

# ST PAUL LUTHERAN CHURCH FACILITY ISSUES

## FORECASTED CASH USAGE

	<u>Best Case</u>	<u>Worst Case</u>
Current Foundation Funds	\$ 250,000	\$ 250,000
History	Average loss through May (\$12,614)	May Loss (\$15,607)
Monthly loss - 2025		
Best case	(12,000)	
Worst case		(14,000)
Remainder of 2025- months	6	6
REMAINING 2025 Total Need	(72,000)	(84,000)
Balance due on Boiler	(13,760)	(13,760)
Advertising reserve to spend	(5,400)	(5,400)
Estimated roof repair in excess of budget	(4,000)	(4,000)
Appraisal (2022 was \$3000)	(3,000)	(4,000)
Engineering Report (2022 was \$5,000)	(3,000)	(6,000)
Ending cash balance	(10,000)	(10,000)
<b>NEED TO END OF 2025</b>	(111,160)	<b>(127,160)</b>
Foundation balance at end of 2025	\$ 126,840	\$ 108,840
2026 Need		
Funds to close building (3-4 months)	(30,000)	(40,000)
2026 Funds for operations	\$ 96,840	\$ 68,840
Estimated 2024 Monthly Need	(11,000)	(13,000)
Assumes significant reduction in Insurance costs upon renewal		
Months of cash available in 2026 for operations	(8.8)	(5.3)
Through	September 2026	May 2026

## TRANSFER BUILDING TO NEW OWNER

IF building is transferred to the city or historical foundation, the expectation is that they would let us use the building.

However, looking at YTD results through May:

	Actual	
Onsite and online giving	\$ 37,736	\$ 37,736
Facilities	19,024	
Other	3,325	
<b>Revenue Totals</b>	<b>60,085</b>	
Administration & Operating	8,206	
Facilities Expenses	55,667	
Personnel	52,858	52,858
All Other Operating Expenses	6,427	
<b>Expense Totals</b>	<b>123,158</b>	
<b>Net Loss</b>	<b>\$ (63,073)</b>	<b>\$ (15,122)</b>

Personnel expense is primarily salary and benefits for a 3/8 time cantor, a 1/2 time pastor and a half time office administrator

Giving will not cover these costs.

Facilities income is the kitchen rental and the rental of six parking spaces in a nearby building.

If we stay in the building for free, we will need to retain the Kitchen revenue AND the parking revenue in order to be able to pay for the church staff.

The new landlord is not likely to give up the Facilities revenue. If they DO NOT, we may not be able to fund church staff at the current levels of giving and expense.

## SALE OF THE BUILDING

The potential value of the land could be \$1.0 to \$3.0 million. An appraisal will be carried out soon. This amount would be reduced by \$300,000 to \$500,000 demolition unless the buyer utilizes the facility. If the building is NOT demolished, renovation is likely to be \$1.5 to \$2.0 million. An appraisal is needed to clarify amounts.

A **guess** that the congregation could net \$500,000 to \$2.0 million from a sale

The historical designation of the building will complicate the process with additional approvals needed. Demolition Review for Landmarks and Historic District Properties:

<https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Community-Planning-and-Development/Landmark-Preservation/Landmark-Reviews-and-Demolition/Landmark-Demolition-Certificates-of-Demolition-Eligibility/Landmark-Demolition-Review>

This amount could create the possibility of moving the congregation to another location as a Mission Church or in rental space nearby our current location. The Central Park area has been a thought as there is not a Lutheran Church presence there. The proceeds could fund the Mission Church.

An appraisal is anticipated, and possibly an updated engineering report. In addition, we will need funds to pay utility bills until the building is closed or transferred to a new owner.

## COMMENTARY

The transfer of the facility to another entity could preserve the building as an excellent event and music center, but would make it difficult for a St. Paul congregation to continue in the facility under current giving and cost levels.

The sale of the building could fund a mission church allowing the St. Paul congregation to continue. With the low number of members and the possibility that the move would change travel distances for some members this is a possible but difficult alternative.

The complexities of these possibilities and the continuing use of Foundation funds make it necessary to make decisions in the very near future.

The investigation into transfer of the facility as an event center is proceeding.

**We have asked our property manager to begin to determine the process to sell the facility and/or the property.**

If we run out of funds before the sale, I believe the congregation will close and the building and any remaining church or foundation funds will go to the synod.

Ron Hoffman  
Treasurer