

CONGREGATION MEETING INFORMATION

For August 30 at 10:40 - Potential Land Sale **INFO UPDATED AUG 27**

What is the meeting about?

We are considering selling 3 acres of undeveloped land on the west edge of our property, which requires congregational authorization. Two years ago, we discussed and voted to authorize our council to do this very thing. However, the resulting process of unifying our land in City of Liberty boundaries took much longer than expected, so our original authorization expires Sept. 15. The buyer remains interested, but reauthorization is needed to proceed.



What will we vote on?

We will discuss and vote on whether to **reauthorize our Congregation Council to continue to negotiate terms, sign agreements, and/or decline further action on:**

- selling or encumbering *up to* 3.25 acres along the west perimeter of the property (exact boundary to be based on a land study);
- adjusting our mortgage and payments accordingly.

The new authorization would expire December 31, 2028

Who wants to buy the land and why?

Chalky Mountain Gymnastics and Youth Fitness has served Liberty for more than 12 years, with 1,200-1,500 kids participating in their programs each year. It is owned and operated by Kyle Zak. Visit chalkymountain.com to learn more.

Chalky Mountain has been renting their space and would like to build their own place. They love where we are located, and Kyle likes the idea of purchasing from and being neighbors with a church.

What would they build?

Chalky Mountain would like to build a gym that is approximately 120' x 285', a parking lot, and an outdoor fitness area. The building would likely be stucco, similar to their current location at 640 Haines Drive.



What are they offering us?

Chalky Mountain has proposed an owner-financed sale with monthly payments to the church over 8 years, totaling **\$660,000**:

Year 1	\$13,200 (single down payment)	Year 3	\$70,020 (\$5,835 paid monthly)
Year 2	\$56,880 (\$4,740 paid monthly)	Years 4-8	\$108,000/year (\$8,665 paid monthly)

A lump sum payment has been explored, but would need to be *significantly* lower.

This would be approximately \$220,000/acre. Land like ours has not recently sold nearby, so assessing the value is difficult. Nearby listings run \$100,000-\$175,000 per acre.

The bottom line for Hosanna! is not just dollars and numbers, but what resources we have to fulfill our mission serving God, one another, and our community.

What post-sale collaboration has been discussed?

We have discussed co-developing our unused acreage to include **trails** that cross properties. They are amenable to us using their **parking lot** (and adding a walkway) if we need it in the future. They have also offered some **use of their facility** for church events.

What is the anticipated timeline?

- **Early Fall 2026:** sign purchase agreement
- **Mid-Late Fall 2026:** feasibility study, construction plan, replat, rezoning
- **End of 2026:** closing and title exchange, receive down payment
- **Mid to Late 2027:** building and construction

What are the legal steps that need to happen?

We'd sign a **purchase contract** with the terms of sale and any conditions for cancellation.

Chalky Mountain would do a **land study** and create **building plans** to ensure feasibility.

Our **mortgage lender**, Thrivent, would need to approve the terms of sale. If they don't, we could seek to reconfigure our mortgage to remove the land from our collateral.

We would **subdivide our parcel** and **rezone** the new parcel to commercial in Liberty.

The buyer proposes an **owner-financed purchase**, secured by a **second deed of trust** after the construction lender. We would seek protection to allow us to work with the lender in case of a default. We would engage **legal counsel** before signing any document.

What other developments are happening around us?

104th Street improvements are being planned for 2027 or 2028. Terms with a buyer would account for any right-of-way sale to the city. A roundabout and modified church entrance is being planned for the **Church Rd. / 104th St. intersection** in 2028 or later.

Development east and south has been planned to include 3,000 residences, businesses, infrastructure, and 10,000 new residents, but the timeline has been delayed several times and is uncertain. Learn more at aviaraliberty.com (previously Montage).

Land value could rise, but we believe the offer is above-market. Valuation depends on a buyer wanting it if/when we want to sell.



Have we considered anything else?

A team of members met this summer to revisit our options. We have researched the land value, evaluated feasibility of building a space to expand ministry that would pay for itself, met with community leaders, reviewed other offers, explored leasing the land, and considered doing nothing. The team and our Council agree that proceeding to sell is still our best option in the short- and long-term to strengthen and grow God's ministry.

What if we need more space in the future?

We would **retain 1.75 acres of undeveloped land** west of our building and parking lot, **keeping 4.25 acres total**, with space for future building additions, parking, and other uses.

Worship capacity could be expanded anytime with additional service times and use of Chalky Mountain parking. If deemed necessary in the future, we could also inquire about purchasing property to our north.

How would Hosanna! benefit?

We could **pay down our remaining \$655,255 mortgage** in 8 years instead of 13, saving \$98,309 in loan interest. After it is paid off, we'd have the \$75,147 we're *already* expending each year for loans to do ministry.

Paying off our loan and rebuilding savings would help ensure **long-term sustainability, even if change happens**. Economic conditions and the conversation of our rental agreement with Brighton Academy becoming year-to-year after 2028 adds uncertainty.

Along with paying down our loan, we would have **an additional \$44,000+ each year**.

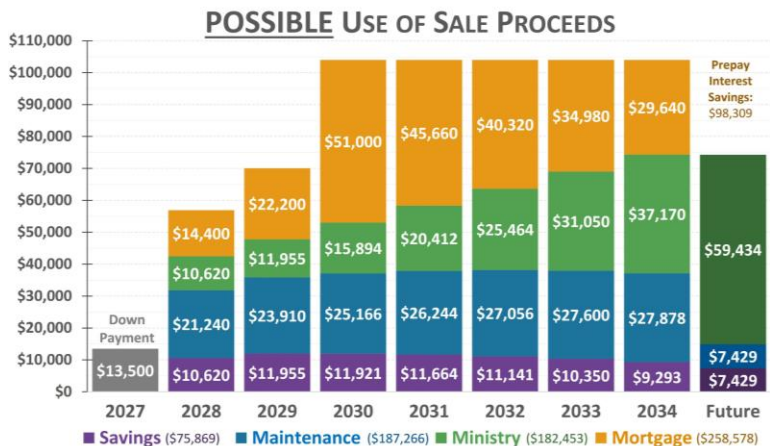
How could we use additional funds?

Our contributions and strategic actions are *sustaining* ministry, but we've spent years *just* sustaining. **We are eager for the opportunity to grow our ministry, tend to deferred maintenance, rebuild dwindling savings, and dream what else God is calling us to do.**

We'd plan and get congregation approval of how to responsibly use sale funds. Ideally, we'd adjust mortgage payments to **step up** our operating budget to post-mortgage levels (*example* below) to avoid unhelpful windfalls and maximize early saving and maintenance.

Here are a few *ideas* of what sale funds could accomplish:

- **replenish depleted savings** of our very thin safety net;
- **maintenance/improvement** to replace aging HVAC, floors, windows, and parking; improve accessibility; reduce energy use/costs;
- **new and expanded ministry** for kids, special needs, and music that empowers/equips current ministry and welcomes new people; begin new community projects and service; offer workshops and support groups to care for people; reduce donated time/expenses by volunteers; restore giving to churchwide ministries to match our size and vibrancy;
- **something else entirely new and wonderful** that we've not yet been able to dream of.



How do we decide whether this is the right path?

Whether we choose to sell land depends on what course of action we believe best serves God's mission through Hosanna! We seek clarity in conversation, planning, and prayer.