

HOLY CROSS LUTHERAN CHURCH  
Minutes of Voters' Meeting  
April 30, 2017, 9:30 a.m. in the Church Sanctuary

President Matthew Leighty called the meeting to order at 9:30 a.m. and presented the agenda.

Pastor Ahlersmeyer asked for God's presence and guidance in the deliberations of the assembly.

The minutes of the Annual Voters' Meeting of December 11, 2016 had been posted on the Church website and paper copies were provided to those assembled. A motion was made, seconded and approved to accept the minutes as presented.

Pastor Ahlersmeyer briefly mentioned the on-going process of the last three years regarding facility enhancement/expansion. He deferred to Mark Lange, who gave a comprehensive report on the conversations and deliberations that have gone into developing an updated Master Plan, the present realities of school ministry that have made an update necessary, and the potential for two property purchases that could meet facility needs at lower cost than previously thought.

The key points made by Mr. Lange included:

- Review of the development of the initial update to the Master Plan by Design Collaborative
- Input from three congregational "Listening Posts" held in 2015 resulted in the following (listed in order of priority): enlarged preschool, restroom modernization, multi-purpose space, gymnasium
- Revisions to the Master Plan based upon the "Listening Posts"
- Record preschool enrollment in the current school year, which has resulted in kindergarten enrollment already at capacity for the next school year
- Increased mission outreach opportunities such as enrollments present, and the probable positive impact on elementary school enrollment
- Steps taken during the summer of 2016 to permit a 30% increase in preschool enrollment
- Three options for enhancement/expansion that resulted from the Master Plan update and "Listening Posts":
  - Shape the ministry within the existing available space
  - Build onto the existing facility in one or more phases without going into debt (the option with the highest overall cost)
  - Build or remodel offsite (cost per square foot would be lower than adding to the existing facility)
- Owners of two adjacent properties directly across the street from the Holy Cross facilities have independently approached us and offered to sell their properties to Holy Cross
  - 3224 Crescent Ave. (1848 sq. ft. house on 1.21 acres)
  - 3228 Crescent Ave. (2359 sq. ft. duplex on 1.69 acres)
- Potential long-term uses of the combined properties include:
  - Build a stand-alone preschool (age 2 to pre-K) and develop an early childhood center (age 6 weeks and up) with potential for 200 children
  - Build a stand-alone middle school; expand preschool in the existing facility with potential for 120 children
- Acquisition of the properties would achieve the goals of the updated Master Plan
- The presence of Unity Church adjacent to the property bodes well for City approval of Holy Cross plans for educational use
- The short-term plan following purchase of the properties would be to rent the properties to cover operating costs

- Cost of the purchase would be covered by a portion of the \$246,000 in the Mission Opportunity Fund and by a \$300,000 line of credit with STAR Bank
- The Senior Leadership Team is asking the assembly for discernment in the potential purchase of the properties, without making a decision on how the properties would be eventually be used

Mr. Lange presented the following motion to the assembly:

The voters' assembly authorizes the purchase of the properties at 3224 & 3228 Crescent Ave. with the following conditions:

- Sale agreement must be successfully negotiated with both owners
- Total purchase shall not exceed \$300,000 including closing costs
- Be completed by July 31, 2017

The motion was seconded.

In response to questions raised and comments made by members of the assembly, Mr. Lange responded with further information:

- Neither owner is in a position to make a charitable contribution of their property.
- The City requires us to install a storm water retention pond at our expense (~\$250,000) if we build on the existing Holy Cross property
- The long-term plan would be to tear down and replace the buildings that currently occupy the properties.
- Holy Cross would work with the City to ensure the safety of children crossing the street.
- The acreage of the properties is about 30% the size of our current property.
- We have no guarantee that the City will allow a rezoning for educational purpose; however, the precedent of churches and businesses in the area gives a high degree of probability that appropriate zoning would be granted.
- The history of the properties and of Unity Church would indicate that there are no unforeseen environmental or soil issues that would preclude our proposed uses.
- A rough estimate of a stand-alone facility is \$130 per square foot versus \$170 per square foot to add to our existing facility.
- An analysis of costs to operate a stand-alone facility indicates that it would be a self-sustaining operation and would not impact the costs to operate our current facility. Rental of the properties prior to building would cover the cost to maintain them in the short term.
- This proposal does not directly impact or affect the use of the North Anthony Center or the Aulick Center.
- We do not anticipate any opposition from the owners of neighboring properties to our proposed use of the land.
- It's not possible to anticipate the impact that future plans of Concordia Lutheran High School could have on our ministry.
- The Senior Leadership Team is asking for discernment in moving forward in response to the offers that have been presented to them.

The motion passed by a show of hands.

Pastor Ahlersmeyer closed the meeting with prayer.

President Leighty adjourned the meeting at 10:15 a.m.