

Calvary Presbyterian Church

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Elevator Removal & Replacement Loan Fact Sheet

We as a congregation will be voting to adopt a resolution to officially authorize the loan required to remove and replace our nonfunctional elevator at our **special congregational meeting on Sunday, August 25**. The Session has put together this fact sheet so that everyone can feel fully informed before casting their vote.

Why are we taking out this loan?

At the end of last year, Calvary's antiquated elevator stopped functioning. After significant research and effort by JP Kastner, Tom Kriofsky, and Dave Peters, it was determined that there was no quick fix or patch to resurrect it, and due to its age, most companies had stopped servicing its model.

Without this elevator, we are no longer compliant with The Americans with Disabilities Act, as it is difficult for people with mobility limitations to access our sanctuary, and once in the church, limits bathroom access. This curtails our ability to open our doors to the public, rent our space to our many arts partner organizations, or host weddings. As you all know, Calvary relies on rental income to support our building, congregation, and ministry, and so this is a huge financial blow to the church overall. If we want to continue with our plan to grow as a congregation and community hub, we will need to spend money to remove and replace the elevator in order to become the fully-functional and welcoming space that we are known in Milwaukee to be.

While we have some money saved in our Capital Campaign fund, we will require a loan for the balance of the cost of the removal and replacement of the elevator.

Who is our contractor for this project?

After a long search, the Session has accepted and approved the proposal from Express Elevator, a Wisconsin company headquartered in Waukesha. The details of the contract are attached.

We have sent in our down payment from the existing Capital Campaign Fund, so Express has already started to work on our project!

What are the details of this loan?

Lender: Presbyterian Investment & Loan Program (PILP)
Amount: \$104,100
Term: 180 months (15 years)
Amortization: 180 months (15 years)
Interest Rate: 4.70% per year.
Repayment: Monthly payment of \$807.04, fixed for the first 60 months.

The commitment letter sent to Calvary from the PILP is attached.

I'd like to know more about our financial liability if we default on the loan. Does that affect individual congregation members?

As we are now officially listed as a non-profit corporation, it is Calvary Presbyterian Church, Inc., that is taking out the loan, not any individual or group of members associated with the church. Therefore, if for some reason we were unable to make our loan payments, that would impact the corporation, but not any individual members of the church.

We have applied for our loan through the Presbyterian Investment & Loan Program (PILP), a part of the national PC(USA) denomination that helps churches in need of financing for church improvement projects. For loans above \$100,000 (our requested amount is \$104,000), the PILP requires that we take out a mortgage on the church building, so that we can use the building as collateral. The Milwaukee Presbytery is also co-signing the loan. In the worst case scenario, if Calvary were to default and had no recourse to make payments, we would likely have to sell the building to repay the loan. This is a scary scenario, but unfortunately, it is the same outcome that we are facing if we do not have a functional elevator: without the rental income that we would lose for not being accessible and ADA-compliant, we will not be able to pay our bills. As a result, we fear the church would close, or at least no longer have possession of the building. Regardless, there is no additional financial risk or burden placed on individual members of Calvary.

We have a two-fold plan to ensure that we will be able to make the payments:

- 1) We anticipate that a functional elevator and accessible sanctuary will elevate the overall appeal of Calvary as an income-generating venue. Specifically, JP Pohja and the finance team project an increase of approximately three additional weddings and three extra concert

series in our sanctuary annually. These events alone are conservatively estimated to generate an additional \$9,000 in revenue per year, based on standard rental fees. This would cover most of our \$9,684.48 annual payment.

- 2) In the current Calvary budget, we have already set aside \$10,000 for “general maintenance,” which, if it looks like we are in danger of not making enough to pay the loan, could be reallocated to required payments.

What is the timeline of this project?

We are working on closing the loan now, should the congregation vote to authorize the loan. We hope to close on or before September 22, 2024, in order to lock in the loan details outlined above.

The contract with Express was signed and returned at the end of June 2024, and based on their initial projections, this would allow construction to begin near the beginning of October 2024, with an estimated 4-6 weeks of time for installation.

How will this affect worship at Calvary during the duration of the project?

We will have to see. Access to the parking lot may be lost for some of the installation process, but we plan to continue to be in residence in the building for the duration! We will stay flexible and light on our feet, as we always are.

Thank you for taking the time to read this information, and get up-to-speed before our **special congregational meeting after worship on Sunday, August 25**. This loan is a big commitment for Calvary, but it isn't anything we can't handle, and both the Building Improvement Task Force and the Session remain convinced that removing and replacing our nonfunctional elevator is the only way the Calvary community can move forward in our beautiful, historic, and meaningful building.

Thank you,

Aaron Tindall-Schlicht and the Calvary Session