OUR SAVIOUR'S
LUTHERAN CHURCH

2026 Special Congregational Meeting – Consideration of Property Purchase
Frequently Asked Questions - Updated 8/6/26

Summary

To make the most expansive vision for property stewardship possible, the Council is calling a Special Congregational Meeting on **Sunday, August 9, 2026,** immediately following worship to consider purchasing the home at 1934 E. Mabel Street, adjacent to church property. We have reached an agreed upon $578,000 price with the seller, contingent on the congregation's vote. The financing proposal for the purchase uses available funds and would not require a mortgage.

This FAQ provides information to help voting members discern. During the meeting, the Council will review the information in this handout and other updates, answer questions, and the congregation will discuss and then vote on whether to authorize the purchase.

What is the vision?
Taking the next steps in property and land stewardship is a priority for the Council and a clear priority for many who attended the June 28 Listening Session. This particular purchase is part of a long history of property that creates opportunities that current or future generations may discern. Over the years we have imagined and explored a range of ideas such as affordable housing for seniors and families, childcare center, music center, campus expansion, community partnerships, hospitality ministries for students and patients and their families, continued rental income for supporting mission and ministry, and more. Our next work is imagining and acting on what God can do with the property and land stewarded by Our Saviour's.

What is our history with houses?
Throughout its history, Our Saviour's has viewed neighboring residential property as part of its long-term stewardship of the campus. Over the years, we have been able to purchase homes adjacent to our worship spaces. These purchases have allowed this

congregation to expand the Activity Building and Youth Center. Homes have been used as spaces for Lutheran Social Services, laundry and shower space for people who are homeless, a youth group center, a senior home, a parsonage, and as rental properties. We have created homes for refugee families, adjunct faculty, students, young families, hospital employees, traveling nurses, pastors, and others drawn to the vibrant Blenman Elm neighborhood near Banner Medical Center and the University of Arizona. Our Saviour's currently stewards eight other homes and one apartment and is familiar with the costs and benefits of caring for residential property in Blenman Elm.

What property and why consider this now?
1934 E. Mabel Street, a four-bedroom, two-and-a-half bath home adjacent to our north parking lot, is the last privately owned parcel on the block where Our Saviour's sanctuary and main buildings are located. This home was last available for sale in 2020 and at the time, the congregation was without a called pastor, and it was early in the Covid pandemic. Since then, the primary priority of our congregation has been rebuilding and turning our mission to focus more outside the walls of our congregation. Members more familiar with the long-term vision of property stewardship asked the Council in June to consider the purchase. After hearing their views and inviting more during the June 28 listening session, the Council decided to bring this to the full congregation.

Has Council already decided to buy the house?
No. The Council voted to hold a Special Meeting so the congregation could discuss and decide. Because of the time-sensitive reality of a property purchase, the Council formed a working group to negotiate a contingent offer. This preserved the congregation's ability to decide with the constitutionally required extra notice period for a Special Meeting. The purchase cannot proceed without approval from the congregation at the Special Congregational Meeting.

What are some risks if we buy – and if we don't?
In buying the house, we take on risks such as maintenance, unexpected repairs, and periods of vacancy. In not buying the house, we risk the permanent or greatly delayed loss of adjacent property and reduced future flexibility. In preparation for the vote, we completed inspections with no major findings in the roof, sewer, or foundation.

What is the cost and how would the purchase be financed?
We have agreed with the seller on a purchase price of $578,000 and the proposed closing date is September 4. <u>This is contingent on the congregation's vote.</u> We would purchase the property using existing designated funds in our endowment (they would remain

endowment designated funds), non-designated bequests, and voluntary contributions from the current congregation.

What is the expected income and what are expected ongoing expenses?
Based on the current market and our neighborhood, we can anticipate about $27,500 annually in rental income for this home. Property tax will be about $3,000/year. We pay 10% of rental income to a property management company. In addition, we typically allocate $3,000 each year for repairs and upgrades at each of our homes.

Can you provide more details about how we would pay for it?
Here is the proposed plan; slight modifications are possible based on final numbers.

Source	Amount	Note
Existing CD	400,000	Endowment Decision
Non-designated funds	75,000	Council Decision
Olsrud Gift	25,000	Council Decision
Special Campaign	80,000	Gifts from Individuals
Total	580,000	

<u>$400,000 from Endowment (Endowment Fund Decision)</u>

The Endowment has $637,000 in funds in a Mission Endowment Fund CD that will be available in August. Typically, we would reinvest the funds in a new CD. Presently, these CDs are being offered at 4.005%. The Endowment Committed voted on August 5 to recommend investing $400,000 into the house. They would receive interest payments equivalent to those from Mission Investment Fund to be used for Endowment grants. This would come from rental income earned.

<u>$25,000 from Olsrud Gift (Council Decision)</u>
In 2022, Lois Olsrud donated a home to Our Saviour's. The home was sold and generated $180,000 in profit. At her request, 50% went to the Endowment and 50% towards the General Fund. We used $54,000 for roof repairs to rental homes. We could use $25,000 of the remaining $36,000 towards the purchase.

<u>$75,000 (Council Decision)</u>
In 2019, the congregation received two bequests with a combined total of about $500,000. They were non-designated and the decision at the time was to not put them in the Endowment but to keep them available for innovation/vision/mission. The Council has kept these funds set aside for such use. Currently, they also

produce income that is used for mission and ministry. We could use $75,000 of the existing $579,000 from this fund for the purchase.

<u>$80,000 (Congregation Response)</u>
While we are extremely fortunate for the generosity and vision of previous generations, we are the ones making the decision. We have already received commitments totaling $62,000 towards this project. We will be doing a special project for those who would also like to contribute a special gift of any amount. Through gifts, labor, prayer, and love, our congregation will be part of blessing the house and reigniting the long-term property vision for Our Saviour's. And if we exceed our goal, one person has proposed the mission-related idea of covering the rent for one year for another available house that is well-suited for service to the neighborhood.

Timeline

- March 2026, house listed. Council Executive Committee discusses, declines to explore further.
- June 16, June Council Meeting: Members meet with Council regarding purchase, Council decides to hold a listening session
- June 28: Council holds Listening Session about property stewardship
- June 30: Background Working Group formed to learn more about property (Patty Sirls, Meg Hughes, Fred Hudson, Sheila Bustamante, Pam Hardman, Kent Pflibsen, Mary Lou Forier, Jack Wahls).
- July 18: Background Working Group meets, prepares informational report
- July 20, July Council Meeting: Council votes to schedule Special Meeting of the congregation and authorizes an Offer Working Group to work with a realtor to prepare an offer contingent on congregation's vote. The Endowment Committee gives verbal support for use of funds.
- July 23: Offer Working Group tours home and meets to discuss offer (Patty Sirls, Meg Hughes, Eric Howard, Joanna Keyl, Pam Hardman, Sheila Bustamante).
- July 27: Council holds Special Meeting via Zoom to authorize Patricia Sirls to sign paperwork related to the offer.
- July 30: Contingent offer of $578,000 with closing date of Sept. 4 accepted
- August 2: FAQ distributed in worship and available by request
- August 3 - 6: Inspections Completed
- August 5: Endowment Committee Meeting – Voted to recommend investment

- August 9: Special Congregation Meeting to vote on purchase and next steps