



Connecting Hearts, Renewing Lives

St. Andrew Presbyterian Church
140 Gathering Place Lane | Iowa City, IA 52246
www.saintandrew-ic.org

MEMORANDUM

July 11, 2022

To: Congregation of St. Andrew Presbyterian Church
From: Session and Land Sales Team

RE: Offer for Outlot A

Good news: St. Andrew has received an offer for one of the two pieces of property the church has for sale.

Western Home Independent Services, Inc.—better known as **Western Home Communities**

(www.westernhomecommunities.org)—has offered to purchase **Outlot A**, the land immediately to the west of the church building. The property is listed for \$930,000, and **Western Home's** original offer was for \$775,000. But they have agreed to a counter-offer of **\$825,000**, subject to approvals by (1) Western Homes Board of Directors, (2) St. Andrew's congregation, and (3) the Presbytery of East Iowa. As part of their development plans, **Western Home** will be responsible for covering any costs associated with extending **Camp Cardinal Road**, leaving the church without any further expenses concerning that road.

As you can see in the left-hand lower corner of the attached map, the purchase of our **Outlot A** would be part of an independent living-to-memory care community, like others **Western Home** has done in Cedar Falls and elsewhere. The group's master plan also includes purchasing the larger rectangular property north of our upper parking lot, which is owned by the Nepola family.

To help **Western Home** comply with city regulations, the purchase would also include a small piece to the right of our pond (at the end of the street in front of the turquoise-colored units on the map). That small piece would simply be a turnaround lane. **Outlot A** is **4.38 acres**, the turnaround piece is about **.45 acres**, so the total land being sold would be roughly **4.83 acres**. At a purchase price of **\$825,000**, that works out to **\$170,000 per acre**.

St. Andrew's **Land Sales Team** is excited about the possible synergies of having a community like this in the church's backyard. **Outlot A** is earmarked for the memory care portion of **Western Home's** campus. The units would be one or two stories and would not create the "canyon effect" we were previously concerned about.

We are excited about this chance to pick our neighbor/neighborhood, and enjoy the relationships that could flow from this over the years. Session has approved this purchase, and now we bring the opportunity to our Congregation. The deadline for satisfying all contingencies on this offer would be September 23, 2022, with closing to be held within 30 days thereafter.

Please join us at the Congregational Meeting that has been called for After Worship Sunday July 17, 2022. This meeting will take place after the conclusion of the 9:30 a.m. service and before the **Capital Campaign Pancake Breakfast**. You can also join by Zoom: <https://bit.ly/sapc-meeting-071722>.

MOTION: The Congregation of St. Andrew Presbyterian Church approves the sale of Outlot A and a small turnaround parcel at the far end of the development (about .45 acres) to Western Home Communities at the price of \$825,000.00. (Upon congregational approval, this sale will be forwarded to the Trustees of the Presbytery of Eastern Iowa for their final concurrence.)

Sincerely,

John Benson

John Benson, on behalf of St. Andrew's Land Sales Team (*Session: Tim Benson, Eric Goers, and Becka Simpson; Congregation: Nathan Schuchert; Pastor: Rob Martin; Agent: Jeff Edberg*)

Here is a brief history of the five-year trek to get to this point, including prior expressions of interest and offers:

2017: St. Andrew netted \$685,000 from sale of the land along Gathering Place Lane on which the two apartment buildings now sit.

2018: St. Andrew executed a purchase agreement for \$930,000 with a local builder that was, however, subject to reaching an agreement on who pays the roughly \$300,000 for extending Camp Cardinal Road. No agreement was reached, and the deal did not close.

2019: St. Andrew received an offer of \$950,000 for Outlot A, plus an expanse of land along the Walnut Ridge homes on the other side of the church building. So, in effect, the value attributable to Outlot A in that offer was not sufficient. We did not pursue the offer any further.

2019: St. Andrew received an offer from the Housing Fellowship for \$800,000. This would have been a tax credit financing structure that would have taken up to two years to complete. The offer fell through, however, when the Housing Fellowship was unable to acquire the other funding needed to put the deal together.

2019: St. Andrew received an expression of interest or offer from a local investor for \$600,000 but did not act on that.

2020: St. Andrew received another expression of interest or offer from a local investor for \$600,000 but did not act on that.

2021: St. Andrew received a \$900,000 offer from a group that was going to do a tax credit housing project – that would have been (like Housing Fellowship) a long-term, highly conditional deal. That fell through due to timing issues on the buyers' end.

2022: St. Andrew negotiated the present agreement for \$825,000, which could close within 3-4 months, per its terms and is subject to other contingencies, including (1) municipal review/approval of needed agreements and permits including any site plans, comprehensive plans, development agreements, rezoning agreements, etc.; (2) appraisal showing the development is fiscally viable; and (3) environmental due diligence.