

Colorado Family Church: Thank you and Decision to Postpone Purchase of New Church Building

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Proposed new church building

Hi everyone,

I wanted to thank you all for being open to this potential new building and coming on the tours and sharing your feedback. I'm very grateful to all of you for your support and that we can talk honestly with one another. I know it has been challenging for some of you. I'm going to try to keep this email fairly short, but I will talk more in-depth this Sunday at service. These past two weeks have been a bit of a spiritual journey for me to be honest and I feel like I gained so much out of this experience.

This journey started a couple years ago when our minivan was the victim of a shooting in the park. It was a very stressful time for that reason and a few others, and I thought it would be good to receive notifications about potential churches for sale. Over the past 2 years, nothing even remotely interesting or feasible popped up, and it was two weeks ago I woke up to the email about this property. I was very curious and scheduled a tour. As we walked through the building, I was so excited at the possibilities that I could see for our community in the future, both in terms of how we could use the space inside, like having a young adult room with a ping pong table, a library and museum with our church history that anyone could come and see (remember my apple store idea?), as well as the outside due to the potential to build houses on the 3 acre plot, a community garden, or just about anything else we could imagine. It was so exciting to think we could be in a nice neighborhood where people would be happy to live close by. It's also true that it would be very helpful for the school to grow, but that was not the main reason we looked

at this property.

I know that many of you could also see the vision for the property, even though it is much bigger than we need and the practical issues were large. Up until this afternoon, I thought that we could find a way to make this property feasible for us, but now after looking at all the numbers objectively, I have to admit that it is not possible for us at this time. I have attached Namvan's feasibility study for the building. With his experience and involvement, I feel very confident that were we to own the building without any debt, the building would actually make us money in surplus of its expenses. However, the gap between the purchase price (3.8m) and the sale price of our building (2m) is too wide. Even if they took a lower offer and we sold our property in the Springs, we would have to raise a huge amount of money and/or take on a big loan. A loan would destroy us financially and I don't really feel confident to raise \$500k-\$1m. Interestingly, 2 years ago our building was worth close to \$3m and the other church is currently overpriced, so there is some possibility that over time, if it doesn't sell and the commercial market in Denver improves, we may be in a position to make a more even trade in the future.

So in short, we haven't given up entirely on the building and there are things that we will work on to increase the value of our property and put ourselves in a better position to buy in the future. If we could find a way to make this happen without accruing a large debt, I feel confident we could make it work with Namvan's help. Even if it is not this building, we would like to find a new church home someday in the not-too-distant future, but fortunately we are not in a dire situation that requires us to move right now. That is something to be grateful for.

Thank you for reading, and I just want to say once again how much Adonia and I appreciate all of you. Today is the day we arrived here 10 years ago, so it's our anniversary and we feel so grateful for the wonderful, amazing community that we have built all together. Here's to many more wild rides in the future

This document is to gather information and evaluate the church community's needs, desires & possibilities before any potential future purchase.

WHY the desire to buy a new church building?

For some time, there has been a desire to look for a larger church property for the growing Denver Family Church. The space use downstairs has reached its maximum.

- There is a desire/need for more and larger classrooms for the Sunday school classes
- The Acton School that uses/rents the Sunday school classrooms has a waitlist due to current space limitations. They want to expand to more classrooms.
- Many times, the lunchroom in the basement is very crowded and has a hard time accommodating everyone.
- No ADA access to main hall and lunchroom make it cumbersome for our elder members.
- The building is an older building with many “older building” maintenance issues.
- The continued safety concern of the neighborhood. Last week there was again a shooting in the park during the daytime right next to the playground.

Limitations going forward when decided to not move:

The current church location does not allow for much space to build/expand on the current footprint/lot. Even with an expansion it might be difficult to have all current and near future church space desires met. Any large renovation will most likely trigger a requirement to make the building compliant to current code i.e. fire sprinkler and ADA improvement, and possibly other issues, which come with substantial cost. Denver City is known for its strict code and planning department.

The Proposed purchase of Wheat Ridge Church Building

The Church Building in Wheat Ridge is 26,722sf. It sits on 3.18 Acres, and the asking price is \$3.8M. There is the possibility in future to subdivide or build a parsonage/small scale apartment building/housing on the property.

Side by side comparison	<i>Current church building</i>	<i>Wheat Ridge church building</i>
Year built	1957	1982
Building Square feet	7,939sf	27,722sf
Lot sf	21,777sf	138,884sf
Parking spaces	21	130+
Main hall seating capacity (Class)Rooms	170 (110 dining) 3	300 seating capacity 26 rooms
Bathrooms	3 bathroom (unisex)	5 woman's/3 men's bathroom

Broad stroke money talk (the Real estate market has softened a little compared to 2022)

Wheat Ridge church asking price \$3.8M possibly buy for \$3.4 M- 3.6M

Denver Church Sale (valuation has been all over the place from \$2-3M) Possibly sell for \$2.4M

Our church owns a rental property in Colorado Springs CO, and the church would be open to sell this. Possibly sell for \$450-500k per realtor assessment of comparable sales.

There would be a gap of about \$500,000 – 1.3M depending on final purchase/sale prices where the church will need to raise funds for and/or get a loan.

Current church building assessment per DenverGov

Land Value \$1,754,200

Improvement \$ 694,800

Total \$2,449,000

Positives/Negatives of the Wheat Ridge church building

Positive

Located in great safe residential area. Next to baseball field/park with basketball court. Location just outside of Denver. Close enough for Denver resident to drive to Wheat Ridge. Located central to Denver Metro area. Just North of current church location.

A beautiful new building can activate the church community to volunteer, to take on a responsibility within the church and invite friends and neighbors to join a service.

Enough space for our church to grow into.

Enough classroom space for Sunday school classes. Rooms are also much larger in size.

Enough space for Acton Academy to grow.

Enough space to accommodate everyone for lunch.

Enough space to accommodate larger events

Enough space to allow for church workshops, summer camps & GPA visits/stays.

ADA compliant. It has ADA bathrooms and Main Hall and lunch is on the 1st floor. (2nd floor access by stairs).

Built in 1982, the building is much newer than the current church building. Electric, water & gas all up to date. Shingles and the main roof bitumen were replaced in 2018, with 25yr warranty.

Main hall had new carpet and paint installed earlier this year (2024).

Sound system replaced 2017, AV system 2020, AC Unit 2013

There is a beautiful and large commercial kitchen.

Sufficient parking space.

Main Hall & Classrooms are at a level that they can be rented out for Meetings, Conferences, Events, Team Building, Family Reunions, Weddings, Summer Camp programs etc. This will need someone to market this location. This can generate income to cover (part of) the church expenses and support activities.

Negative

With a bigger building comes more upkeep, higher heating and cooling expenses, cleaning cost.

Feels like its big, compare to the snug building we are used to.

Financial risk of not being able to rent the Main Hall and some of the classrooms to cover the extra cost.

In some areas the building could use some updating cosmetically (paint, lawn, etc)

With change comes opportunity/risk

Renting out the Main Hall and break out rooms.

Everything at the Wheat Ridge church is built for large groups. The parking, the entrance and the main Hall is perfect for large groups. The Main Hall is impressive, and it has a large stage and is in great shape. The building is located centrally within the larger Denver Metro area, and not far from Denver. Per U.S. Census Bureau 2024 household population within a 15-mile radius of this church is 1,763,152 people.

The main hall and some of the rooms can be rented out for Meetings/Conferences/Events/Team Building/Family reunion/Weddings/Summer Day Camp programs. There are several websites where we can advertise the facility.

We can reach out to dance & music schools, martial arts schools, etc. There are many organizations/schools that need a larger facility to do their Christmas or end of year performance to showcase the kids progress to their parents.

We can look to rent unutilized rooms (on a short time base) to non-for-profits. As per a commercial real estate site loopnet.com office space rents start at \$12/Sf/yr.

Classrooms can be rented out to Birthday parties, sweet 16 parties etc. A quick search shows prices of \$400-600+ for this.

There is also the possibility to find another church to rent from us, where they have their service at a different time.

After a quick search I found there are a lot of banquette halls and venues specialized in weddings and events. Many are really over the top luxurious. I wanted to get as accurate as I can get comparing the church to other church venues. Many locations will show "request pricing" because it all depends on the amount of people and what kind of event it is.

<i>Peerspace.com</i>	church hall <128 people 2,500SF \$150/hr 3hr min
<i>squarevanue.com</i>	Storyline fellowship break rooms and main hall request pricing
<i>giggster.com</i>	Spanish colonial style church 60-max 225 people \$101/hr 4 hr min
<i>eventective.com</i>	Central Presbyterian church cap 930 people \$2,000/event
	LifeSource Adventist fellowship cap 700 request price
	Unity of Boulder spiritual center
	Fellowship hall <150 people seating cap \$250/hr min 3 hr
	Sanctuary hall <500 people seating cap \$375/hr min 3 hr
<i>weddingwire.com</i>	The Sanctuary Denver request pricing
	Calvary church Golden request pricing
	The church at Woodmoor Monument request pricing