

QUESTIONS and ANSWERS about the FUTURE of the NEIGHBORHOOD CENTER

Q/A	QUESTIONS / ANSWERS	TYPE (Keep / Sell / General)
Q	As the previous nonprofit organization operating from the neighborhood center had the same type programming mission, what offers of assistance were made to them from the residents who are now members of the Neighborhood Center Committee, that could have aided them from their dissolution?	Keep
A	<i>The organization that leased and operated the neighborhood center was the Birdhouse. They were dependent for significant income and for programming on renting the downstairs of the center. Because Covid made the downstairs rental impossible, there was little they or anyone else could do to halt their dissolution.</i>	
Q	What level of experience does the Neighborhood Center Committee have with overseeing these types of project commitments including fundraising, community outreach, legal liabilities, etc., and will the NCC be willing to consult with other neighborhood groups, example; Tour of Home's Committee, to ensure the same donors/sponsors aren't solicited for respective funding?	Keep
A	<i>The Neighborhood Center Committee has members with very broad and deep skill sets. There are 4 people with doctorates, 3 engineers (including 2 with doctorates), 2 attorneys, 2 with Masters in Business Administration, 1 poet/author, 1 nanny, 1 carpenter, 1 park ranger, 1 former journalist, 1 former president of the League of Women Voters, 1 political activist and 1 provider of training and technical assistance for nonprofit organizations. These are people who are accustomed to managing projects with much greater complexities and responsibilities than our Neighborhood Center. In addition, the Committee continues to benefit from advice and assistance from the co-owner of several retail stores, a developer/property manager and a realtor/property manager. The Neighborhood Center Committee will supervise a part-time coordinator and a part-time custodian. Coordination and good will can assure that the various components of the neighborhood organization are not in competition with one another for resources.</i>	

Q	How many Neighborhood Center Committee Members ACTIVELY, currently serve on established neighborhood committees, such as, Tour of Homes, Social, Communications and Parks and Beautification?	Keep
A	<i>Our Neighborhood Center committee is an established board committee that has put in literally thousands of hours toward its duties since February to stabilize the Center, keep income flowing and bills paid, and ensure compliance with legal requirements. We have not conducted a survey of committee members to determine the other committees on which they serve. One thing is very clear is that the outreach efforts of the Neighborhood Center Committee and now the Friends of the Neighborhood Center over the last few months have greatly expanded the number of people who are members of the FGNO and actively interested in programs and activities of the neighborhood organization. The Neighborhood Center Committee has expanded from 7 to 15 and 83 people are now Friends of the Neighborhood Center. Far from competing with existing committees for people resources, the Neighborhood Center committee is greatly expanding the pool.</i>	
Q	Will events serving alcohol be allowed to rent the Neighborhood Center and if so, what are the liabilities to the Board of Directors and the overall Neighborhood Organization?	Keep
A	<i>Yes, events serving alcohol can be allowed in the Neighborhood Center, but the group/organization sponsoring the event would be required to get insurance covering the event, relieving the FGNO of any liability. The FGNO (usually through the Board) would decide the parameters for events at the Neighborhood Center.</i>	
Q	Is there a way to determine a percentage of Fourth and Gill residents who have personally used the Neighborhood Center as an event space over the past 5 years?	Keep
A	<i>We are not aware of a way to track past use.</i>	
Q	To Thomas Boyd: Why do you want to donate financial help for the Neighborhood Center?	Keep
A	<i>My wife and I would like to give our community center a fighting chance to be a sustainable center of our neighborhood</i>	

	<i>community.</i>	
Q	Please elaborate on the leadership structure to manage the neighborhood center through the next four years. Who is in charge? Who sets the direction, goals, etc.?	Keep
A	<i>We propose that the responsibility for managing the Neighborhood Center be delegated to the Neighborhood Center Committee, much as responsibilities are delegated to other committees. The sitting Committee Chair-board member will provide direct board oversight. Currently fifteen residents and two board members serve on the Committee and bring a wealth of valuable experience. We propose 3 subcommittees under the Neighborhood Center Committee with responsibilities for building and grounds, programs and activities, and operations. A leadership team composed of the chair and subcommittee chairs will lead a planning process and recruit staff and provide guidance and oversight. The full committee will meet regularly to make decisions and will report back monthly to the board. Community input will play a strong role in setting direction and goals. We will continually cultivate new leadership and volunteers, and tap the neighborhood's creativity.</i>	
Q	How do you think keeping the Neighborhood Center will build community?	Keep
A	<i>Our Neighborhood Center Committee will build community by bringing together neighbors to help plan and create a diverse array of activities, work projects and events that help us get to know each other better. Because we're a diverse community with lots of interests, we'll have activities and projects that represent the special needs and interests of children, families and adults, with special focus on our neighborhood. We'll expand our connections and friendships within these smaller circles and with the larger neighborhood with larger Center and FGNO projects. We grow connections within our city through programs of local organizations, businesses and government, as a way to be active and better informed citizens. With 800+ residents living in 4th & Gill, we have a lot to work with.</i>	
Q	Will the Boyd's \$100,000 Endowment receive an 8% return like the "Sell" endowment?	Keep

A	<i>The Boyd endowment will be placed at the same foundation and receive the same or similar annual return as the “sell” option.</i>	
Q	If during the 4 year trial period, not enough money is generated to pay the bills, how will that be handled?	Keep
A	<i>We will apply solid non-profit financial and operating management principles to ensure a balanced budget. If revenue is pacing below budget for a given year, we will control costs and explore additional fundraising events. If the revenue for a full year is below expenses, we will leverage reserves to cover the operating costs. The plan is to save some of the \$50K Boyd gift as reserves, plus any extra income each year will be added/saved as reserves.</i>	
Q	Last time this question came up 10 years ago, the neighborhood voted to keep the center, but despite the best intentions the structure that was put in place to manage it failed. What is different about the "Keep" option today? Is there accountability built into some time frame to ensure that we're not back in the same position in another 10 years, but now owing \$100,000 back to the Boyds?	Keep
A	<i>One of the major differences between the situation with the Center now and that over the last 10 years is that the Center and its activities will be managed by a committee of the FGNO as described above. Of course, there can be no assurance about what does or does not happen 10 years from now, but our proposal has a “fail safe” rental option even if operating the Center as a Community Center is not successful.</i> <i>The \$100,000 contributed by the Boyds will not be in a FGNO account and thus will not have to be repaid under any circumstances. The funds will be deposited in an endowment at the East TN Foundation under the direction of the Boyds with a portion of the annual income providing support for the Center with the other portion being reinvested in the endowment.</i>	
Q	Re: the Mission Statement: I'm curious about what is envisioned for "the programs, events, and gatherings" in the neighborhood center. Why is this perceived to be a need? We seem to have plenty of community events without the investment in this building. What need is being filled here?	Keep

A	<p><i>The events in our neighborhood are great! We're especially fortunate to own our own building where we can do more, like offer classes, clubs, music, art, and performing arts, and rentals for special events to take place indoors or outdoors. We have heard interest for Parent's Nights Out and scout meetings, cooking classes, movie nights, birthdays and baby showers. We intend to support all the existing neighborhood events and encourage participation. Having indoor space for neighborhood events is a plus.</i></p>	
Q	<p>Would the NC Committee be willing to look at a 12-24 month trial Period for this concept?</p>	Keep
A	<p><i>12-24 months is too short for this trial period. Three years is a standard for an initial start-up operating period to assess and prove viability. Also, the first six months will be a ramp up period that will focus on completing building improvements, recruiting part-time staff, and collecting additional input from neighbors on desired programming.</i></p>	
Q	<p>Does the Center Committee anticipate using any current funds of the FGNO to fund their activities?</p>	Keep
A	<p><i>As our financials demonstrate, we project that our operations will be self-sustaining while contributing space and volunteer effort to important activities of the FGNO. The only FGNO funds that are anticipated being used for the Center are the ones already designated for maintenance of the building.</i></p>	
Q	<p>Would the Center Committee consent to not going after / soliciting donations from the current advertisers and sponsors of the Home Tour?</p>	Keep
A	<p><i>We are not competing with the Home Tour or the FGNO. As mentioned, the Center will in fact be a valuable complement to all FGNO volunteer efforts. A few of the current sponsors of the Home Tour are also supporters of keeping the building. They have indicated they could go over and above their Home Tour donation by also supporting the Center.</i></p>	
Q	<p>I see a budgeted income for event rentals. What will the cost of event rental be? Will insurance for the event be included? Will event cleanup fee and extra garbage fees be included? How many are estimated per year?</p>	Keep

A	<i>Rental rates are not yet set, but are estimated in the Projected Budget document. The FGNO board has a new insurance policy covering the Center for community uses but public events will be required to provide their own insurance. Contracts with renters will include cleaning fees and we are hiring a Caretaker for other maintenance needs. We included estimates of many types of events as usage grows in the budget document details.</i>	
Q	I question why a NEIGHBORHOOD CENTER should serve as a COMMUNITY CENTER?	Keep
A	<i>We are prioritizing neighborhood residents this time around in activities, scheduling and promotion. However, we are expecting space rentals for nearby neighborhood meetings, or wedding or baby showers and the like, to help us pay the bills. Periodic arts performances will draw from the community and generate income. It's not uncommon for neighborhood events anywhere to include some non-residents. In fact, our Center can serve a unique role in building bridges and relationships across neighborhoods. There are unlimited advantages to tying into the talents, resources, and knowledge in the larger community that our neighborhood is a part of.</i>	
Q	Why does that mission / responsibility fall on residents and renters who may not want to be responsible?	Keep
A	<i>The responsibilities for mission and management will not fall on residents or renters but on the Neighborhood Center Committee and all its resident supporters. No resident would be required to participate, but you would still receive the benefits of the availability of discounted private rental space, any activities in which you would take interest, and importantly, the benefit of the increasing value of the neighborhood's largest asset.</i>	

Q	I question especially the need for a community center when Fourth and Gill Neighborhood is surrounded by community centers? (Cansler YMCA, Caswell Ave. Boys and Girls Club, Knoxville Arts Center, Knoxville City Parks and 5 Churches)	Keep	
A	<i>Our Center is a unique resource that will serve a unique purpose. There is not another facility in our area, or probably</i>		

	<i>not in the city as a whole, that is a 130 year old historic building, owned by a neighborhood organization that has seen so much service as a community center over a 53 year period. Our very name comes from this building! Most importantly, there is not another facility that has the potential to sponsor the range of activities for all ages as our Center, including music, youth activities, classes, discussions of important issues, drama, club events, dinners, etc. We have documented in a business plan how it can thrive financially and remain an asset for years to come. One could also ask "Why are there 5 churches in our area instead of only 1?" The answer is that each serves a unique purpose.</i>		
Q	Are the finances of the Birdhouse available? Were they profitable?	Keep	
A	<i>We do not have access to the Birdhouse banking records and were advised by the FGNO financial committee chair not to request access. We did view a minimal one year budget that reflected low operating costs but with different goals and staffing. The Birdhouse often succeeded in its program but had inadequate resources as an FGNO tenant. Nonprofits are by definition not profit generating, but our management system design is more reliable and stable and will generate the income necessary to sustain itself.</i>		
Q	Are there examples of successful community neighborhood Centers in Knoxville / other similar areas?	Keep	
A	<i>We don't know of another comparable historic neighborhood where the community owns and manages their own building. Our ownership of the building, with opportunity to both provide for our needs and earn income from many sources gives us a unique advantage over other neighborhoods.</i>		
Q	Is it true if after 4 years and the building is rented that the rent obtained while retaining the building will exceed the annual income of any "Sell" options?	Keep	
A	<i>Yes, the projected revenue of the KEEP option's back up rental plan exceeds the projected investment returns of any of the Sell/Endow options. This is demonstrated in our financial documents.</i>		

Q	Other than a part-time manager, who will be responsible for management?	Keep	
A	<i>This question relates to the role and capacity of the Neighborhood Center Committee. Please see responses for Question #2 and #7 above regarding the board's Neighborhood Center Committee.</i>		
Q	Do you have specific numbers to show that a substantial portion of the NC's annual expense budget (staff & building maintenance) will be provided by rental income?	Keep	
A	<i>Our projections in the financial documents show that $\frac{2}{3}$ of the annual expenses of the building will be provided by rental income</i>		
Q	What was the rental income for several years preceding the pandemic? Was rent paid on time or late? Was it easy to collect or did it require a substantial effort from the committee or board?	Keep	
A	<i>Rental income fluctuated and collection sometimes placed a burden on the board. The lease arrangement was with a separate nonprofit and, as we learned, it suffered from several inadequacies. That previous arrangement has limited relevance to the detailed management plan we now propose that includes stronger governance, much more local resident involvement, planning, oversight and direct accountability to the neighborhood.</i>		

Q	In the past how much has it cost to operate the center? How much revenue has been generated by tenants versus FGNO?	Keep	
A	<i>We don't have records of the previous nonprofit tenant over ten years, but we know from FGNO records that lease payments were not always met. While we can learn from the past in regard to past expenses and experiences, the past operations are less relevant to the proposed plan, where we will have direct oversight by a board committee, resident volunteers, a different staffing structure with sufficient compensation, and a greater focus on neighborhood priorities.</i>		

Q	How would the center be managed if kept? Who would take leadership? Would it continue to be used primarily for outside groups or would the neighbors be using it?	Keep	
A	<i>Please refer to the number 2 above for the first two questions. The Neighborhood Center will see greater use by individuals and groups in our neighborhood than in the past 10 years. For example, as the grip of Covid has loosened and the Center has seen significant improvements, activities at the Center have included a gathering of the Fourth and Gill Garden Club, a meeting of a local Girl Scout troop, numerous committee meetings and two social gatherings, one with music and poetry performances by 5 neighborhood residents. There have been requests for a family reunion and two birthday parties by neighbors. One of the main responsibilities of the coordinator will be to seek out what people want from the Center. In addition, we foresee that the Center will also be visited and used by people and organizations from the larger Knoxville community as it has over the last 53 years. Rental of the facility by such people and organizations will be essential to its financial stability.</i>		
Q	Does anyone know an approximate cost for retrofitting the building with sprinklers? What would the new allowable occupancy become if currently limited to 49 occupants?	Keep	
A	<i>An assessment of the cost and benefit of installing a sprinkler system will wait until the future of the Center is decided.</i>		
Q	Will you follow the city's ADA requirements so that the Neighborhood center will be inclusive to all?	Keep	
A	<i>Respondent types in answer</i>		
Q	Will you acquire all required city permits for work done on the Neighborhood Center in the future i.e. mechanical, plumbing, electrical, etc. to ensure safety?	Keep	
A	<i>An architect has already completed an evaluation of the Center for ADA compliance and found that there are a few relatively minor changes that are needed in order to make the building ADA accessible.</i>		

Q	Can you confirm that all gatherings at the neighborhood center would be limited to 49 people due to lack of a fire suppression system?	Keep	
A	<i>We will ensure safety. Over the last 4 months the Neighborhood Center Committee was able to oversee about \$9,500 worth of work to the building at an actual cost of about \$2,000 through the contribution of the work of 40 volunteers. Volunteers will continue to be involved in improvements to the building and grounds. For jobs that have a major safety component, such as installation of an hvac system downstairs, we will secure needed permits and inspections.</i>		
Q	If we keep the center, couldn't we lease it to a non-profit and still retain a limited usage, as well as have some control of possible future utilization and impacts?	Keep	
A	<i>In order to assure maximum benefit for our neighborhood and the larger Knoxville community, we think the recent experience with the Center leads to the importance of our managing the facility ourselves. We lose that assurance if we lease to another party.</i>		

Q	What mechanisms will the FGNO / NC committee put in place to ensure effective oversight, supervision and management of the facility and its occupants over the short, medium, to long terms?	Keep	
A	<i>See the answer related to the roles, responsibility and organization structure and of the Neighborhood Center Committee in questions # 2 and # 7 above</i>		
Q	The current (November 2021) revenue plan for the neighborhood center (NC) requires \$47,260/year in revenue. The revenue plan accounts for \$17,760 in annual revenue from "single-use rentals" such as "music and performing arts shows". What types of events make up these rentals? How much do you plan to charge per event? How many events per month have been accounted for in order to meet these revenue projections?	Keep	
A	<i>Some of the expense projections of events to be held are</i>		

	<i>found in the financial documents that we've submitted. These are found online in the KEEP section of the Fourth and Gill and ETCDC websites. To summarize, in consultation with people in our community, and local Knoxville experts with knowledge of renting similar spaces, our projection of adequate annual revenue from single use rentals is clearly attainable.</i>		
Q	Why would an Alcoholics Anonymous group want to pay to rent the NC for a meeting, when there are three churches within walking distance who share their space for free?	Keep	
A	<i>While we don't know which groups will be using the Center for meeting space, we do know that some organizations prefer a secular space rather than one owned by a religious institution.</i>		
Q	Within the revenue plan there is \$7500/year of "fundraising events". Are these events in addition to the above "single-use rentals"? How will they be scheduled among what already appears to be a pretty busy schedule for the NC?	Keep	
A	<i>Our revenue sources are diverse. We expect income from upstairs office/studio rentals, downstairs space and event rentals, ticket and class sales. To this we add sponsorships, grant writing, and direct donations through online sites. As the Center grows, an annual fundraiser is expected, but can be scheduled apart from conflicting FGNO event dates.</i>		
Q	The revenue plan includes \$14,000/year from "office rentals" (the upstairs spaces). What occupancy rate (% of time fully occupied) is this figure based upon? What is the current (October/November 2021) occupancy rate? What is the potential income from "office rentals" if the units were rented at market rates instead of at discounts for nonprofits?	Keep	
A	<i>We are already fielding requests to rent office space from several residents, even before our marketing efforts have even begun. We currently have two vacant offices/studios available. Our revenue plan is based on 11 months of full time occupancy or 90%. We based our current rental rate estimates on raising gradually closer to market rate.</i>		
Q	Looking at similar event spaces and neighborhood centers (Central Collective and the Oakwood/Lincoln Park	Keep	

	Neighborhood Association), how many events did they have per month prior to COVID?		
A	<i>After reviewing the results of Dan Howett's interviews for FGNO, we conclude that our Center's operation differs from these two examples. Our effort will focus primarily on our neighborhood's needs, not the larger area's needs as does the Central Collective. We own the building with a natural incentive for the neighborhood to maintain its most valuable asset, as opposed to Oakwood/Lincoln Park's building owned by the City. A private business must cover staffing expenses, pay taxes, and make a profit. This is not the case for a nonprofit neighborhood organization that owns its building, has many volunteers and a tax exemption.</i>		
Q	How many events per month are hosted at the Parkridge Community Organization community center?	Keep	
A	<i>Parkridge no longer has a community center, having sold it. They are now embroiled in perpetual conflict over use of the proceeds.</i>		

Q	The revenue plan includes \$5000/year in "grants". What sort of grants are you counting on receiving? Who will oversee writing the grant applications?	Keep	
A	<i>We will pursue many types of grants: Local grants for arts, historic preservation, recreation, health, and those aimed at children, family and seniors. We may pursue private foundation grants, local and beyond. Many members of the committee are experienced grant writers.</i>		
Q	There are \$3000/year in "donations" as part of the revenue plan. From whom will the donations come?	Keep	
A	<i>We feel this amount is achievable from our Committee's experience. Private donations from individuals in the neighborhood and beyond have been promised.</i>		
Q	The August 2021 NC Committee plan included \$3500/year in "maintenance" and \$3000/year in "maintenance/repair escrow". The current plan only includes \$3500/year in "maintenance".	Keep	

	What happened to the amount which was supposed to be escrowed for major repairs?		
A	<i>The Boyd \$100,000 endowment is projected to grow year to year and can tapped for repairs beyond what can be covered by the \$3500 annual budget allowance. This eliminates the need for a major repair escrow</i>		
Q	I have a question about parking for events. I have worked at the center a few times and with just the work crew parking was an issue. With events of 40-50 people, have they planned on an area for parking as I feel the people who live close to the center will get tired of the large volume of cars taking up their parking spaces.	Keep	
A	<i>With more emphasis on events attractive to neighbors, we encourage walking, and less demand for parking. Our immediate neighbors are supportive and we will work with other neighbors to minimize problems. The closure of Sassy Ann's alleviated some parking pressure from years past.</i>		
Q	The "Keep" option proposes that the backup plan is for the facility to be "fully rented" and earn \$20,000/year in rent. However, the current revenue plan only shows \$14,000/year in rent. Why would the advocates of the "Keep" option not want to maximize the consistent revenue stream that would come from renting the upstairs offices at market rates?	Keep	
A	<i>The current \$14K/year revenue plan for the neighborhood center is for renting the four upstairs office/studios at *almost* market rates (only slightly below). We actually project a minimum of \$24,000 in revenue and \$20,000 in excess income. However, the \$20K/year income estimated in our backup plan results from renting the <u>entire building</u> (upstairs office and downstairs) to long-term tenants, after ending all neighborhood center functions, and then paying additionally for rental management, liability/property insurance and building maintenance. The income estimate from renting the building and the Boyd endowment is significantly higher as the proceeds from donating and selling the building and endowing an investment fund.</i>		
Q	What kind of insurance will be needed on the Center to cover all the events and the board members from liability on an annual basis? What will be the cost?	Keep	

A	<i>Fourth & Gill Neighborhood Organization already has insurance, both property insurance and liability insurance, that covers the Center building. FGNO has had that insurance for many years. No additional insurance is needed. The cost is around \$2300 annually.</i>		
Q	For keeping the center plan - how long do you feel it will take until your plan comes to fruition and you have all the events you are planning booked, i.e., how long will it take until you can comfortably guarantee the neighborhood that the Center will be paying for itself?	Keep	
A	<i>As mentioned above, we expect a six month startup, and three years to reach a self-sustaining status. At that point we can evaluate its success.</i>		
Q	For those who are so in favor of keeping, why not form a new 501C3 and purchase the house from the neighborhood? It would benefit the neighborhood overall and satisfy the desire for those who wish to maintain the original building. Do those in favor not want to be burdened with the expense?	Keep	
A	<i>Renting the building results in a higher income stream to the neighborhood than a sale, which is included in our back up plan. We have developed a plan to be financially self-sufficient and provide many advantages to our 800+ residents such as no-cost meeting and event space for committees and clubs and discounted rates for private use by neighbors. FGNO is protected from financial risk by the back up plan. Selling is not to our advantage. Real estate prices are expected to rise and the value of the building will rise significantly. Rental income will be higher and we will not have to manage the property.</i>		
Q	Would some of the sale price go back to the city for the unforgiven part of the grant for the porch restoration? (asked 3 times); Do the people that donated to the \$13k for the porch get their money back?	Sell	
A	<i>Yes. If sold before next September \$15,375 would go back to the City and their Preservation Loan Fund. After September the amount would be \$10,250. No, contributors would not get any of their money back That contribution was the match to secure funding from the City Preservation Fund grant process.</i>		

Q	How/where will the funds be spent?	Sell	
A	<i>They will be placed in an Endowed trust fund to be managed by the Neighborhood Board of Directors who are volunteer neighborhood residents elected on an annual basis by neighborhood residents . Initial funds will go to support the current activities of the Organization. As funds and experience grow the opportunities to enhance the community with these funds will continue to grow.</i>		
Q	Will funds be spent on the neighborhood only or outside of the neighborhood?	Sell	
A	<i>That will be defined by the terms of the Endowment and future Board action. It is anticipated that there would be the potential to support things like our local schools that serve our residents but are not physically located within the Neighborhood.</i>		
Q	Is there any oversight/management of the funds and will it be made available to the public?	Sell	
A	<i>Yes. The Board of Directors meets monthly and discusses budget, income, and expenses at each meeting. The Annual Budget is always presented at the annual meeting. The performance and returns from the Endowment would be discussed at that time. Plus, any member can ask for information about any subject at any time.</i>		
Q	What is the urgency to sell now?	Sell	
A	<i>We have an almost vacant building with a poor track record of supporting itself or the organization so the timing to look at a fresh option was put on the table for discussion and vote.</i>		
Q	Is there a way to determine a percentage of Fourth and Gill residents who have personally used the Neighborhood Center as an event space over the past 5 years?	Sell	
A	<i>Not that we are aware of. We had hoped that the ETCDC survey, which was proposed but did not happen, would help answer those kinds of questions.</i>		
Q	If Option 3 says 'newly created nonprofit', who will create it? Has there been discussion with potential nonprofits and if so, whom?	Sell	
A	<i>It is very clear if you read the submission from the Sell and Endow team that the envisioned non-profit would be one organized to fulfill the goals of the Keep and Staff team. It was proposed as a potential compromise. Leadership of the Keep team has shown no interest in</i>		

	the concept.		
Q	What are the qualifications of the new nonprofit besides the purchase price?	Sell	
A	<i>It would have to be a “newly created nonprofit” organized to accomplish the current goals of the Neighborhood Center Committee the NCC-The Keep and Staff team.</i>		
Q	For Option 3: have you contacted specific nonprofits and if so, how would the neighborhood come to a consensus on a buyer?	Sell	
A			
	<i>No. The only nonprofit in mind from the Sell side was a “newly created nonprofit” organized to accomplish the current goals of the Neighborhood Center Committee otherwise it would be sold on the open market.</i>		
Q	In August the FGNO had \$52k in the bank and the home tour should begin again in 2022. Why push to sell when the organization has lots of money and will have more soon?	Sell	
A	<i>The reason to sell is to create an ongoing revenue stream for the Organization without annual fundraising and remove the responsibilities of property management from Neighborhood Volunteers.</i> <i>Current funds provide for approximately one years’ worth of operating expenses, \$7,486 for building maintenance and the large pot of \$24,015 which has been reserved as a “legal defense fund” This money has been dedicated as emergency fund as needed for over 20 years and is not intended as operating capital. At this moment, there is no commitment to stage a Tour of Homes in 2022. This is an event that takes many hours and many volunteers, lots of ad sales and good weather to be successful. It cannot be counted on for an annual income stream like an endowment would provide.</i>		
Q	Are you trying to sell to people that would want to make an airbnb or would the neighborhood prioritize people who want to live in the house and be our neighbors?	Sell	
A	<i>No. It would be sold on the open market and future use would be dictated by zoning just like every other property in the Historic District.</i>		

Q	From the list of pros and cons, I interpret that sell proponents do not see the loss of community space as a con; is this true?	Sell	
A	<i>The sell team would argue that there are plenty of community spaces all around us and losing this one would be an acceptable compromise to financially strengthen the organization and take property management off the table for neighborhood volunteers. There are many public parks, 4 or 5 close churches with excellent under used space, the City Art Center on Broadway, The John T O'Conner Senior Center and the YMCA at Caswell Park, The Boys and Girls club on Caswell just to name a few that are located nearby. Also in recent years we have seen the growth of coffee shops and breweries and so forth which serve as public space as well. The space at 800 N Fourth is very limited.</i>		
Q	What are the benefits of selling through the ETF?	Sell	
A	<i>As we said in our submission. 1. No upfront cost 2.Provides Long Term Financial stability to FGNO, 3. Eliminates Property Management from the responsibilities of the FGNO 4. Provides proven professional management of the Trust and Endowment 5. Future distributed funds would be managed by FGNO Board under the terms and conditions of the established Trust and Endowment</i>		
Q	For all Options: if profit from the sale is invested, would FGNO members have a say in the investment portfolio - ie oil & gas vs green energy - or other ethically questionable investments?	Sell	
A	<i>Depends on how the Trust and Endowment are set up.</i>		
Q	What would the FGNO do with the money it earns each year from the trust? \$15-20k is a lot to get each year: would it all go to neighborhood improvements (parks, etc) or could we donate each year to organizations?	Sell	
A	<i>If, as expected, the funds raised through the endowment exceed the annual needs of the Organization, then at the discretion of the Board of Directors, volunteer neighborhood residents elected on an annual basis, those funds could be reinvested or donated to other causes. The causes could be neighborhood schools, neighborhood arts projects, the Woolly Bears, the Boys and Girls club and a host of other options.</i>		
Q	What are the restrictions on the trust if the property is sold through the ETF?	Sell	
A	<i>Their well established program works like this. On the projected 8%</i>		

	<i>return, 4.5% would be distributed on an annual basis to the organization to use at its discretion, the ETF would keep 1.5% of the return for their overhead cost and the remaining 3% would be reinvested in the endowment. Our published numbers are based on this on this formula and a \$325,000 sale price. Funds distributed to the Organization would be allocated by the Board of Directors, which is made up of resident neighborhood volunteers elected on an annual basis by neighborhood members</i>		
Q	What evidence is there of the return being 8% (because that seems high)?	Sell	
A	<i>The average 10year historic return of the DJ, S&P, and Nasdaq are all at or above 10%.The average return from the ETF has been 8%. We chose to do our analysis on the more conservative figure.</i>		
Q	Option 3: Is the nonprofit required to accommodate neighborhood events and programs?	Sell	
A	<i>It is very clear if you read the submission form the Sell and Endow team that the envisioned non-profit would be one organized to fulfill the goals of the Keep and Staff team. It was proposed as a potential compromise. As proposed, Neighborhood events and programs would be the very goal of the new Non-Profit.</i>		
Q	What is the mean # of attendees at the past few FGNO events? How does that compare to the overall neighborhood population?	Sell	
A	<i>Answer depends on which events are being discussed. It can vary from 10 to 100 and is always a floating mixture of people. To your point there are lots of people who live in the neighborhood boundaries who have never shown an interest in participating in organization management or attending its events.</i>		
Q	Option 1: what are the restrictions on the use of funds?	Sell	
A	<i>The management of the Trust and Endowment once established would be determined by the Board of Directors of the Fourth & Gill Neighborhood Organization which is made up of resident neighborhood volunteers elected on an annual basis by neighborhood members. Guiding rules and principles would also be embedded in documents that formally establish the future Trust and Endowment. Using the ETF as an example and the projected 8% return, 4.5% would be distributed on an annual basis to the organization to use at their discretion, the ETF would keep 1.5% of the return for their overhead cost and the remaining 3% would be reinvested in the endowment. Our published numbers are based on this scenario with a \$325,000 sale price.</i>		

Q	Options 2&3: what are the plans to manage the trust? Who will take on that responsibility? What will it entail?	Sell	
A	<i>The management of the Trust and Endowment once established would be determined by the Board of Directors of the Fourth & Gill Neighborhood Organization which is made up of resident neighborhood volunteers elected on an annual basis by neighborhood members. Guiding rules and principles would also be embedded in legal documents that establish the Trust and Endowment.</i>		
Q	Has any nonprofit shown interest in buying the center?	Sell	
A	No		
Q	Does the ETF guarantee 8% annual return or is that a hoped-for goal?	Sell	
A	<i>That is their historic rate of return. While it cannot be promised it is a reasonable projection based on verifiable history</i>		
Q	If we wind up selling the Center, is it possible for a handful of neighbors to chip in and take over ownership, i.e., purchase the Center?	Sell	
A	<i>Yes. If Option 2: Sell on the Open Market is chosen as the vehicle for sale a group of people, even neighbors, would be eligible to make an offer on the property.</i>		
Q	Can you explain a little more on how the yearly payout or dividend from EFT if donated would benefit the communities around Fourth and Gill? And some examples of who might benefit?	Sell	
A	<i>If, as expected, the funds raised through the endowment exceed the annual needs of the Organization, then at the discretion of the Board of Directors, once again volunteer neighborhood residents elected on an annual basis, those funds could be reinvested or donated to other causes. Envisioned causes could be neighborhood schools, neighborhood arts projects, the Woolly Bears, the Boys and Girls club and a host of other options.</i>		

Q	<p>Under the Sell option, if the returns on the endowment exceed the annual budget of FGNO, that leads to questions of: a) under what process would excess funds be distributed? b) what entities are you proposing to donate to? c) Who exactly would be involved in the decision making? d) In another nearby neighborhood that sold their neighborhood center, there is apparently ongoing conflict among neighbors over the remaining funds. Do you have a detailed proposal that avoids such conflict if there is excess income/ return on the endowment?</p>	Sell	
A	<p>A)By the Board of Directors, once again volunteer neighborhood residents who are elected on an annual basis, as given direction in the rules of the Trust and Endowment. B.). There are no entities that the Sell team proposes to donate to, only that it is a possibility with excess earnings. C).Future Neighborhood Boards of Directors under the rules established by the Trust. D). As always there could be some disagreement on the use of these funds, but those issues would be settled by a vote of the democratically elected board.</p>		
Q	<p>What kind of restrictions would ETF impose on the FGNO board over the funds from a sale? What about any excess funds? Would different restrictions apply</p>	Sell	
A	<p><i>In a nutshell. On the projected 8% return, 4.5% would be distributed on an annual basis to the organization to use at their discretion, the ETF would keep 1.5% of the return for their overhead cost and the remaining 3% would be reinvested in the endowment. Our published numbers are based this scenario with a \$325,000 sale price.</i></p>		
Q	<p>Was a rental proposal considered when developing your options? Was it rejected and why? Rental income is demonstrated to likely exceed return from a sale.</p>	Sell	
A	<p><i>It has been a poorly functioning rental property for years which was the reason for moving to the sell option. It is a strong belief by the sell team that neighborhood residents should not be saddled with managing a rental property when there is another option that provides in abundance the funds necessary to have a successful organization. The goal is not to maximize return and create wealth. The goal is to provide a dependable income stream to support the common goals of our community without the burdens of property management.</i></p>		

Q	Why would we want to sell the Neighborhood Center now if commercial and residential sales prices are expected to increase over the next five years?	Sell	
A	<i>To repeat. It has been a poorly functioning rental property for years which was the reason for moving to the sell option. It is a strong belief by the sell team that neighborhood residents should not be saddled with managing a rental property when there is another option available that provides in abundance the funds necessary to have a successful organization. The goal is not to maximize return and create wealth. The goal is to provide a dependable income stream to support the common goals of our community without the burdens of property management.</i>		
Q	Can the ET CDC ensure the privacy of ballot votes under this process?	General	
A	<i>ANSWER: YES. The ET CDC will receive ballots through the site Survey Monkey directly, and physical ballots will be dropped in our mailbox. Only ET CDC staff will see the full ballots, and the only information that will be shared with the FGNO Board and the community will be the actual votes. No personal information will ever be made available to the FGNO Board or the public.</i>		

Q	With a minimum of 49 votes (as of the 11/3/21 meeting) needed for a quorum, if the votes were 25 to sell / 24 to keep, and if only the 25 'sell' voters voted on a sell option, then it becomes possible that the vote split for the options could be 8 to 8 to 9, meaning only 9 people could determine the outcome of the center. If this is the case, should a separate 'Sell' vote be taken?	General	
A	<i>ANSWER: This can be prevented by making sure that everyone votes on a 'sell' option even if they want to keep the Center. No extra 'Sell' vote is necessary since the current ballot allows every voting neighborhood member to select their preferred sell option regardless of if they vote to keep or sell.</i>		

Q	Will our votes be made public? By that, I mean that I don't really want people to know how I vote on this topic. The committee can know, and that's fine, but I think I would be judged by peers if I vote one way, and then judged by other peers if I vote the other way.	General	
A	<i>ANSWER : No - Voting will not be made public.</i>		