HVAC, windows, elevator, and exterior – will need major repairs or replacement over the next five to seven years. And the FCA does not include improvements, such as making the sixth floor accessible by elevator or reconfiguring offices. Therefore to stay in our Beacon Hill facilities would require an investment of \$8 to \$10 million.

See Confidential Appendix B Property Cost Comparison (not included in public document).

### **Financing**

Ultimately, a new headquarters would be financed through the sale of our existing properties, whether with the cash proceeds or investment earnings applied to lease payments. However, since the sale of existing property and the purchase of new property would not be simultaneous events, some interim financing will likely be necessary. It is also possible, and perhaps even likely, that the new facility will already have tenants, and the UUA will have to wait until the building can be vacated and then allow time for renovations. Thus the UUA may own both the new and old facilities for some period of time.

- Short-term financing: The UUA will identify and close on a new HQ facility before putting its current facilities on the market. This will require some bridge financing until cash is available from the sale. Options include:
  - ⇒ Using unrestricted endowment funds and other assets.



- ⇒ Borrowing from the endowment and paying the endowment market interest rates.
- ⇒ Borrowing from a bank with the Beacon Hill properties or investment assets as collateral.
- ⇒ A combination of some or all of the above.

A short-term financing plan should be decided upon and agreed to with a financing institution in advance of the search process in order to allow quick action after a decision is made.

- Long-term financing: Options include long-term lease, outright purchase and renovation, mortgage financing, or some combination.

All financing options will be on the table. The identification of a new HQ facility that meets our criteria will precede the financing decision and largely be determined by that decision. The UUA has consulted with the leadership of Meadville Lombard Seminary in order to learn from their recent experience in selling an historic property, identifying a new home, and making the transition. As MLS did, we will keep all options open – purchase, build, lease – as we seek a new and better home for the UUA.

## **4. The Search Process**

With the facility criteria in hand, we will ask our real estate consultant, Leggat McCall, to identify all available properties that meet, or could meet, most of our criteria. Working with Leggat McCall, a small team of UUA staff leadership would then narrow the options to the most attractive and visit the facilities. When an option is identified that the team believes is worth pursuing, other members of the Leadership Council, representatives of key stakeholders including marginalized voices, and our architects would be brought into the process. Board members would also be invited to view the property. Leggat will assist us in an initial financial analysis, including the purchase, renovation, moving and carrying costs of the property.

Each property is unique, so we would work with Leggat to develop an acquisition strategy. Some properties may not be advertised for sale, some may use an auction process, and some may be listed for sale. After a bid is accepted, we would enter into a rigorous and intense due diligence process to assess the physical shape of the building and systems, develop with our architects a “program” to insure that the property meets our needs, conduct environmental and engineering tests, and refine the cost estimates.

Also at this time a detailed proposal would be prepared for the Board addressing all of the criteria in Policy 2.8.12.

Finally, with all of this information in hand and perhaps some negotiation of the terms with the seller/lessor, we would determine whether or not to proceed with the acquisition, and if the decision was to do so, we would ask the board for their final approval. If the Board agreed with the Administration’s recommendation, we would notify the seller/lessor and proceed to closing.

## **5. Estimates of Future Staffing Levels and Location**

The Leadership Council engaged in an exercise in which we reviewed space requirements based on current and future staffing levels to help us understand better:

1. Projected staffing changes in the next 5-10 years and in the next 10-15 years;
2. The number of staff who would be based at the Boston headquarters offices, those who would be based offsite (Washington, DC, the UU United Nations Office in New York City, and in home-based or other offices), and the number of staff who might require intermittent office space at the Boston headquarters.

The head of each staff group submitted numbers for projected headcounts for estimated staffing needs in 5-10 years and 10-15 year increments. The summary report is below:

|                     | <i>Current</i> |           |          | <i>IN 5-10 YEARS</i> |           |          |             | <i>IN 10-15 YEARS</i> |           |          |             |
|---------------------|----------------|-----------|----------|----------------------|-----------|----------|-------------|-----------------------|-----------|----------|-------------|
|                     | Total          | In Boston | Off-site | Total                | In Boston | Off-site | Hotel Space | Total                 | In Boston | Off-site | Hotel Space |
| <b>UUA</b>          | 190            | 110       | 80       | 204                  | 103       | 95       | 14          | 202                   | 97        | 99       | 11          |
| <b>Beacon Press</b> | 29             | 29        | 0        | 35                   | 35        | 0        | 0           | 40                    | 40        | 0        | 0           |
| <b>TOTAL</b>        | 219            | 139       | 80       | 239                  | 138       | 95       | 14          | 242                   | 137       | 99       | 11          |

## Future Needs

Currently, the UUA, including Beacon Press, has approximately 139 staff (regular full- and part-time, temporary, and interns) based in Boston and working at the headquarters offices. In the next 5-10 years, we expect to grow the staff by approximately 9%. That growth, interestingly enough, will take place almost entirely with staff whose primary place of work is *not* at the Boston headquarters.

The number of staff based at the UUA’s Boston headquarters offices will remain relatively flat. This is because UUA program and administrative staff is expected to decline, while Beacon staff is expected to increase. This will mean that we will need to provide more “ad hoc” workstations for staff who travel to Boston for meetings or other events. These “ad hoc” workstations, sometimes call office “hotels,” are simple, sharable spaces designed to allow for an employee, Board member, or other guest to have a desk in a semi-private or open cubicle environment. Typically there is a hookup into the network or instructions for accessing the Internet through WiFi, a phone connection, and an electrical supply. Conference and breakout rooms could be used for private meetings and/or calls.

In the next 10-15 years, we project total staffing to increase only very slightly beyond what we predicted for the next 5-10 years, with more staff based offsite.

## 6. Plan for Communications

The Administration understands the significance of any decisions or actions regarding UUA properties and will develop a communications plan to communicate these decisions or actions to the member congregations in a timely manner using all appropriate communication vehicles.

The current document will be posted on UUA.org and will be promoted to the congregations via email, social media (Facebook, Twitter, blogs), video, and the Congregational Bulletin. District newsletters will also be important channels for communicating the rationale for real

estate decisions, as well as any blogs that UUA board members may have. The Board of Trustees' discussion of this document and action it decides to take in reaction to the document will be included in the UU World's coverage of the Board meeting. That UU World article will likewise be promoted by email and social media.

Other decisions and actions including, but not limited to, the following will also be communicated to the congregations using all appropriate communication vehicles: any decision to place a bid on a specific property; the decision to place the Association's Beacon Hill properties on the market; and any decision to lease or purchase properties.

## **7. Recommendations for Board Action**

1. Authorize the Administration begin a focused and aggressive search for alternative property in the Boston metro area consistent with the criteria outlined in Section 2 above and to sell our property on Beacon Hill.
2. Create a process that would enable the Board to make a final decision on the recommendation of the Administration in a short amount of time. This is necessary because the world of commercial real estate can move quickly and a lengthy process will likely eliminate many possibilities. The staff recommendation would include an analysis addressing all of the criteria in Policy 2.8.12.

## APPENDIX A

### The Board Policy on Property Transactions

*All of the relevant criteria of the Board's policy 2.8.12 are addressed in this report. (Several of the criteria pertain only to a specific property transaction.) Below, the elements of the policy are indexed to the relevant sections in this report.*

[The President shall not] Acquire, encumber, make significant renovations to, or dispose of real property, or lease significant amounts of space, without prior Board approval, except that the President may accept and promptly dispose of real property donated to the Association. Before requesting Board approval for any such action, the President shall not fail to provide to the Board a detailed proposal, including an assessment that compares proposed and current facilities, and a plan for communicating the rationale for property decisions to congregations. In preparing such an assessment, the President shall not fail to:

- i. Explain how facilities support the Association's Shared Vision, including the benefits and impacts of facilities on stakeholders, and including but not limited to historically marginalized voices. *(See Section 1: Introduction and Our Physical Headquarters, Section 2: A Welcoming Facility)*
- ii. Evaluate facilities needs within a long term strategic plan (at least 10-15 years). *(See Section 5)*
- iii. Analyze the financial impact of facilities, including any savings or costs associated with changes. *(See Section 3)*
- iv. Assess potential liabilities, including environmental remediation costs. *(Relevant to a specific property transaction)*
- v. Ensure that facilities meet defined standards of accessibility, ease of logistics, and welcome. *See Section 2)*
- vi. Consider the symbolic and historic value of facilities in balance with future needs. *(See Section 1)*
- vii. Assess the environmental impact of facilities. *(Most relevant to a specific property transaction, but addressed in Section 2)*

## CONFIDENTIAL APPENDIX B

Intentionally omitted

## **CONFIDENTIAL APPENDIX C**

Intentionally omitted