

Background and Questions and Answers concerning – Proposed Sale of Our MAC to the Chesterton Montessori School 03-24-2019

Background

The MAC (Methodist Activity Center) at 135 W. Lincoln Ave was originally the home of Bethlehem Lutheran Church and was built in the 1880s and 90s by a group of worshipers who left Augsburg Lutheran Church to form a congregation of their own. Substantial improvements and additions were made by them in the 1960s, including the construction of the two-story classroom addition to the south. We purchased the church and land in 2003 with the intent of keeping it for a few years, and then demolishing it to make way for a new “activity” center. That plan was postponed as the Boys and Girls Club made the MAC their home in 2006 (with over 300 members in the first year) and grew into their own, new facility in 2014. Since then the MAC has provided space for our Methodist youth, Boy Scout Pack 929, and a few other activities.

This year the founders of the Chesterton Montessori School (CMS) sold their long-time school facility and land located on East Burdick Road to the Chesterton YMCA. After 31 years of developing the CMS, the founders rightfully want to retire. They would, though, like to see CMS continue in operation and have offered to help the school’s teachers and interested investors achieve this transition. To do so, they need a new facility to house the CMS and its nearly 100 students and faculty in the upcoming school year.

CMS wants to purchase our MAC to house its school operations. CMS comprises nursery and K-6 children and students. CMS believes that the MAC, with appropriate investment in furniture, equipment, and systems, can serve CMS’s needs. They are targeting a May 1st (or earlier, if possible) closing to give them time to make all these preparations.

We have previously had prospects look at the MAC to assess its suitability for mercantile, food service and other potential uses. None of these bore fruit, primarily because the MAC is best suited for church or school type uses, and, it needs a formidable amount of repair work. This is the best opportunity we’ve had to do something beneficial with the MAC and it may be some time before a similar opportunity passes our way again. Following are questions that may help to explain why we think selling the MAC to CMS is a good idea and what some of the sale’s impacts will be.

Questions and Answers

What is the primary reason we’re considering the sale?

We lack an updated vision for usage of the MAC and currently it costs us more than we can afford. Its annual operating costs run over \$20,000 per year and it needs over \$5,000 of repairs this year alone. In addition, its flat roofs need major repair now and the high, gabled roof needs replacement in the next three years, all of which will cost in

excess of \$60,000. There are other heating and electrical system needs over the next five to ten years that will cost even more. It is not safe for overnight youth events any longer.

What is the MAC's sale price?

The purchase agreement will include a price in excess of \$200,000. An essential provision of the sale is that the MAC is being sold "as is." We will have no responsibility for any repair of anything whatsoever.

Is the price reasonable?

The trustees think so. One of the challenges we (or any other developer who wanted to build a new facility) faced is that to build anything new on the site requires demolition of the MAC itself, at a cost of \$150,000 or more. Anyone considering the property who doesn't need that large a facility (like us), who can't afford to do the required repairs (also like us), or both, has to first make the considerable investment in demolition. In the same manner the value of the five lots is depressed by the demolition cost. For example, if each of the five lots were worth \$50,000, the net value of the lots to a developer would be discounted by the demolition to \$100,000. Our original purchase price was \$150,000.

What will be done with the sale proceeds?

While this will be a matter for all of church council to decide, the trustees recommend that it be used to pay off a considerable portion of the church's debt. As of 2/28/19, the mortgage on the parsonage was \$171,514.

What is included in the sale?

The property for sale includes the MAC itself, five lots, and our garage, the latter primarily used to store the church's van.

What happens to the garage?

CMS is interested in buying the garage. We would like to continue using it for van storage. We will try to include the church's continued use of the garage in the purchase agreement. If that is not acceptable to CMS, the purchase price will be increased to reflect inclusion of the garage in the agreement and we would investigate renting other garage space. We also would need to find a place to store the snow blowers and lawn equipment the current garage houses.

What Happens to the Methodist Youth Activities?

Ensuring our youth continue to have a suitable space for gathering and worship is of primary importance. CMS recognizes this and is willing to include in the purchase agreement provision for the youth's continued use of the MAC on Wednesday evenings and Sunday mornings. But they would be using the CMS's furniture and wouldn't be allowed to decorate and otherwise make changes to the spaces as they've done in the past. Our Youth Director, Mandi Givens, has been consulted about the impacts the MAC's sale will have. She believes that the youth really want a space they can comfortably call their own and decorate to their liking. Thus, with full support from

Pastor Heather and Liz Lahaie, our Director of Children's Ministry, Mandi has selected Room 304 as potential dedicated youth space. Youth would also utilize the kitchen and Terry Rhine Hall on Wednesday evenings.

What happens to the other activities now at the MAC?

Boy Scout Pack 929 meets there every Thursday evening. CUMC and Pack 929 have a relationship going back over a half-century and we will do whatever is possible and feasible to find them time slots at the church and storage for their flags, and other supplies.

Girl Scout Troop 35467 typically meets at the MAC once a month. We would make every reasonable effort to accommodate them in the church, too.

The cheerleaders of Champion Force Cheer practice there most Tuesday nights. CMS would be converting part of the MAC gym into classroom-type areas so they would need to find a new gym home.

The square dancers and musicians of Old Time Dance rent the MAC the third Saturday of each month. The modifications CMS proposes for the gym would likely preclude its continued use by Old Time Dance. While CMS is willing to make concessions to accommodate our youth on Wednesdays and Sundays, there have been no discussions with them concerning other MAC "legacy" uses like this. CMS will likely be leery of public, after-hours occupancy of their school.

First Contact Assistance closed their Chesterton office last year.

What happens if the deal with CMS falls through?

The trustees will continue to explore MAC sale opportunities that make financial sense and fit Methodist missional objectives.

Should there be concern about competition between the CMS and our own preschool?

Not really. CMS has a really unique educational approach and following. Their program is also very expensive by comparison. We offer an excellent ministry for 3-4 year olds that is Christian based and affordable and has its own good reputation in the community. Our program is nearly full already for the 2019-2020 school year.

What will happen to the MAC custodian?

If there are sufficient resources and work in the church itself, the MAC custodian could continue work for us. If the sale is approved, our Staff-Parish Relations Committee will review, with care given to help our custodian through any transition.

What happens to all our furniture, appliances, and equipment now housed in the MAC?

There is an almost twenty-year accumulation of kitchen equipment, junk, and furniture that will have to be removed. The MAC's contents will have to be inventoried and sorted by what to toss out, what to donate to charity and what to keep. We will work with CMS to try to share their construction dumpsters.

What are the next steps in the sale process?

1. The Trustees approved going ahead to develop a Resolution to sell the MAC to CMS on 3/7/2019

2. Necessary approval of the Indiana UMC has been given by the North District Board of Church Location and Building, the Conference Superintendent for the North District Larry Whitehead, and Chesterton UMC Pastor Heather Foley.
3. Church Council heard the proposal and indicated we proceed to an official vote.
4. A Charge Conference is scheduled for **Monday, April 8 at 6:30pm** in the Sanctuary. Everyone is welcome to attend and may voice questions and comments. Only Church Council members present will vote on the resolution to sell the MAC.

Questions and comments prior to the vote should be directed to:

Jeff Stricker, Council Chair, 219-926-6792

Vic Smith, Trustee Chair, 219-926-2676

Heather Foley, Pastor, 219-926-1478

Council members are:

Jeff Stricker, Chair

Lisa Potts, Vice Chair

Janet Zeck, Lay Leader

Vic Smith, Trustee Chair

Mary Smith, Staff-Parish Relations Chair

Ken Hudgins, United Methodist Men

Carolyn Maxey, United Methodist Women

Olivia Potts, Youth

Deborah Beard, Church Treasurer

JoAnn Cundiff, Membership Secretary

5. If the Charge Conference approves, the Trustees will proceed to negotiate and execute a sales agreement with CMS.

Conclusion

The MAC has served us well. She has provided a space for worship and for service to the community. She helped bring the Boys and Girls Club to life. But her needs, both for operation and for repair, far outstrip our resources. The Chesterton Montessori School can provide an opportunity to fix her up sufficiently to continue on in educational service. God Bless the MAC.

Submitted by CUMC Trustees