

Evaluation of Parsonage Options - Based on Primary Considerations

Primary Considerations:

1. Does it support Trinity's mission and ministry?
2. Does it provide suitable housing for a pastor?
3. Is it financially viable within Trinity's cash flow?
4. Can housing allowance increase to \$3,500/mth or more per pastor?
5. Is it within CRA's charitable regulations?

	Option Description	Estimated Cost	Pros	Cons	Suitability	Criteria Met
1.0	Outright sale of parsonage land to a third party	Best Guess \$150,000 (subdivision required, then driveway and storm sewer relocation)	- \$2.7 million sale price - funds available to purchase parsonage home off-site	- no control on future bldg design or occupants - due to required subdivision of property, the driveway, sidewalk and road access must be moved to front of church. - remainder of funds from sale needed to buy new home and cover transaction costs	Not suitable - due to loss of control of future building and occupants - could lower overall land value of remaining property	2, 3, 5
2.0	Build a multi-unit complex: duplex, triplex, quad, condo, townhouse	- based on construction cost of \$500 per sq. ft	- significant additional revenue generation, from sale or rental income	- significantly higher cost outlay - ownership likely offside with CRA charity regulations - Trinity would need to create arms-length "holding" company for ownership and management of complex	Not suitable - too many legal and financial issues to overcome - minimum of 5 volunteers needed to oversee	2, 4
3.0	Build a new house 1800 to 2200 sq. ft. on the parsonage land	\$1,000,000 to \$1,400,000 (based on \$500 per sq. ft. plus other costs)	- New, comfortable home for pastor - rentable at market rate of \$4,000 to 5,000 per month - floor plan modernized for better use of space	- large increase in mortgage needed to fund construction - added stress on finances even with higher rent - no contribution to current housing allowances given to pastors - 50% higher tax if not used as parsonage	Not suitable (due to Trinity's financial limitations)	1, 2, 5

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4.0	Full Upgrade to Parsonage as outlined at previous Congregational meeting	\$415,000 to \$475,000 (requires additional loan of \$125,000 to \$185,000)	- suitable as parsonage or as rental home at market rate - gives pastor option for onsite or offsite housing - home value at 90% of new - allows for increase in housing allowance for both pastors	- property tax up \$2000/yr - mortgage up \$1000/mth (both fully covered by lower pension premiums)	Suitable (meets each of the required considerations)	1, 2, 3, 4, 5
5.0	Minimum Upgrade to Parsonage: - waterproof foundation, add perimeter drainage, supply and install new windows and doors, install rodent barriers	\$125,000 to \$140,000	- allows for \$150,000 to be applied to mortgage - portion of previous mortgage payments can be applied to housing allowance - potential rent increase to \$2,500/mth	- significant deficiencies remain, including electrical, plumbing, insulation, drywall, etc. - parsonage not suitable for pastor, if offsite housing not an option	Suitable (meets each of the required considerations)	1, 2, 3, 4, 5
6.0	Demolish parsonage and keep land	\$75,000 - \$100,000	- opens area for parking - better view of church - allows for \$200,000 to be applied to mortgage	- <i>Property Tax</i> of \$8,000 must still be paid on empty land - also there will be an <i>Annual Speculation Tax</i> of about \$13,500 - no offsetting rental revenue - no housing for pastor	Not suitable (due to annual tax cost, no offsetting revenue, and no housing for pastor)	1, 3, 5