

# Real Estate Coaching Case Study

## Calvary Lutheran Church

Minneapolis, Minnesota





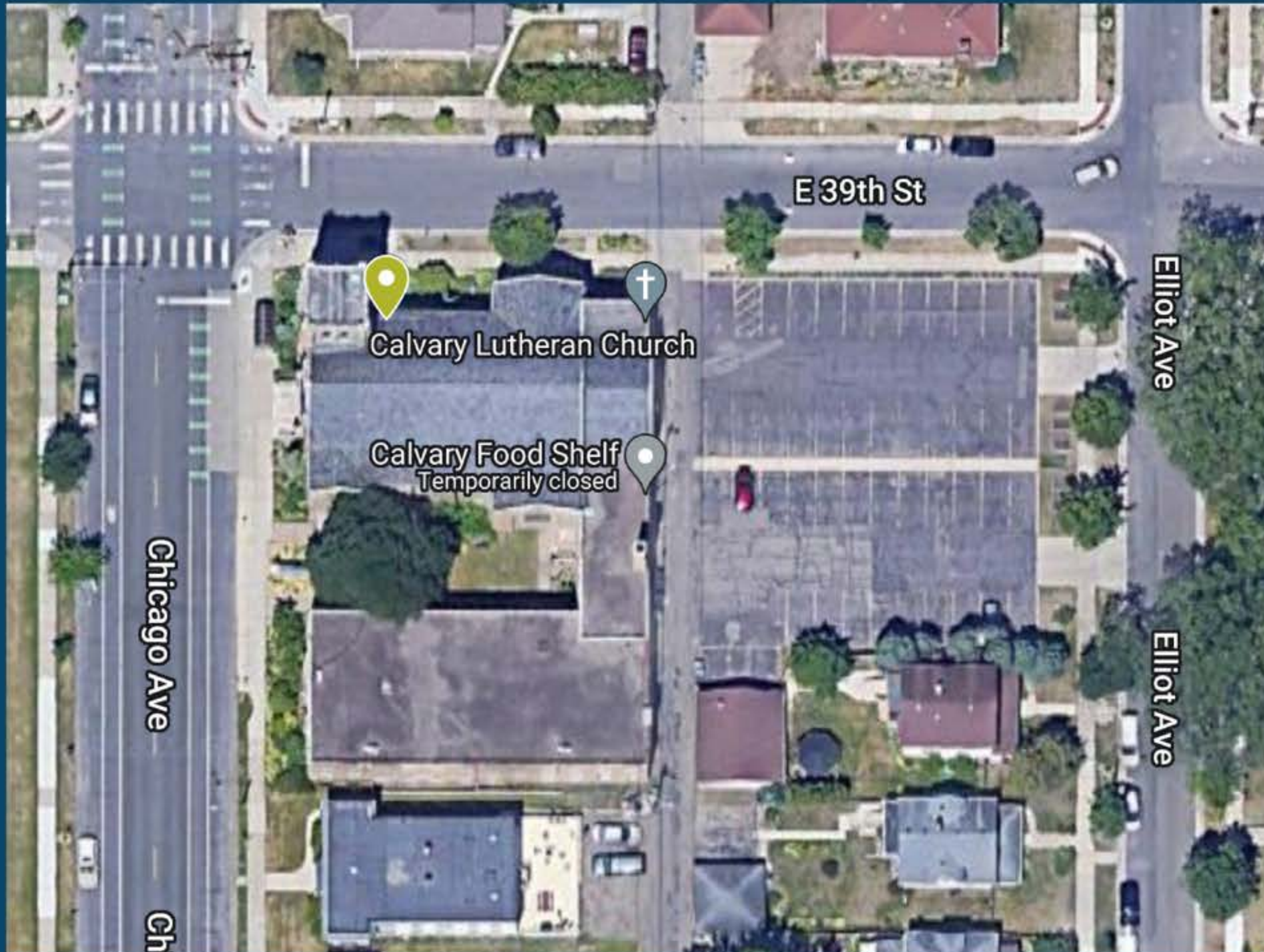
Calvary Lutheran Church hired Proximity Project to guide them in visioning for the future of their property. Their main goals included:

- Assessing the value and context of their property
- Leading the congregation in identifying development opportunities
- Finding a mission-minded partner that could provide a revenue source

Proximity Project led a Property Visioning process and provided Real Estate Coaching that included:

- Convening listening and ideation sessions with church leadership and the property development team
- Conducting a church-wide survey to assess the congregation's openness to change and excitement for particular development opportunities
- Facilitating discussions with city representatives and potential development partners to garner local support for the project
- Negotiating a Letter of Intent, Purchase Agreement, Lease, and Closing on the sale of the church property to a mission-minded developer

Proximity Project led Calvary Lutheran through the Property Visioning process over the course of six months. Once the development partner was identified, the next two years consisted of Real Estate Coaching as the church entered into a Letter of Intent, Purchase Agreement, Lease and eventually a Closing on the sale of the property to the developer-partner.



### Property Sale to a Mission-Minded Developer

- Sale Price: \$1.1 M
- Developer paid a \$50K non-refundable fee to extend closing by one-year and cover property holding costs for the church
- Developer paid temporary relocation fees for the church to operate off-site during construction
- 3 year process from church survey, letter of intent, purchase agreement, to closing

Mission-minded developer implemented new affordable housing units on the former church parking lot and converted the education wing into additional affordable housing units. The final project incorporated:

- 41 units of deeply affordable housing for very low-income residents (30% of AMI)
- Shared community/recreational space in the former sanctuary
- Community food shelf
- Church building being designated and listed on the National Register of Historic Places



As a term of the Purchase Agreement, Calvary Lutheran Church entered into a long-term lease with the mission-minded developer to continue holding Sunday services on the adapted sanctuary-community space.

- Lease back of worship space and office space
- Base lease is 10+ years with options to renew
- Minimal rent with pro-rata share of utility costs and janitorial fees
- Storage space for Sunday worship needs



Rendering of community space



Sunday set-up for church services



Main church building-sanctuary



New affordable housing units on former church parking lot