



Grand Canyon Synod
Evangelical Lutheran Church in America

Guidelines For Congregations Discerning Their Future

CLOSING, SELLING, BLESSING

Introduction

Grace and Peace to you.

You are likely reading this because the congregation you are a part of is facing a new and uncertain future. At what seems to be a rapidly increasing rate, congregations are facing tough decisions about the future. Many congregations are looking to try new things which might involve selling part or all the building(s) and property. Other congregations are realizing that selling the property will come about as part of closing.

We know there are cycles to our human existence. We have learned that institutions, buildings, and locations have life cycles as well. As Easter people we believe in life, death and resurrection for all of creation, including congregations and this church. This is what baptism is about; dying to our old life and arising to new life in Jesus.

All congregations were planted by people of faith, usually with help from Churchwide, other congregations, and faithful people who believed that a witness to God's redeeming love for the world would be a sign of hope in that location. When we look at it that way, no congregation is really "independent" but a part of the larger whole. When sale of church property, move to a new location, or closure happens it is an opportunity to seed other ministries that will proclaim the lifesaving treasure of God's love for the world through Jesus.

It is not always easy to talk about these subjects. We are after all talking about our death, and our money. Sometimes, speaking of closing a building or congregation, might feel like a death but, it is not a death, it is a resurrection! The sale of a property can give rise to a legacy that can support future Lutheran mission and ministry in the Grand Canyon Synod and beyond.

Congregations have the opportunity to envision how the assets stewarded will support the mission and ministries that are dear to the congregation: mission and ministry of the congregation, community and Synod. God has blessed us abundantly, and we can make sure that we, too, are blessings to future generations of the church. To help make those abundant blessings available, these guidelines are provided to assist in the process of selling a building and/or property.

The presence of building sold or congregation closed will be missed. As a community we mourn and acknowledge the loss as church together, and it is right to celebrate and give thanks to God for the ministry and faith that was planted in that location and leaders whom God used for that time.

We encourage congregations who wonder about their future and how their purpose can continue to be fulfilled in the future through the work of the Holy Spirit to reach out to the Office of the Bishop.

A Spiritual Accompaniment
to Congregational Property
Sale Guidelines

A SPIRITUAL ACCOMPANIMENT TO CONGREGATIONAL PROPERTY SALE GUIDELINES

There are several reasons a congregation may be considering selling a property. Your congregation may be closing after years of ministry, or you may be looking to sell a donated piece of land, or you may be selling part of or all the existing property to make way for a new stage of the congregation's ministry. It can be a challenge to make it beyond this decision without focusing on the logistical process of selling property. This resource is meant to accompany the guidelines for property sale that is available through the Grand Canyon Synod to help your congregation through this process in a way that honors the entirety of what it means to be disciples of Christ Jesus.

If your congregation is planning to sell property as part of a Holy Closure, please look to the document "Leaving a Legacy of Ministry and Mission" which is available through the Evangelical Lutheran Church in America (ELCA) website, elca.org, please note the link below. "Leaving a Legacy of Ministry and Mission" is a document that helps address the unique spiritual needs of closing a congregation. This list can be used as a complement to the process outlined by the ELCA and the Grand Canyon Synod.

As you review this resource and the guidelines for property sale it is understood that there are several steps the congregation has already been through. If the congregation has not called the Synod Office, fully communicated with congregation members through letters, emails, announcements, meetings, focus groups, etc., and begun to grieve the loss of the property and/or congregation, please begin by contacting the Synod Office.

https://download.elca.org/ELCA%20Resource%20Repository/Close_of_Congregations_2016.pdf?_ga=2.124909710.503903155.1691423912-1567412165.1585581049&_gac=1.191031896.1690844692.CjwKCAjw52mBhB5EiwA05YKo6V3d5kCoAlWWIPYi2ZkHE6abdxSeMjtSYQjga1T8oDW57yOltJX7hoCuVsQAvD_BwE

Spiritual Practices for the Community in Transition

As humans we are created in the image of God (Genesis 1:26-27). The following are ways to honor our nature as spiritual beings, who are the image of God, and called to be disciples in a physical world in which we must do business. This is not an exhaustive list. Use this document as a springboard to find the best way(s) to provide spiritual care for your congregation in this time.

PRAYER

Of course, you are already praying! Lean into that. Make prayer a very intentional part of the process.

-Add prayers regarding each step of the process into the weekly prayers of intercession.

-Send a pre-written prayer home with the disciples of the congregation and ask them to add that specific prayer into their daily prayers. You can also add a list of people and items of concern for which the people can pray.

-Begin praying for those who will be on the work group task force, or committee, and any hired professionals such as lawyers or real estate professionals before they are chosen, that all those working directly on the sale may be prepared and called to the task.

-Once people are chosen for committees and professionals are chosen, continue to pray for them by name that they may be sustained and supported by the Spirit and the congregation.

-Consider putting a prayer on your website and any social media outlets the congregation uses. These prayers should be general. Pray for God's guidance, the movement of the Spirit, the renewal of those involved in the committees and groups involved. Particularly on social media the avoidance of details helps you stay away from unsolicited opinions on what the congregation should do.

GIVE THANKS

There are countless ways to give thanks for all that this congregation has been able to do with the property you are about to sell.

-Have a gathering that includes a prayer litany.

-Put up butcher paper and encourage people to write on that paper the things for which they are grateful.

-Prepare a slideshow of all the years of ministry and mission. Include thanks for the following: the ministry and mission that has happened, the people who went before you, for their foresight and planning, the life events individual disciples have celebrated, the gift of new possibilities and challenges. Encourage the congregation to think of other things for which they are thankful.

LAMENT

We forget to give ourselves and each other permission to lament. Lament, sadness, grief, are all emotional spaces that we do not want to stay in for long, but in trying to avoid getting stuck there, sometimes we do not let ourselves fully experience them either. Yet the Psalms cry out, "How long O Lord? Will you forget me forever? How long will you hide your face from me?" (Psalm 13:1) In John 11 both Mary and Martha approach Jesus with the sentiment, "If only you had been here Lord..." We can take these and other scriptural laments as an indication that we can cry out to God in our times of distress as well.

The process of closing a congregation or selling part or all the congregation's property and/or buildings may not be a distressing time for the congregation. It may be a time of hope and promise. However, there is always sadness that comes with letting go of the past.

Take some time to acknowledge and honor this reality. In whatever way you choose to express the community's lament, be sure to end with the hope of our God, the God who regularly brings order out of chaos (Genesis 1), and life out of death (1 Kings 17:17-24, Mark 5:38-42, and Matthew 28:1-10). We are encouraged to mourn, but we always do so with the hope of the risen Christ.

Ways to lament as a community:

- A prayer service focused on lament. *End with a prayer of renewed hope and faith.

- A lunch or dinner that is geared towards sharing the community's sadness with each other. *End with a time of sharing what each person hopes to see develop because of this move forward.

- A "Memorial Service" that helps bring closure to what was. *End with a litany that celebrates how this end will give rise to new beginnings.

- Put butcher paper on one, or all the walls in the building and encourage members of the community to write what they will miss about the building/property, *and what they hope will come from this change.

Please note that Lament will be particularly necessary and difficult if the congregation is selling property as a part of Holy Closure. Please look to the previously mentioned document from the ELCA called, "Leaving a Legacy of Ministry and Mission" for further guidance.

*It is vital to embrace the hope encouraged as part of Lament and, as tempting as it may be to stay in Lament, it is as important include the following sections.

CELEBRATE

The property and buildings that God has entrusted to your congregation have served the members and the surrounding community well. Make the time to celebrate that!

There is no list of ways to celebrate provided here. Instead, envelope celebration into every part of this journey.

- Let every prayer help celebrate what has been and what will be.

- Let every expression of thanksgiving be a celebration of God's faithfulness and blessings.

-Let every Lament turn into a celebration of the hope God has instilled in God's people.

TRUST

Finally, friends trust the God of faithfulness to guide this process.

Plan a course of action for the Spiritual Care of your congregation throughout the process of selling a property or building. This plan for Spiritual Care and Practice will help people of God continue to trust the God of our salvation. Trust is built, and the regular practice of relying on and trusting God, will help build the congregations trust in God for their future.

God bless this and every endeavor of your congregation!

Step-By-Step Guide to Selling Church Property

A Step-By-Step Guide to Selling Church Property

Some congregations are contemplating selling their property as a way to generate income to sustain or further their mission, or as part of a congregational closure.

The property or properties being sold might be the church's primary location or additional property that no longer serves the organization's purpose or long-term goals. Before executing a sale contract — which can be a difficult decision, especially when the property has been owned and used by the organization for decades — the church leadership needs to do its due diligence. These steps will place the church in an advantageous position to successfully negotiate and sell its property.

All real estate transactions come with some level of risk; however, these steps provide the necessary guidance for the organization to properly navigate the sale process. Being prepared and ready to face potential challenges will allow the church and its leadership to focus on what is most important: its mission and ministry.

Review governing documents

The church must review its governing documents to understand the organization's requirements for the sale of property, such as the authorized signatory of documents, voting requirement, including the congregation council and voting members, if applicable, and whether approval from the synod or ELCA Churchwide is required.

Understand the value of the site

Before marketing the property, it is essential for the church to understand the value of its site. The first step in this process is to understand the site feasibility (what can be built on the property), and the economic value of the site. A zoning analysis gives a baseline understanding of what can be built on the site by providing insight into the zoning classification (such as residential, commercial and/or community facility) and the amount of buildable square footage that can be used.

An appraisal from an unbiased appraiser should be obtained to grasp the economic value of the property. An appraisal values the property by using numerous valuation methods and takes into consideration the zoning analysis, current market conditions and the state of the building(s). The appraiser will review and compare the subject property to similar properties in the area. Please understand that an appraisal is an approximation of the true value of the property. Ultimately, the market will dictate that

actual value of the property. Consult your real estate professional as to whether your congregation would benefit from a full appraisal or a less expensive restricted appraisal.

Hire an experienced church real estate professional to facilitate the sale of the church property

Traditional real estate agents and developers are strictly for profit and are trained to consider your situation with a transactional goal in mind. But an experienced church real estate agent can help you understand *how* you want to sell the property.

The right real estate agent will analyze the market to determine the best possible outcome for the sale of your holdings, conduct a detailed analysis of the factors contributing to the sale and enter negotiations equipped with critical information to understand the true market value of the church property.

It is recommended that congregations not hire a member of the congregation as their real estate agent to sell the church. It is critical to hire the most qualified and experienced real estate agent to guide the congregation through this process.

Order a title report

Generally, property must be transferred free and clear of encumbrances. The church can review violations, permits and title to the property on the applicable state and county websites, including the department of buildings, department of finance and/or the register system. However, for a more comprehensive examination, a title report should be ordered from a local title company, which outlines the property description, property owner and those with an interest in the property a list of encumbrances (including mortgages, deed restrictions, judgments and outstanding taxes) and violations. This review will uncover potential challenges to the sale process that might impact the value of the site. For instance, common issues that arise are restrictions on the use of the property, old mortgages that have been satisfied but not properly removed from the title, and deeds with an incorrect name of the owner. Remember to share the title report with your real estate professional.

Form a team

The church leaders should form internal committees to work with real estate experts from the early stages of the sale process. This provides congregants with a way to be involved in the sale process and the future of the church. Additionally, the church

should hire outside experts to help navigate the intricacies of the sale process, such as a broker and an attorney with experience working with religious organizations in the area.

Legal requirements of approval

There are complex laws related to real estate transactions by a religious organization. Such laws vary by state; therefore, it is imperative for the church to work with an attorney who has extensive experience counseling religious organizations and submitting petitions for approval to the attorney general and/or court (if required by law). The attorney should guide the church through the sale process, including explaining the requirements for approval, timeline for closing, applicable tax regulations, and the pertinent language that should be included in the contract.

Fees and expenses

The church should be aware of the transactional fees upfront so that it can properly budget for such expenses and understand the total funds received at closing (i.e. the purchase price less any expenses due at closing pursuant to the terms of the contract). Some fees will be due during the sale process, but many can be paid at closing out of the purchase price. The terms of every transaction are different, but generally, the church will be responsible for paying a broker fee, legal fees, title fees and transfer tax.

Long-term planning

The sale of property should never be a hasty decision, so a large component of the due diligence process must be to prepare for the aftermath, including a plan for the use of the proceeds.

Past generations invested in your building and location in order to proclaim Jesus in their time and to future generations. You have the opportunity to make sure that their vision can be honored even after your relationship to the building and land has ended. It is strongly suggested that you allocate assets to future Word and Sacrament ministry so that the story of Jesus and his love can be proclaimed in new places and to new generations. The vision of past generations can go on and on.

God has blessed us abundantly. Those abundant blessings can continue to bless the larger mission of the whole church when congregations plan ahead. With the help and guidance of the Synod Office, your congregation can continue to be a blessing to other ministries