

RENTAL PROPERTIES
Information & Recommendations

Nov. 9, 2014 Adult Forum
By Linda Seaverson

Committees and Congregation Input

- 2012 Facility Planning Task Team
- 2013 Facilities Assessment Task Team
- 2013 Vision Focus Task Team
- Church Survey conducted July 2013
- “What is God Calling St. Andrew’s to Focus on Now?” evening,
Nov. 17, 2013
- Property Committee, 2011-2014
- Fellowship Committee, 2013-2014
- 2012, 2013 & 2014 Council
- Helped with renovation estimates

Where are SALC Rental Properties?

- 1) West Street: 3 houses north of church
- 2) Colorado Junction
- 3) Story Street: 2 houses & parking lot east of church



3414 3410 3404

St. Andrew's Lutheran

Colorado Junction

3328 Story 3320 Story St.
Parking Lot Triplex Single Story

When were they purchased?

1952	Donated for \$1-Church lot, gravel parking lot, & former parsonage lot (sold in 1978 or '79)
1994	3404 & 3414 West Street
2005	3410 West Street
2008	3320 Story Street (2 houses)
2011	Colorado Junction

Why were they purchased?

- Opportunities arose, favorable price, favorable interest rates
- Flexibility for expansion in the future
- Control properties adjacent to the church
- All purchases were congregation approved.

Why was Colorado Junction purchased?

- Opportunity arose at favorable cost, interest rate
- Flexibility for expansion in the future
- Control property adjacent to the church

Initial Plan (per Crossroads Campaign FAQ):

- Continue to operate... as a commercial property
- Use unleased spaces for church storage or meeting space
- “as the congregation works through the facility planning process in the next few years”

What is the present
status &
recommendation
of each property?

WEST STREET LOTS

STATUS

- All rented. Corner house (3404 West St.) below market.
- Good Tenants. Relatively low in maintenance & volunteer time.

ADVANTAGES OF OWNERSHIP

- Control property and activity immediately north of the church
- Zoned R-L, but if mortgage-free could be incorporated into the church lot to allow use as ministry or parking with no property tax

3414 West Street

If incorporated with church lot:

- Could provide additional parking
- Could use house for convenient ministry space or storage
- And could provide north exit from church's west parking lot
- No property tax

One Possible Option for 3414 West Street



West Street Properties Recommendation

Property Committee and Council recommend

Keep all West Street Properties



Colorado Junction

STATUS

- Fully rented except for
- Two spaces used by SALC (Madrigal storage, PRMT)
- Two renewed 5-year leases, another two request 5-year leases
- HVAC improvements
- Improved cash-flow
- Triplett manages, but substantial ongoing volunteer time required
- Interesting pending development along LincolnWay

New Lincoln Way Development

- New First National Bank site (former Wendy's)
- Pending development of former middle school athletic field. Zoned R-L

Colorado Junction Recommendation

Property Committee and Council recommend

Continue to rent, upgrade and improve its
marketability during the next two years
then reevaluate



3414 3410 3404

St. Andrew's Lutheran

Colorado Junction

3328 Story
Parking Lot

3320 Story St.
Triplex Single Story

Gravel Parking Lot

STATUS

Full every Sunday morning, used for special events or large funerals

Zoned R-L but parking lot “grandfathered in”

No property tax

Recommendation

Keep as parking lot. Make improvements pending funds.

3320 Story Street

STATUS

A.) Two story triplex rental house

Fully rented

Needs repairs/updating

B.) One story house

Vacant, repairs too costly

3320 Story Street

Zoned R-L

- Triplex rental is “grandfathered in”
- Could use for low-income rental ministry

But....

- Not adjacent to SALC lot so cannot be incorporated
 - So....cannot use for additional SALC use (ie storage, ministries)
 - So....cannot expand parking lot
- Rezoning highly unlikely
- Property taxes continue

3320 Story Street Recommendation

Property Committee and Council recommend

Explore selling

Congregational vote must approve sale

Rental Properties Recommendations Summary

West Street Lots - *Keep*

Colorado Junction-*Keep, continue renting, upgrading, increase marketability, then reevaluate in two years*

Story Street Gravel Parking Lot - *Keep, improve pending funds*

3320 Story Street - *Explore sale*

How is the cash flow ?

Sept 1, 2011 - March 2014 - Rentals paid expenses

March, 2014 - Church paid the property taxes

Why? Lost income (vacancies), high winter expenses

(Approved by Council, to be returned within two years)

Improved Cash Flow

September, 2014 property taxes– Rentals paid

Hard work by Property Committee & Council resulted in:

- Property improvements (e.g. urgent HVAC replacements)
- Increased number and satisfaction of renters
- Negotiated higher rental rates
- Applied and received lowered property taxes
- Lowered mortgage payment

Mortgage

- Sept. 01, 2011 \$613,000, covered all rentals, balloons Sept. 2016
- May, 2014 Refinanced
- Oct. 31, 2014 \$465,437 balance

Mortgage Refinance

Rate lowered from 5.35 % to 3.95 %, plus \$25,000 added for repairs
no refinance fees, same end date of Sept. 2016

Result: \$1037 less per month payment (\$12,444/yr)

Council approved April 15, 2014