

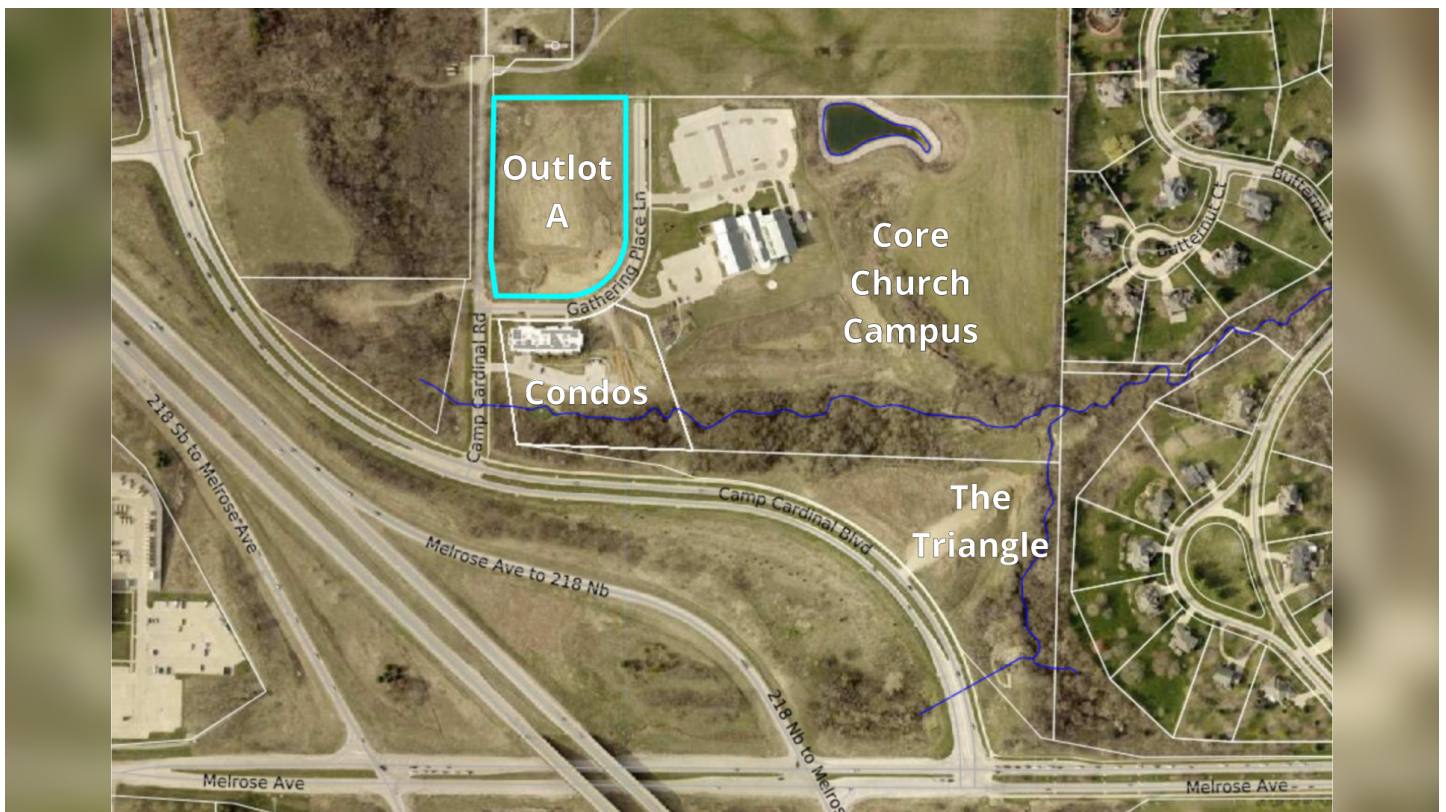


Connecting Hearts, Renewing Lives

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

July 14, 2022 — As St. Andrew's **Land Sales Team** recently announced, **Western Home Communities** (www.westernhomecommunities.org) has offered to purchase St. Andrew's **Outlot A** for **\$825,000**, subject to approvals by (1) Western Home's 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**. In preparation for the **July 17 Congregational Meeting**, below is a list of questions and answers concerning the purchase. A representative from Western Homes will attend the Congregational Meeting to give a presentation of the organization's plans and answer any questions.

How much land does St. Andrew own?

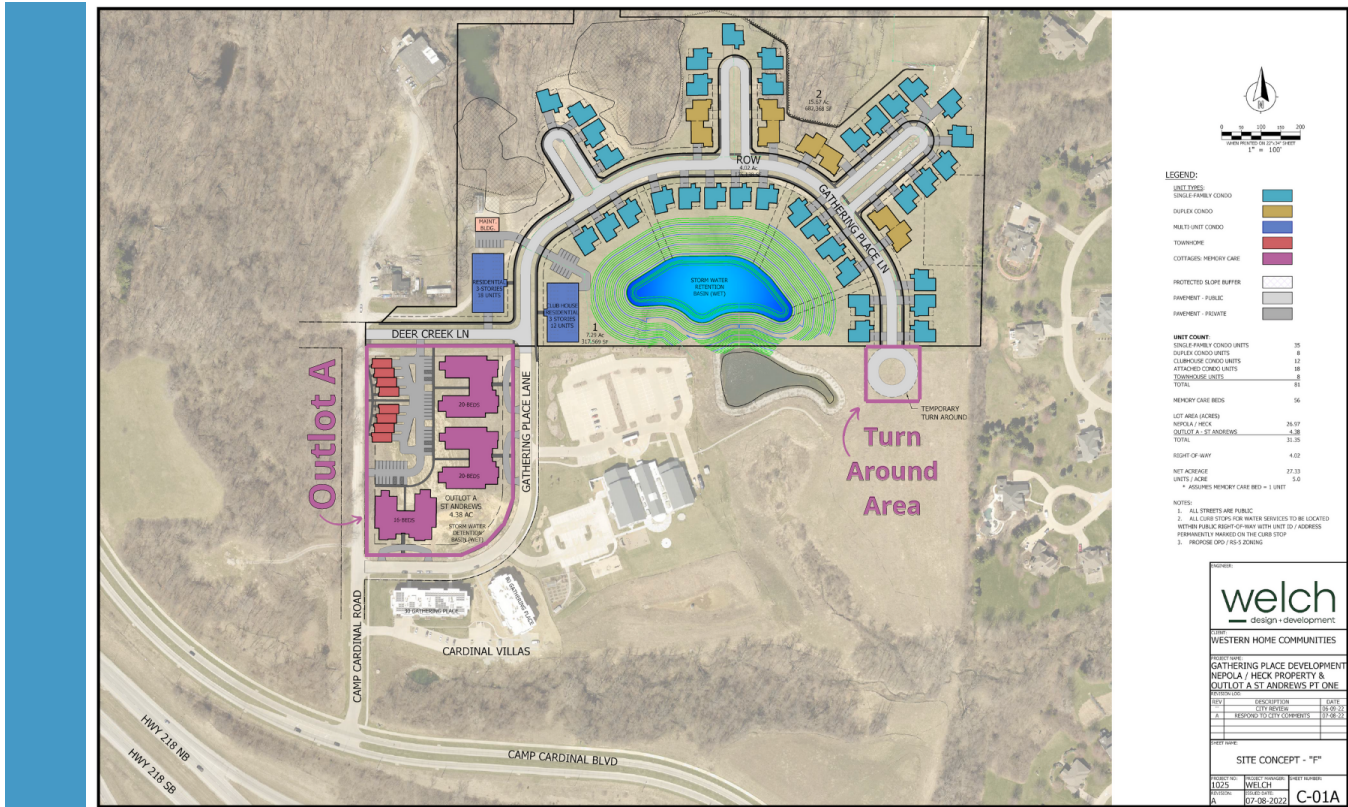


In 2009, **St. Andrew Presbyterian Church** purchased a little more than 40 acres of land along Camp Cardinal Boulevard, with plans to sell three parcels to help fund the construction of a new building:

- **3.5 acres**, sold in 2016 and on which two Cardinal Villas apartment buildings now sit.
- **7.2 acres for The Triangle**, a commercial property currently listed for \$1 million (<https://bit.ly/sapc-triangle>).
- **4.38 acres for Outlot A**, a residential property currently listed for \$930,000 (<https://bit.ly/sapc-outlot-a>).

The sales would leave about **24 acres** of property for a **Core Church Campus** (<https://bit.ly/sapc-core-church-campus>) on which to construct the building, parking lots, gardens, landscaping, recreation facilities, and other outdoor amenities.

How much property is Western Home offering to purchase?



Western Home is offering to purchase all of **Outlot A** (about 4.38 acres) to use as part of a larger independent living-to-memory care community that includes purchase of a large parcel of land north of St. Andrew. They are also asking for a small section of land (**0.45 acres**) on the northwest edge of St. Andrew property to use as a city-required turn around spot for emergency vehicles. Selling this property would leave St. Andrew with **23.76 acres** for the **Core Church Campus**, plus **7.2 acres** for The Triangle.

What is Western Home offering to pay?

Western Home's initial offer was \$775,000. After some negotiations with St. Andrew's Session and Land Sales Team, the offer is now **\$825,000** for **Outlot A** and the **Turn Around Area**. Outlot A has been listed for \$930,000, and appraisers have been unable to provide an estimated value for the turnaround spot because the land is not accessible by itself. Western Home's offer basically divides into \$775,000 for Outlot A and \$50,000 for the turnaround land. \$825,000 for 4.83 acres works out to more than \$170,000 per acre. *(A list of previous offers is included in the timeline below.)*

What is Western Home Communities?

Western Home Communities is a charitable Christian service organization that constructs and operates living-to-memory care communities. You can learn more about the organization at www.westernhomecommunities.org. St. Andrew's **Land Sales Team** is excited about the possible synergies of having a community like this in the church's backyard.

How big will the buildings be?

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" that many in the congregation have been concerned about in past development proposals.

How does this fit into St. Andrew's long-term land use plans, especially in terms of parking?

Session decided against trying to use Outlot A for paved parking expansion because, as weird as it seems, the fact that the land is on the other side of a city street means city regulations make it very difficult for us to do so. As such, shortly before the pandemic began, Session approved several options ([Options B, C, E, and G in the documents listed below](#)) for parking expansion closer to the building — and none of that land is included in the proposed sale.

The Land Sales Team did ask our engineers for an estimate on what it would cost to develop the southern portion of Outlot A into Grass Overflow, in case St. Andrew never received a viable offer in the land. That information is included in the documents as [Option F](#). Session ended up agreeing with the Land Sales Team's assessment: *"Implementing Option F, however, further involves additional costs in that it would require taking the property off the market and delaying (if not forgoing) any hope of obtaining \$750,000 or more by selling the property. And any future significant development of the property by St. Andrew is likely to require the church to cover the estimated \$350,000 to extend Camp Cardinal Road to our property line."*

Information about those parking options and the Master Land Use Plan have been posted to the Building Use and Resource section of the church website (<https://saintandrew-ic.org/building-and-resources>).

- Information about the Parking Options are available at <https://bit.ly/sapc-parking-options>.
- The Master Land Use Plan 2020 is available at <https://bit.ly/sapc-master-land-use-plan-2020>

How long is the contingency period on this offer?

The deadline for satisfying all contingencies on this offer would be **September 23, 2022**, with closing to be held within 30 days thereafter.

What is the exact motion to consider?

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.)

How do I vote?

We will hold a hybrid **Congregational Meeting** soon after the worship service (**about 10:30 a.m.**) on **Sunday July 17**. You can attend the meeting in-person or via Zoom (link: <https://bit.ly/sapc-meeting-071722>). All members and friends of St. Andrew are invited to attend the meeting, but only confirmed members of the congregation are eligible to vote.

Timeline on the Sale of Outlot A

Here is a brief history of the five-year trek to get to the current offer on Outlot A, 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 Cardinal Villas 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.