

# The House of Hope Presbyterian Church



Parking Lot Task Force  
Visioning Report  
November 2023

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## EXECUTIVE SUMMARY

To address the stewardship of the 760 Summit Avenue surface parking lot owned by The House of Hope Presbyterian Church, the Session approved contracting a consultant, Sara Joy Proppe of Proximity Project, to lead a task force to facilitate property visioning around future development of the site.

The Parking Lot Task Force participants included: Patrick Boylan, Mary Cardinal Peterson, Charlie Essig, Ann Harrington, Andrew Karre, Rev. Scott Kenefake, Joyce Nelson, Kevin Walli, and John Zwier. The group met bi-weekly from September-November 2023 to discern and evaluate the perceived risks and rewards, church capacity, risk tolerance, and missional criteria to inform a guiding framework for the future sale and/or development of the parking lot property.

Based on a survey and discussions, the group came to consensus around these findings:

### Future Property Ownership

- Maintaining full ownership of and responsibility for the parking lot property (in its current form, or in a future redevelopment) is not desirable or in the best interest of the church.
- Relinquishing all ownership of the property is a viable option, particularly if the future owner/developer and/or development aligns with missional goals of the church and contributes positively to the neighborhood.
- There is an expressed interest in the idea of shared property ownership, however, the group questions the appetite and capacity of the church for sustaining a long-term development partnership.

### Church Capacity

- The partnership role of HoH in a future project is best demonstrated through front-end/predevelopment support, such as leading city and neighborhood conversations and providing professional guidance.
- Tying any future development community programming into current HoH programs and rhythms is desirable, but the capacity to develop new programs and services to serve a new development is lacking.
- HoH is not currently positioned to assume monetary investment risk in a partnership structure for a joint venture type of development.

**Missional Alignment Opportunities**

- Providing Housing
- Providing Community Space
- Supporting a BIPOC Developer/End-user
- Connecting HoH's main campus programs to future users/uses of the site
- Providing the support or funds to enhance the building materials and/or sustainable building design in a new development
- Discounted sale price
- Land donation
- Market price sale with funds earmarked for HoH programming/renovations that bolster community engagement

The Task Force also identified several questions that should be answered and areas for further research that should be explored. The following is a list of recommendations/next steps for HoH to pursue in the next phase of property visioning for the parking lot.

**Recommendations/Next Steps**

- Convene a Feasibility Task Force for the parking lot to achieve three main objectives:
  - Conduct fact-finding conversations with key people and institutions.
  - Assess how any revenue from the parking lot property might be used.
  - Integrate parking lot feasibility findings into the Master Plan and Developing for the Future work.
- Develop a church-wide communication plan to promote transparency throughout the discernment process.
- Identify resources within the congregation that may support development (survey/table discussions/comment box).
- Form a dedicated prayer team for the work to invite greater participation from the congregation.
- Continue to refine the Development Priority rubric as a tool to assess and pursue development opportunities.





# PROPERTY OVERVIEW

## PROPERTY OVERVIEW

HoH's current Master Planning process has focused on addressing the future renovations to the main church campus (797 Summit Avenue) and Portland Avenue parking lot (787 Portland Avenue). In light of the forthcoming Master Plan, the 760 Summit Avenue parking lot remains disconnected and significantly underutilized.

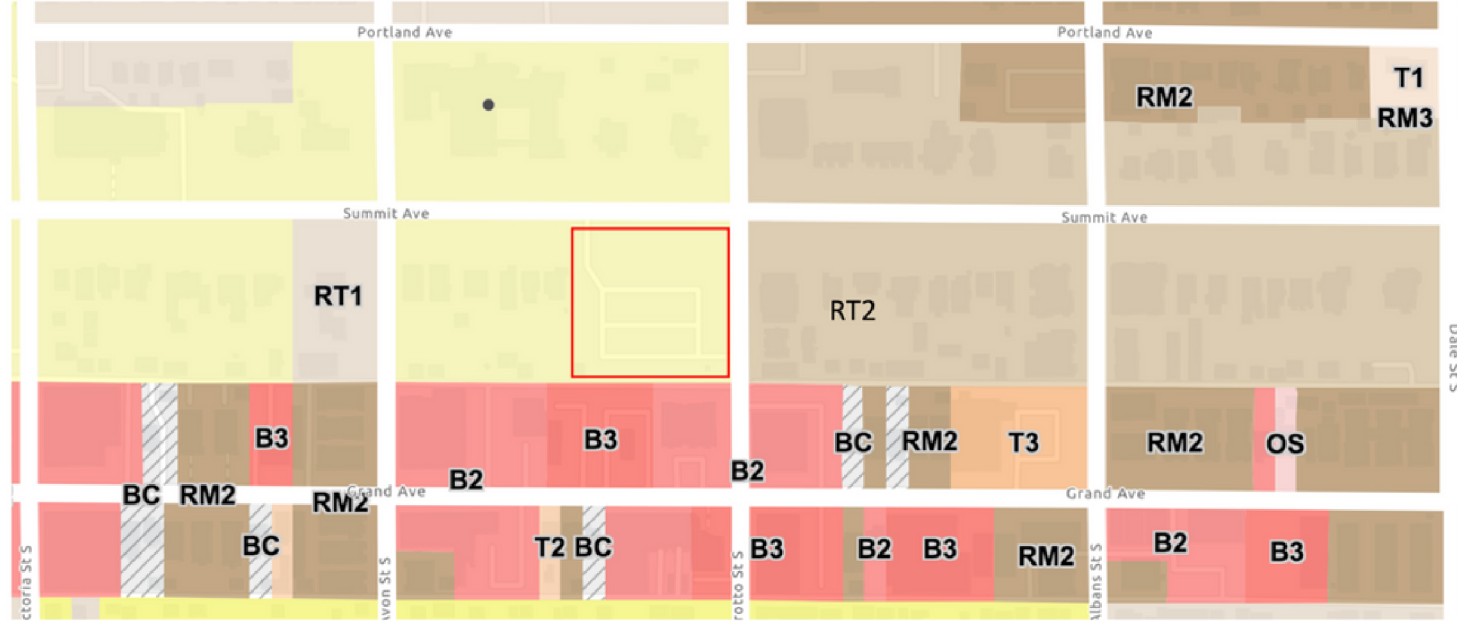
### *Current Value and Zoning Context*

HoH has owned the 760 Summit Avenue parking lot parcels since 1948 and 1953. Original city platting shows the property to consist of six single-family home lots that are platted as one lot which is 60' x 250' and five lots which are each 40' x 250'.

Property ID	Parcel Size	Zoning	Tax Status
022823420001	1.49 acres; 64,904 SF	R2 – Single Family Conditional use granted for business parking	Exempt

Based on the current zoning and current land valuation, the property value is likely in the range of +/- \$2.25 M. A zoning change to allow for higher density (upzoning) would provide additional value to the land. Depending on the level of density that could be achieved, the value may increase to +/- \$3.5 M.

A broker opinion of value (BOV) and/or appraisal is recommended to evaluate and confirm current market conditions for the property value. See Appendix A for the most recent BOV, obtained in 2022.



There is contextual precedence to support an upzoning to the parking lot property. On the southeast corner of Grotto and Summit, directly east of the parking lot, the zoning is RT2, which allows for 2-4 family and townhouse structures. Based on the number of existing condos and townhomes on the lot across Grotto, the density calculation for this site is ~14.5 dwelling units per acre.

Applying this density metric to the parking lot property (~1.5 acres) would translate to ~22 dwelling units for the parking lot property. A case for even higher density could likely be made given the current political climate and needs for increasing the housing supply and bringing properties back on to the tax rolls in Saint Paul. However, the historic nature of Summit Avenue and the corresponding historic district guidelines will play a central role in dictating the scale and style of development that may be approved.

Requesting a change in zoning requires a public hearing process and City Council approval. Securing a change in zoning is typically a 2-4-month process. See Appendix B for some example images of housing types that were reviewed with the task force that might align with the local context and zoning considerations.

### Current Use and Maintenance

Since 2000, HoH has leased the property to Mitchell Hamline for parking. In exchange for the lease, Mitchell Hamline assumed all costs for property maintenance, such as plowing and mowing. As of 2023, the school has chosen not to renew the parking lot lease.

There are currently 135 + 5 ADA parking stalls on the property. As is stands today, HoH is carrying all costs for continued maintenance of the lot, though the church uses it de minimis. It is noted that the lot is used several times a year for larger community events held by the church.

Annual budget allocation to maintain: \$15,000 (plowing, mowing, insurance, city assessments)

Current bid to repair: \$129,700 (patching, sealcoating, new mill and asphalt overlay)

Holding costs for the parking lot are relatively minimal on an annual basis. The maintenance and repair investment required to keep the site as a well-functioning parking lot in the coming years is significant.





# TASK FORCE FINDINGS

### TASK FORCE FINDINGS

Based on a group survey (see Appendix C as reference) along with several facilitated discussions, the following is a summary of the group findings which informed the Next Steps/Recommendations.

#### **Future Property Pathways Exploration**

Three general property pathways were discussed and assessed by the task force. These included:

- Maintaining full ownership of the property
- Relinquishing all ownership of the property
- Sharing ownership of the property through some form of partnership

#### *Pathway 1: Maintaining Full Ownership*

The group expressed consensus that maintaining full ownership of and responsibility for the parking lot property (in its current form, or in a future redevelopment) is not desirable or in the best interest of the church. Key reasons for this conclusion include:

- As a “siloe” piece of property, it detracts from the energy and resources necessary to shape the mission, programs, and facilities of the main campus.
- The current use of the lot for several larger community events hosted by the church on an annual basis does not merit continued, long-term use or maintenance investment as a parking lot.
- Volunteer power to implement or expand church programming that would predicate or necessitate the use or (re)development of the parking lot is limited, or even non-existent.
- There is little appetite on behalf of the church for investing capital or assuming debt to lead a development project with the property.
- Neighborhood residents and City of Saint Paul would be better served by a development that provides a resource (housing, community space, or the like) and tax dollars for community investment.

*Pathway 1 Key Takeaway:*

- Exploring options for maintaining HoH's full ownership of the property is not advised.

*Pathway 2: Relinquishing All Ownership*

Relinquishing all ownership means completely divesting of the parcel through a property sale or donation. The group expressed a strong willingness to consider this option, particularly if the future owner/developer and/or development aligns with missional goals of the church and contributes positively to the neighborhood. Key reasons noted for relinquishing all ownership of the property include:

- Allows another entity to use the property more effectively for the good of others.
- Provides an opportunity to raise funds for HoH.
- Relieves HoH of the energy and monetary investments required to maintain an on-going stake in the property.
- Reduces the diversion of church staff and congregational bandwidth from the main campus planning and programming.

Considering this pathway raises an important question of how much revenue is needed or desired, if at all, through the sale of the property? The chart below provides a general overview of sale types and corresponding parameters that were presented.

Type of Sale	Revenue	Missional Control over Property Use	Timeline
Market Rate	\$2-\$3 <u>Million</u>	Little control	1-2 years
Discounted	\$TBD	Moderate control	+/- 3 years
Donation	\$0	Most control	+/- 3 years



While the task force agrees that revenue is an important component to consider, achieving missional goals was emphasized as equally important.



#### *Pathway 2 Key Takeaways:*

- The task force agreed that accepting a prolonged timeline for selling the property to meet missional goals is workable if proactive steps are being taken to find a missional use(r). The Prior Crossing - Houses of Hope project, was used as a reference for recognizing that the project took five years to complete yet was strongly supported because of the missional purpose served. The group's concern is allowing a significant amount of time to go by without proactive steps towards a divestment solution.
- Several questions need to be answered regarding revenue generation from a sale and defining the missional criteria for a sale or donation. Specific guidance for addressing these two facets is outlined in the Next Steps/Recommendations section of this report.

#### *Pathway 3: Sharing Ownership*

Sharing in the ownership can be shaped in a myriad of ways, such as partnering with a developer to provide space for direct missional services/programming for the end-users, contributing land as equity in a joint venture partnership, or providing a ground lease for property development. While the task force expressed an interest in the idea of shared ownership, the conversations revealed uncertainty about the church's appetite and capacity for sustaining a long-term development partnership. Key reasons for this include:

- There is strong reluctance to divert current staff time or hire others to take on designing and forging a partnership deal with the property.
- Upfront investment risk in a development partnership is not desirable, even if future investment returns (10+ years) are profitable.

- The idea of a ground lease is not appealing.
- Mission is believed to be better met through a discounted land sale, or sale that provides revenue for missional investing in the development or other HoH programs/renovations rather than an investment ownership stake.

While the task force was evenly split between a willingness to give up all ownership stake and willingness to share an ownership stake in the property, the group demonstrated very little support for ideas that would situate the church as an investment partner through land or financial contributions. From their perspective, HoH's ownership stake would best take the form of a programmatic partner, or partner in advocating for/supporting the project in the community.



#### *Pathway 3 Key Takeaways:*

- The ownership stake needs to be clearly defined and rationalized if HoH considers sharing ownership in the future of the property.
- If an option for partnership (programmatic or investment) with a compelling missional component is presented by a potential development, it should be considered.

### **Church Capacity**

Church capacity plays an important role in whether maintaining an ownership stake is advisable and achievable. True development partnerships require complex levels of involvement, from meetings to legal paperwork to financing.

While the task force expressed that maintaining a level of ownership stake in the future development of the property is agreeable, they also conveyed hesitation about the capacity of the church to truly provide and sustain any long-term partnership energy (e.g. staff time, legal paperwork, management/maintenance oversight) and financing in a future development.

When surveyed about the capacity and risk tolerance of HoH in relation to future property development, the group communicated the following strengths and weaknesses:

### *Weaknesses*

- Risk tolerance to take on debt for property development
- Willingness to invest capital funds for property development
- Volunteer power to sustain a partnership or programming with a future development

### *Strengths*

- Navigating neighborhood dynamics
- Political relationships to support a project
- Professional expertise (legal, real estate, political arenas)



### *Church Capacity Key Takeaways:*

- The partnership role of HoH in a future project is best demonstrated through front-end/predevelopment support, such as leading city and neighborhood conversations and providing professional guidance.
- Tying any future development community programming into current HoH programs and rhythms is desirable, but the capacity to develop new programs and services to serve a new development is lacking.
- HoH is not currently positioned to assume monetary investment risk in a partnership structure for a joint venture type of development.

### **Missional Alignment**

In light of church capacity and whether HoH chooses to relinquish or share ownership of the property, the task force expressed that seeking solutions that are aligned with the church's missional goals and criteria is of high importance. This begs the question: What meets mission?

Some key takeaways from the task force discussions around mission provide a solid starting point for evaluating the alignment between HoH's missional goals and future property ownership and development opportunities.

The task force identified and prioritized several opportunities to achieve mission within the following categories:

#### Through Property Use

- Providing Housing
- Providing Community Space

#### Through Property Program/Development

- Supporting a BIPOC Developer/End-user
- Connecting HoH's main campus programs to future users/uses of the site
- Providing the support or funds to enhance the building materials and/or sustainable building design in a new development

#### Through Property Value

- Discounted sale price
- Land donation
- Market price sale with funds earmarked to support HoH programming/renovations that bolster deeper community engagement

The following Development Priority rubric was developed to outline the key priorities identified by the task force that should direct the parameters of any future sale and/or development.

The criteria noted within the rubric are ways that these parameters might take shape as HoH continues to flesh out how church mission and capacity influences the future direction of the property.

Because this is a working framework, there are several questions to be explored and answered to better define each of the development priorities as well as specify related criteria. Weighting each of these priorities could provide a helpful tool for HoH to assess and review development opportunities that are brought to the table.

Development Priority	Potential Criteria	Questions to be answered	Weighted Value
Sale Price	<ul style="list-style-type: none"> <li>• Must be context-driven</li> <li>• Needs a good rationale for the proposed sale price               <ul style="list-style-type: none"> <li>• Accept a below market sale if the development meets "X, Y, Z" criteria</li> <li>• Divest through a donation if development achieves "X, Y, Z" criteria</li> <li>• Market rate to accomplish "X, Y, Z" that would achieve a mission for HoH</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• What say, if any, does the Presbytery have in determining the "acceptable" sale price of a property?</li> <li>• What is the church polity approval process for a sale and/or donation of the property?</li> <li>• How will the revenue be used?</li> <li>• What is the outcome of the Planning for the Future capital campaign?</li> </ul>	TBD
Timeline	<ul style="list-style-type: none"> <li>• If development is meeting "X, Y, Z" mission criteria for HoH, then extended timeline is OK (+/- 3 years)</li> <li>• If market sale, then 1-2 years expected</li> </ul>	<ul style="list-style-type: none"> <li>• What is the maximum time HoH will or can carry the property as-is?</li> <li>• Are there creative ways to use the property in the meantime?</li> </ul>	TBD
Provides Housing	<ul style="list-style-type: none"> <li>• Affordable homeownership options</li> <li>• Affordable rental housing</li> <li>• Housing options for HoH members</li> <li>• Supports intergenerational living in some way</li> </ul>	<ul style="list-style-type: none"> <li>• What is the political appetite for upzoning the property for higher density?</li> <li>• What housing developers should HoH talk with?</li> </ul>	TBD

Development Priority	Potential Criteria	Questions to be answered	Weighted Value
Provides Community Space	<ul style="list-style-type: none"> <li>• Development includes a civic use, such as a theater, community center, education space that could benefit youth and families</li> <li>• Provides opportunity to create synergies with programs and spaces on HoH's main campus (shared building space and/or parking)</li> <li>• Enhanced outdoor greenspace in public facing areas</li> </ul>	<ul style="list-style-type: none"> <li>• What kind of needs are there for these types of space on Summit Ave?</li> <li>• Who are the HoH community partners that could bring creative ideas and support to the development planning and review?</li> </ul>	TBD
Sustainable Design	<ul style="list-style-type: none"> <li>• Design and materials that are specified emit less waste and consume less energy</li> <li>• Utilities designed to pay dividends in the years ahead through energy efficiency and require minimal maintenance and repair</li> <li>• Contributes an "urban" feel through pedestrian-oriented design</li> </ul>	<ul style="list-style-type: none"> <li>• What is the cost factor for sustainable design features?</li> <li>• Would a discounted sale price for the land and/or donations offset added costs for sustainable design elements?</li> </ul>	TBD
Development Team	<ul style="list-style-type: none"> <li>• Provides a wealth-building opportunity for a BIPOC developer</li> <li>• Development team is diverse and/or has demonstrated a commitment to racial equity</li> <li>• Development team has a good community reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Who are the emerging BIPOC developers to consider?</li> <li>• What developers have a good local reputation?</li> <li>• What needs does the development team have that HoH could support, e.g. political connections, professional expertise?</li> </ul>	TBD



# RECOMMENDATIONS/ NEXT STEPS



## TASK FORCE RECOMMENDATIONS



***Convene a Feasibility Task Force for the parking lot site. (Q1 & Q2 2024)***

The Feasibility Task Force should seek to accomplish three main objectives.

*Objective One: Conduct fact-finding conversations with key people and institutions.*

The Parking Lot Task Force identified several key people and institutions that would provide helpful insight into the types of development opportunities that might be feasible on the parking lot site. To accomplish this objective:

- Assign 1-2 HoH representatives from the Feasibility Task Force to meet with the identified stakeholders to gather information around needs, resources, connections, and opportunities.
- Share learnings as a group and use the information to refine the Development Priority rubric (pp. 14-15).

The following chart identifies recommended stakeholders and questions to be asked.

Stakeholder	Purpose of Meeting	Questions to Ask
Council Members <ul style="list-style-type: none"> <li>• Ward 2 CM</li> <li>• Ward 1 CM</li> </ul> County Commissioner	<ul style="list-style-type: none"> <li>• Identify neighborhood needs and/or partners</li> <li>• Assess political appetite for upzoning</li> </ul>	<ul style="list-style-type: none"> <li>• What are the highest priority neighborhood needs?</li> <li>• What kind of project would you support or prioritize on this property?</li> <li>• What hurdles would we run into w/ govt., local politics, etc.?</li> </ul>
HoH Members <ul style="list-style-type: none"> <li>• Housing Connections</li> <li>• Political Connections</li> <li>• RE Industry</li> </ul>	<ul style="list-style-type: none"> <li>• Learn of particular organizations or opportunities to consider as a developer or development partner (e.g. Sue Haigh with TC Habitat)</li> </ul>	<ul style="list-style-type: none"> <li>• Who do you know that we should talk to in the future re: development ideas?</li> <li>• Would you be willing to lead a future conversation?</li> </ul>
Area Churches <ul style="list-style-type: none"> <li>• River of Life</li> <li>• Unity Church</li> <li>• Summit Church</li> </ul>	<ul style="list-style-type: none"> <li>• Find out if there are needs for particular types of spaces</li> <li>• Consider opportunities for ministry or program expansions/partnerships that would support a new development</li> </ul>	<ul style="list-style-type: none"> <li>• What are your needs for programs that are developing and/or growing? Particularly in terms of space.</li> <li>• Have you done development or partnership projects?</li> <li>• What are some lessons learned?</li> <li>• Are there ways you would support a project with HoH?</li> </ul>
HoH Ministry Partners <ul style="list-style-type: none"> <li>• Ujamaa Place</li> <li>• Walker West</li> <li>• Houses of Hope</li> <li>• Ain Dah Yung Center</li> <li>• HoH Garden Connections               <ul style="list-style-type: none"> <li>▪ Hallie Q. Brown</li> <li>▪ Neighborhood House</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Determine if there are opportunities to expand programs – either through space or monetary support</li> <li>• Learn if there are related missional partners that could benefit from expanded support</li> </ul>	<ul style="list-style-type: none"> <li>• What are your needs for programs that are developing and/or growing? Particularly in terms of space.</li> <li>• Who do you know that is looking to expand/develop space?</li> </ul>

*Objective Two: Assess how any revenue from the property might be used.*

The Parking Lot Task Force recognized that several questions need to be answered regarding the use of any revenue from the property to guide parameters around land price, land donation, etc. The plan for the revenue will impact HoH's discernment process about whether a sale price is agreeable, or whether a land donation is even plausible. To accomplish this objective:

- Research and understand any criteria/restrictions on land sale values dictated by the Presbytery.
- Identify options and parameters for how revenue is allocated, whether for missional and/or capital uses. Appendix D provides a helpful tool to begin discerning how the revenue will be used.
- Integrate information obtained from stakeholder conversations to further inform and guide options for using the revenue for missional purposes.

*Objective Three: Integrate parking lot feasibility findings into Master Plan and Developing for the Future work.*

The Parking Lot Task Force stressed that it is essential to integrate the work of the Feasibility Task Force into the Master Plan and the Developing for the Future work led by others at HoH. Siloed conversations between task forces too easily result in miscommunication, distrust, lack of coherency in the overall church vision and mission as it relates to HoH's property assets, and repetitive work among the teams. To fully capitalize upon the extent of the property owned by HoH and the good visioning work already achieved by the current task force teams, the findings of the Feasibility Task Force should be incorporated into the larger work by:

- Convening a quarterly "All Task Force" meeting to provide updates and feedback loops between the task forces.
- Providing a written update to the Session every other month on the Feasibility Task Force findings.
- Communicating revenue allocation and parking lot property development options under consideration to the larger congregation for garnering feedback and buy-in, as needed.

***Develop a church communication plan. (Q1 2024)***

The Parking Lot Task Force emphasized the need for transparency and consistent communication with the congregation at-large around the parameters and plans affecting any future development of the parking lot property along with the Master Plan and Developing for the Future work.

The group highlighted the need to frame the potential sale of the property as not a “retreat or retrenchment” of HoH, but as an opportunity that God has given HoH to serve his kingdom with the sharing of land. Selling is not a way of cutting losses on a future that did not pan out but as a way of doing the best with what HoH has for the good of others and the kingdom of God. In contrast, sitting on unused property and refusing to sell out of fear is a failure.

A church communication plan should include:

- Providing updates shared with the congregation and Session every other month regarding the discernment work of the Task Forces.
- Designating a team of liaisons (2-3 people) from each of the Task Forces to field any questions/comments from the congregation.
- Administering survey, table discussions, and comment box opportunities for the congregation to give input.

Supplying multiple avenues for feedback loops and disseminating information about the process to the congregation is extremely important for gaining congregational trust and buy-in around future decisions about the parking lot property. Likewise, it is essential to demonstrate how this work is integrated into the Master Plan and affected by the results from the capital campaign in order to achieve a coherent vision for the future of HoH.

More transparency in this process will help the congregation resonate with the understanding that this property visioning work is a new pathway being pursued by the leadership of HoH to empower congregation members to have a voice in the future of the church.

***Identify resources within the congregation. (Q1 2024)***

Administer a congregational survey/table discussions/comment box opportunities:

- To discover existing and latent resources that are present within the congregation of HoH and could benefit a future development.
- To receive congregational feedback on missional criteria and options for uses of revenue.
- To encourage transparency and congregational inclusion in the discernment process.

Resource categories to explore could include:

- Human Capital: Skills and volunteers
- Service: Current or intended activities
- Reputation: What are you known for
- Network: Who you know
- Intellect: What you know
- Finances: What you have
- Vision: What meets mission

***Form a dedicated prayer team. (Q1 2024)***

As HoH continues to discern faithful stewardship of the parking lot property keep in mind that the Lord is faithful to guide those who seek his wisdom. Proverbs 19:21 advises: Many are the plans in the mind of a man, but it is the purpose of the LORD that will stand.

Convene a prayer team to meet on a regular basis to seek the Lord's direction for the future of the parking lot. This provides opportunity for additional congregation members to participate in the discernment process.

***Continue to refine the Development Priority Rubric. (Q2 & Q3 2024)***

Sharing learnings and creating feedback loops between the task forces and the congregation is important for refining the Development Priority rubric (pp.14-15). In order to do this, HoH should:

- Convene Task Forces together to review questions and answers and reassess the Development Priority rubric.
- Based on the additional learnings, the Feasibility Task Force should amend the development priorities and clarify criteria.
- Communicate the Development Priority rubric to the Session and congregation for buy-in and approval as needed.
- Use the Development Priority rubric as an assessment tool for future project ideas and partners.