

LOAN REQUEST

Parish Information	Number	#465																					
	Name	St. Francis Parish – Ellsworth																					
	Pastor	Rev. David Olson																					
Amount	\$ 175,000 (purchase price of \$132,000 plus \$23,000 for closing costs and immediate renovations)																						
Purpose	Purchase adjacent property to parish																						
Reason(s)	<p>Parish wishes to purchase the house immediately adjacent to the West side of church property @ at 251 West Woodworth St in Ellsworth. The current owner, Darlene Kruse, age 89, moved to assisted living in November, and agreed to sell to the parish for \$132,000. Mrs. Kruse is a long-time member of the parish.</p> <p>The house is a 1 ½ story wood frame construction sitting on two lots extending from West Woodworth Street to West Warner Street. It includes a detached double garage built in the last 10 years. A letter appraisal from a local realtor estimated the sale value of the house we intend to purchase to be \$150,000.</p> <p>After looking at the house parish decided it would make a good office or alternatively a new rectory. Currently the offices and rectory are combined. The existing office space in the rectory is too small and previous pastors would use the living room as the pastor's office.</p>																						
Repay Plan	<p>The loan to be amortized 15 years, monthly payments (at 3.30% would start at \$1,233.93 / mo.). St. Francis Parish is projected to receive \$155,500 over our goal for the Inspired by the Spirit Campaign. These funds would go to direct principal payments over the next 5 years. A balloon payment in year 5 would cover the remaining principal balance.</p>																						
SAFS Relationship	<table border="1"> <thead> <tr> <th colspan="2">Deposit Accounts</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>DP465000</td> <td>St Francis Parish - General Fund</td> <td>127,103.59</td> </tr> <tr> <td>DP465002</td> <td>St Francis Parish - Bldg & Grounds Improvement Fund</td> <td>30,867.26</td> </tr> <tr> <td>DP465003</td> <td>St Francis Parish - Improvements</td> <td>93,171.88</td> </tr> <tr> <td>DP465050</td> <td>St Francis Parish - Cemetery Operating</td> <td>76,745.65</td> </tr> <tr> <td>DP465100</td> <td>Inspired by the Spirit Capital Campaign</td> <td>7,485.42</td> </tr> <tr> <td colspan="2">Total Deposits</td> <td>\$ 335,373.80</td> </tr> </tbody> </table>		Deposit Accounts		Balance	DP465000	St Francis Parish - General Fund	127,103.59	DP465002	St Francis Parish - Bldg & Grounds Improvement Fund	30,867.26	DP465003	St Francis Parish - Improvements	93,171.88	DP465050	St Francis Parish - Cemetery Operating	76,745.65	DP465100	Inspired by the Spirit Capital Campaign	7,485.42	Total Deposits		\$ 335,373.80
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Diocese Relationship	All accounts are current																						
Additional Information	<p>Members of the parish's Building and Grounds committee looked at the property and deem it of solid foundation and frame. One of the members has a construction background and flips houses and was instrumental in considering structural worthiness. They also had an HVAC and plumbing contractor look over the house and give preliminary estimates.</p> <p>The house has an unfinished basement, a functional first floor including a recently renovated kitchen and bathroom, living room, dining room and screened porch. The upper floor is finished but has not been used for a number of years. The upper floor has three bedrooms and a bath. The house does require significant repair and renovation to either be offices or a rectory. The roof needs to be replaced and new windows put in the building. It has central heating and air conditioning, installed in the last five years, but needs additional work on the duct system and plumbing to finish the upstairs.</p> <p>The diocese, via communication from Fr. Dhein, supports the endeavor and suggested borrowing funds and using current funds on deposit with SAFS to pay for renovation costs.</p> <p>Additional principal payments will come from funds raised over our \$610,000 goal from the Inspired by the Spirit Capital Campaign over the next 5 years. St. Francis Parish has \$804,375 pledged as of 12/30/2022 and will receive 80% of funds over \$610,000 (\$155,500).</p>																						
Terms	<p><i>The Loan shall be paid with payments of accrued interest on or before the fifteenth (15th) day of each month and a single payment of principal and accrued unpaid interest on demand or as provided by borrower. Payments are applied first to interest and then to principal. The outstanding principal may be prepaid at any time.</i></p> <p><i>The Applicable Interest Rate will a per annum interest rate equal to a floating rate based on the Bond Fund Current Yield of the St. Ambrose Financial Services, Inc. Investment Fund with U.S. Bank Private Wealth Management (US Bank Bond Fund Yield) as published in the quarterly report (January, April, July & October) from U.S. Bank Private Wealth Management Relationship Review plus a margin of 0.25%. Current pricing as of the date of this request is 3.30%.</i></p>																						



264 S GRANT STREET
ELLSWORTH, WI 54011
715.273.4774

December 21, 2022

TO: Bishop William Callahan
Office of Temporalities
St. Ambrose Financial
Fr. William Dhein

St. Francis Parish intends to purchase the house immediately adjacent to the West side of St. Francis church property. The house we intend to purchase is at 251 West Woodworth Street in Ellsworth. The owner, age 89, went to assisted living in November. After looking at the house we decided it would make a good office or alternatively a new rectory. Currently the offices and rectory are combined. The existing office space in the rectory is too small and previous pastors would use the living room as the pastor's office.

A letter appraisal from a local realtor estimated the sale value of the house we intend to purchase to be \$150,000. The current owner, Darlene Kruse, and her family have agreed to sell to the parish for \$132,000. Mrs. Kruse is a long time member of the parish.

The house is a one and a half story wood frame construction sitting on two lots extending from West Woodworth Street to West Warner Street. It includes a detached double garage built in the last 10 years. Members of the Building and Grounds committee for the parish have looked at the property and deem it of solid foundation and frame. One of the members of Buildings and Grounds has a construction background and flips houses and was instrumental in considering structural worthiness. We have also had an HVAC and plumbing contractor look over the house and give preliminary estimates. The house has an unfinished basement, a functional first floor including recently renovated kitchen and bathroom, living room, dining room and screened porch. The upper floor is finished but has not been used for a number of years. The upper floor has three bedrooms and a bath. The house does require significant repair and renovation to either be offices or a rectory. The roof needs to be replaced and new windows put in the building. It has central heating and air conditioning, installed in the last five years, but needs additional work on the duct system and plumbing to finish the upstairs.

I have discussed the purchase of the property with both the Pastoral and Finance Councils and the consensus is to purchase the property and renovate it. The location of the building makes it an attractive purchase and the rarity of property adjacent to our existing realty coming for sale makes its purchase timely. This is a singular opportunity to purchase adjacent property. As one member of the Finance Council observed "We have a consensus and there is no down side to the purchase."

Two scenarios present themselves for the use of the building. The first scenario is to renovate the lower level to be offices and now, or in the near future, renovate the upper level to be an apartment and rent it to recover some of the cost of the building. This would be a more expensive renovation and the estimated cost is \$170,000-\$180,000 for renovations to make the building both offices and an upper level apartment with separate exterior entrance. The second scenario, and the more likely, is to purchase the building and then remodel it to be a rectory. This would be less expensive with the obvious savings of not needing a separate entrance or upper level kitchen, etc. The estimated cost for renovation is \$140,000. Utilizing more space in the existing rectory/office to make adequate usable office space would be of minimal cost.

Financial Considerations:

St. Francis Parish currently has \$93,000 on deposit with St. Ambrose earmarked for Improvements and \$127,000 in a General Fund. We have no debts.

St. Francis was in Block I of the Inspired by the Spirit Campaign. Our goal was \$610,000 and we have received pledges of \$806,440 as of December 21, 2022 or 132% of our goal. The Campaign case statement for St. Francis included \$213,500 (35%) for the Diocese and \$396,500 (65%) for the parish which was designated \$100,000 for flooring, \$150,000 for pews and \$146,500 for a roofing fund. No contingency was named for exceeding the goal as we have done in pledges. With the purchase of the adjacent property, we can repay at least a major part of a loan from St. Ambrose with the anticipated pledges. As of December 21st our pledges over goal at 80% equals \$157,155 to the parish.

In conversation with Fr. William Dhein he suggested that the Capital Campaign could forgo the 20% on any further pledges received after those received to date, i.e. above \$806,440, and those pledges received could be returned to the parish at 100% to repay the loan needed from St. Ambrose and to pay for renovations of the acquired building. The parish may need some small push for funding which would be much easier if 100% now goes to the building renovation fund rather than 80/20.

I propose that St. Francis Parish borrow at least \$150,000 and preferably up to \$200,000 from St. Ambrose to complete the purchase of this property in a timely fashion and then use the Improvements Fund to begin renovations and also use monies in our General Fund as needed depending on pledges and any separate donations to this particular building purchase/renovation. I propose a long term loan with the proviso that pledges in the Inspired Campaign over the original goal of \$610,000 be used to pay down the loan as quickly as may be prudent.

A possible scenario for the loan would be \$200,000 amortized over 15 years with a balloon payment after five years. While I realize the interest rate is variable, if we used 3.5% as the rate that would be a payment of \$1,429.77 per month which is well within the ability of this parish to manage.

I would like to emphasize the need to acquire the property with some speed. The owner is an elderly lady in assisted living who wants to see the parish have the property. While currently all of her five children are also supportive of the purchase by the parish at this price, the future is never certain.

Thank you for your kind consideration of our proposal to acquire this property with a loan from St. Ambrose.

A handwritten signature in black ink, appearing to read "Fr. David Olson". The signature is written in a cursive style and is underlined with a single horizontal line.

Fr. David Olson

Pastor



DIOCESE *of* LACROSSE
OFFICE OF THE CHANCELLOR
OFFICE OF THE MODERATOR OF THE CURIA

29 December 2022

Dear Members of St. Ambrose Board of Directors,

I write concerning the request for funds, you either have or will be receiving from Fr. David Olson and St. Francis of Assisi parish in Ellsworth. There is a chance to purchase at a reduced price from a parishioner the house right next to the church. I will let Fr. Olson fill in the details but on behalf of Bishop Callahan, I encourage a positive response to this request that you might loan the asking price for the home so they can keep their funds for a new roof and windows. This opportunity will not come along often and we believe it is for the betterment of the parish and diocese that we take this opportunity.

My understanding is they would try an additional push through the Inspired by the Spirit Campaign to obtain the funds too pay off the loan.

In Christ.

Very Rev. William A. Dhein