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# Potential Land Sale Information

*For Congregation Meeting - Sept. 15, 10:40*

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## What is being proposed?

We are considering selling 3 acres of undeveloped land on the west edge of our property. Those who joined the conversation after worship June 30 or provided individual feedback suggested we meet with Chalky Mountain to work out details. Now that we have a proposal, we need to decide whether to move forward.



## What does the congregation need to do to move ahead?

If it wants to move forward, the congregation would need to vote to give our Congregation Council authorization to: 1) sell or encumber up to 3.25 acres of land bordering the west perimeter of the property and 2) negotiate the terms of our current mortgage in relation to any sale or encumbrance. A suggested expiration of the authorization would be September 15, 2026.

This authorization would give our council the authority to negotiate terms, sign agreements, and/or decline further action.

## Who wants to buy the land and why?

Chalky Mountain has been a gymnastics business in Liberty over 10 years, with 1,200-1,500 kids participating in their programs each year. It is owned and operated by Kyle Zak. Learn more about Chalky Mountain at [www.chalkymountain.com](http://www.chalkymountain.com).

Chalky Mountain has been renting and would like to build their own place. They love where we are located, and Kyle likes the idea of purchasing from and being neighbors with a church.

## What are they offering us?

Chalky Mountain has proposed monthly payments to the church over 8 years, totaling approximately \$680,020.

Year 1 - \$13,000 earnest payment, received upon closing

Year 2 - \$57,000 with monthly payments beginning Nov. 2025

Year 3 - \$70,020 with monthly payments beginning Nov. 2026

Year 4-8 - \$108,000 per year, monthly Nov. 2027 to Oct. 2032

**Please keep in mind that the bottom line for the church is not just numbers, but what resources we have to fulfill our mission.**

Land like ours has not recently sold nearby, so assessing the value is difficult. Nearby listings run \$100,000 to \$175,000 per acre.

## What would they build?

Chalky Mountain would like to build a 120' x 285' gym, a parking lot, and an outdoor fitness area. The building would likely be stucco, similar to their current location → at 640 Haines Drive.



## What is the proposed timeline?

- **Fall 2024:** sign purchase agreement, earnest payment to escrow
- **Winter 2024-Summer 2025:** feasibility study, construction plan
- **Fall 2025:** closing and title exchange, receive earnest payment
- **Fall 2025 to Fall 2026:** building and construction
- **Fall 2025 to Fall 2032:** monthly payments made

## What legal issues are there to consider?

We want to **annex all of our land** into Liberty first. Our building is in Liberty city limits, but some of our land (including some we are *not* selling) lies in Kansas City. We have engaged both cities, and conversation leads us to be cautiously optimistic it will happen.

We'd sign a **purchase agreement** defining the sale terms, as well as conditions for canceling the sale before closing with and without penalty. Chalky Mountain would have time to do land and road studies, and to draw up building plans before finalizing the sale.

They have proposed an **owner-financed purchase**, secured by us having a second **deed of trust** (after the construction financier). We are working to propose an alternative that gives us greater power with the construction financier in the case of default.

We would engage **legal counsel** before signing documents.

## What other collaboration has been discussed?

We have discussed co-developing our unused acreage to include trails that cross properties. They are amenable to us using their parking (and adding a walkway) if we need it in the future. They have also offered some use of their facility for church events.

## Will the area around us be developed?

Development east and south has been planned to include 3,000 residences, businesses, infrastructure, and 10,000 new residents, but the timeline has stalled. Learn more at [montageliberty.com](http://montageliberty.com).

Although land values could go up, we believe we are getting an above-market offer. Furthermore, increased land value would only be a benefit if someone wants to buy it if/when we want to sell it.

## What if we need more space in the future?

We are not selling all our undeveloped property, so we would still have room for a building addition and some parking. If worship capacity becomes a concern, we could offer two services. If we decide in the future we do indeed need more land, we could approach the land owner to our north if it's still undeveloped.

## How would Hosanna! benefit from selling the land?

- Using sale income to **pay down our mortgage**, we could pay off the remaining \$722,000 in 8 years instead of 15, saving us \$179,927 in interest. After 8 years, we'd have the \$75,147 we're *already giving* each year to loans to do ministry instead.
- *Along with* paying down the loan, sale proceeds could **free up an additional \$44,000 each year** that we're already giving--to do ministry and maintenance, instead of paying loans.

## How would we use the additional funds? Does this mean we don't have to give as much in offerings?

Our faithful contributions and strategic actions are *sustaining* our ministry, but we've spent years *just* sustaining. **We are excited about the possibility of *growing* our ministry, *tending* to deferred maintenance, and *dreaming* what else God is calling us to do.**

Before receiving sale income, we would **work together to make a plan** for how to use these funds to grow our ministry, serve God, and benefit our community... not just pad our bank account.

Here are some *ideas* of what \$44,000 a year could accomplish:

- **new programs and resources** for kids, youth, neurodiversity, and music ministry--that expands and deepens our current offerings and welcomes new people;
- **more community service** such as bed-building with SHP, workshops to empower people, and support groups;
- **deferred maintenance** spanning 8 years could replace aging HVAC and flooring, and refurbish the parking lot and organ;
- **replenish depleted savings**, expanding our very thin safety net;
- **increase giving to churchwide ministries** to match the size, vibrancy, and care of our congregation;
- **something else entirely new and wonderful** that we've not been able to dream of due to financial constraints.

## How do we decide whether this is the right path?

Whether or not we choose to sell land depends on what course of action will best serve God's mission through us. We hope to arrive at clarity through conversation, careful planning, and prayer.

# EXAMPLE OF MORTGAGE ALLOCATION + IMPACT ON LOAN AND OPERATING BUDGET

<b>LOAN TERMS</b>	<b>NO ADDITIONAL PAYMENTS</b>		<b>PARTIAL PREPAYMENT</b>		<b>FULL PREPAYMENT</b>	
	<b>Current payment plan</b>		<b>Land Income Applied as Below</b>		<b>All land income put to loan</b>	
Loan amount as of 11/25/25:	Scheduled monthly pay	\$6,191	Scheduled monthly pay	\$6,191	Scheduled monthly pay	\$6,191
\$641,482	Actual # of payments	168	Actual # of payments	84	Actual # of payments	60
	Years saved off loan	0	Years saved off loan	7	Years saved off loan	9
	Loan Maturity Date	8/25/2039	Loan Payoff Date	11/25/2032	Loan Payoff Date	10/25/2030
Interest rate:	<b>Total early payments</b>	<b>\$0</b>	<b>Total early payments</b>	<b>\$278,470</b>	<b>Total early payments</b>	<b>\$451,020</b>
6.25%	<b>Total interest</b>	<b>\$352,061</b>	<b>Total interest</b>	<b>\$157,032</b>	<b>Total interest</b>	<b>\$125,524</b>

DATE	LAND PAYMENT	LOAN PAYMENT	LOAN EXTRA PAYMENT	TO LOAN PRINCIPAL	TO LOAN INTEREST	LOAN END BALANCE	EXTRA OPERATING	OPERATING INCREASE
<i>Year 1 - Earnest Payment - Used for savings margin and/or site improvements related to gymnastics build</i>							+ \$13,600	
11/25/2025	\$4,750	\$6,191	+ \$1,350	\$4,200	\$3,341	<b>\$637,282</b>	+ \$3,400	<b>2025 Budget</b>
12/25/2025	\$4,750	\$6,191	+ \$1,350	\$4,222	\$3,319	<b>\$633,061</b>	+ \$3,400	<b>+ \$6,800</b>
1/25/2026*	\$4,750	\$6,191	+ \$1,350	\$4,244	\$3,297	<b>\$628,817</b>	+ \$3,400	
3/25/2026	\$4,750	\$6,191	+ \$1,350	\$4,288	\$3,253	<b>\$620,263</b>	+ \$3,400	
5/25/2026	\$4,750	\$6,191	+ \$1,350	\$4,333	\$3,208	<b>\$611,619</b>	+ \$3,400	<b>2026 Budget</b>
7/25/2026	\$4,750	\$6,191	+ \$1,350	\$4,378	\$3,163	<b>\$602,886</b>	+ \$3,400	<b>+ \$41,470</b>
9/25/2026	\$4,750	\$6,191	+ \$1,350	\$4,424	\$3,117	<b>\$594,061</b>	+ \$3,400	
11/25/2026	\$5,835	\$6,191	+ \$2,100	\$5,220	\$3,071	<b>\$584,394</b>	+ \$3,735	
1/25/2027	\$5,835	\$6,191	+ \$2,100	\$5,275	\$3,016	<b>\$573,872</b>	+ \$3,735	
3/25/2027	\$5,835	\$6,191	+ \$2,100	\$5,330	\$2,961	<b>\$563,240</b>	+ \$3,735	
5/25/2027	\$5,835	\$6,191	+ \$2,100	\$5,385	\$2,906	<b>\$552,497</b>	+ \$3,735	<b>2027 Budget</b>
7/25/2027	\$5,835	\$6,191	+ \$2,100	\$5,442	\$2,849	<b>\$541,642</b>	+ \$3,735	<b>+ \$45,550</b>
9/25/2027	\$5,835	\$6,191	+ \$2,100	\$5,498	\$2,793	<b>\$530,674</b>	+ \$3,735	
11/25/2027	\$9,000	\$6,191	+ \$4,900	\$8,356	\$2,735	<b>\$516,791</b>	+ \$4,100	
1/25/2028	\$9,000	\$6,191	+ \$4,900	\$8,443	\$2,648	<b>\$499,949</b>	+ \$4,100	
3/25/2028	\$9,000	\$6,191	+ \$4,900	\$8,531	\$2,560	<b>\$482,930</b>	+ \$4,100	
5/25/2028	\$9,000	\$6,191	+ \$4,900	\$8,620	\$2,471	<b>\$465,734</b>	+ \$4,100	<b>2028 Budget</b>

DATE	LAND PAYMENT	LOAN PAYMENT	LOAN EXTRA PAYMENT	TO LOAN PRINCIPAL	TO LOAN INTEREST	LOAN END BALANCE	EXTRA OPERATING	OPERATING INCREASE
7/25/2028	\$9,000	\$6,191	+ \$4,900	\$8,710	\$2,381	\$448,358	+ \$4,100	+ \$49,950
9/25/2028	\$9,000	\$6,191	+ \$4,900	\$8,801	\$2,290	\$430,801	+ \$4,100	
11/25/2028	\$9,000	\$6,191	+ \$4,525	\$8,518	\$2,198	\$413,435	+ \$4,475	
1/25/2029	\$9,000	\$6,191	+ \$4,525	\$8,607	\$2,109	\$396,265	+ \$4,475	
3/25/2029	\$9,000	\$6,191	+ \$4,525	\$8,697	\$2,019	\$378,916	+ \$4,475	
5/25/2029	\$9,000	\$6,191	+ \$4,525	\$8,788	\$1,928	\$361,386	+ \$4,475	2029 Budget
7/25/2029	\$9,000	\$6,191	+ \$4,525	\$8,880	\$1,836	\$343,672	+ \$4,475	+ \$54,450
9/25/2029	\$9,000	\$6,191	+ \$4,525	\$8,973	\$1,743	\$325,774	+ \$4,475	
11/25/2029	\$9,000	\$6,191	+ \$4,150	\$8,691	\$1,650	\$308,063	+ \$4,850	
1/25/2030	\$9,000	\$6,191	+ \$4,150	\$8,782	\$1,559	\$290,545	+ \$4,850	
3/25/2030	\$9,000	\$6,191	+ \$4,150	\$8,874	\$1,467	\$272,843	+ \$4,850	
5/25/2030	\$9,000	\$6,191	+ \$4,150	\$8,966	\$1,375	\$254,957	+ \$4,850	2030 Budget
7/25/2030	\$9,000	\$6,191	+ \$4,150	\$9,060	\$1,281	\$236,884	+ \$4,850	+ \$58,950
9/25/2030	\$9,000	\$6,191	+ \$4,150	\$9,155	\$1,186	\$218,622	+ \$4,850	
11/25/2030	\$9,000	\$6,191	+ \$3,775	\$8,875	\$1,091	\$200,544	+ \$5,225	
1/25/2031	\$9,000	\$6,191	+ \$3,775	\$8,968	\$998	\$182,655	+ \$5,225	
3/25/2031	\$9,000	\$6,191	+ \$3,775	\$9,062	\$904	\$164,578	+ \$5,225	
5/25/2031	\$9,000	\$6,191	+ \$3,775	\$9,156	\$810	\$146,313	+ \$5,225	2031 Budget
7/25/2031	\$9,000	\$6,191	+ \$3,775	\$9,252	\$714	\$127,857	+ \$5,225	+ \$63,450
9/25/2031	\$9,000	\$6,191	+ \$3,775	\$9,349	\$617	\$109,209	+ \$5,225	
11/25/2031	\$9,000	\$6,191	+ \$3,400	\$9,071	\$520	\$90,740	+ \$5,600	
1/25/2032	\$9,000	\$6,191	+ \$2,200	\$7,966	\$425	\$73,656	+ \$6,800	
3/25/2032	\$9,000	\$6,191	+ \$2,200	\$8,049	\$342	\$57,600	+ \$6,800	
5/25/2032	\$9,000	\$6,191	+ \$2,200	\$8,133	\$258	\$41,376	+ \$6,800	2032 Budget
7/25/2032	\$9,000	\$6,191	+ \$2,200	\$8,218	\$173	\$24,982	+ \$6,800	+ \$67,930
9/25/2032	\$9,000	\$6,191	+ \$2,200	\$8,304	\$87	\$8,417	+ \$6,800	
10/25/2032	\$9,000	\$6,191	+ \$2,270	\$8,417	\$44	\$0	+ \$6,730	
*Every other month listed for the sake of brevity (except for first and last).								Future Years + \$75,147