

***Rental Property Report
for UUFM Board***

October 7, 2022

Directive

March 9, 2022

Proposal to establish a Rental Property Task Force

Purpose: Investigate major issues to consider in reaching a decision to sell or retain ownership of UUFM's rental property. This includes an analysis of financial costs & benefits of each option, both long term & short term.

Questions to consider:

- What are the legal boundaries of the property? Should they be redrawn? (Legal Description)
- What is the market value of the property? (Property Review and Valuation)
- What likely maintenance costs are looming if the house remains rental property? Are we breaking even, or losing money? (Income and Expenses)
- How will selling the property affect the rest of our site? What adjustments will we need to make—parking lot, garden, playground, green space, etc.? (Going Forward)
- Are there alternative uses for the house that meet our values? Would they be affordable? How have other religious communities and UU churches used their property to live out their mission? (Not addresses)
- Other (To Keep and To Sell)

Outcome:

A written summary of key findings, addressing all of the above questions and any others that arise, presented to the Board of Directors.

Timeline:

Findings of the work group are to be submitted to the Board by November 2022.

The soonest a congregational vote could be held on sale of the property is at the annual meeting in spring of 2023. This allows ample time for research & widespread discussion among the congregation.

Members:

Todd Schweim, Chair

Lee Ganske

Dave Schostag

Jim Vonderhaar

Connie Rovney

Legal Description



Legal Description



Legal Description



Summary

Parcel ID R01.08.14.477.006
Property Address 935 CHARLES AVE
 MANKATO, MN 56001
Sec/Twp/Rng N/A
Brief Tax Description AUDITORS PLAT 35 S75' OF E100' 004 000 00
 (Note: Not to be used on legal documents)
Area N/A
Use Code 4BB1-Residential Non-Homestead single unit
Tax Authority Group MANKATO CITY SCH 0077

* The Use Code is the Assessor Office's determination of the use of the property for the current assessment year and is not the same as the property's zoning.

* Please contact the zoning authority for information regarding zoning.



Owners

Primary Owner
[UNITARIAN UNIVERSALIST FSHP](#)
 937 Charles Ave
 Mankato MN 56001

Alternate Taxpayer

Fee Owner

Land

Lot Dimensions Regular Lot: 100.00 x 75.00
Lot Area 0.17 Acres; 7,500 SF

Residential Dwellings

Residential Dwelling
Occupancy Single-Family
Style 1 Story Brick
Architectural Style Ranch
Year Built 1960
Roof Hip/Asph Shgl
Flooring Carpet/Linoleum
Foundation Masonry Wall
Exterior Material Other
Interior Material Sheet Rock
Brick or Stone Veneer
Total Gross Living Area 1,428 SF
Attic Type None;
Number of Rooms 0 above; 0 below
Number of Bedrooms 4 above; 2 below
Basement Area Type Full
Basement Area 1,428
Basement Finished Area 700 - Rec. Room (Single)
Plumbing 2 Full Bath;
Appliances
Central Air Yes
Heat Forced
Fireplaces
Porches
Decks
Additions
Garages 480 SF (24F W x 20F L) - Att Brick (Built 1960);

Yard Extras

#1 - (1) Driveway Asphalt-Double, Standard Normal, Built 1990

Sales

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
3/8/2005	VICTORY LIFE CHURCH	UNITARIAN UNIVERSALIST FELLOWSHIP OF MANKATO	CRV-20723	20723	Reject Sale Multiple Parcels	Deed		\$465,000.00

⊕ There are other parcels involved in one or more of the above sales:

[Recording: CRV-20723 - Parcel: R010814477002](#)

[Recording: CRV-20723 - Parcel: R010814477005](#)

[Recording: CRV-20723 - Parcel: R010814477007](#)

Legal Description

Permits

Permit #	Date	Description	Amount
12-1220	09/01/2012	Misc	26,000

Valuation - Assessment Year

	2022 Values	2021 Values	2020 Values	2019 Values	2018 Values	2017 Values
EMV Improvement	\$185,100	\$142,100	\$133,400	\$133,400	\$122,800	\$120,600
EMV Land	\$32,800	\$32,800	\$32,800	\$35,700	\$35,700	\$35,700
EMV Machine	\$0	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$217,900	\$174,900	\$166,200	\$169,100	\$158,500	\$156,300
Green Acres Value	\$0	\$0	\$0	\$0	\$0	\$0

Taxation

	2022 Payable	2021 Payable	2020 Payable	2019 Payable	2018 Payable	2017 Payable
Estimated Market Value	\$174,900	\$166,200	\$169,100	\$158,500	\$156,300	\$143,100
Taxable Market Value	\$174,900	\$166,200	\$169,100	\$158,500	\$156,300	\$143,100
Net Tax Amount	\$2,212.00	\$2,122.00	\$2,152.00	\$2,022.00	\$1,984.00	\$1,734.00
+ Special Assessments	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
= Total Taxes Due	\$2,232.00	\$2,142.00	\$2,172.00	\$2,042.00	\$2,004.00	\$1,754.00
+ Penalty	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$1,116.00	\$2,142.00	\$2,172.00	\$2,042.00	\$2,004.00	\$1,754.00
= Outstanding Balance	\$1,116.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Taxes Paid

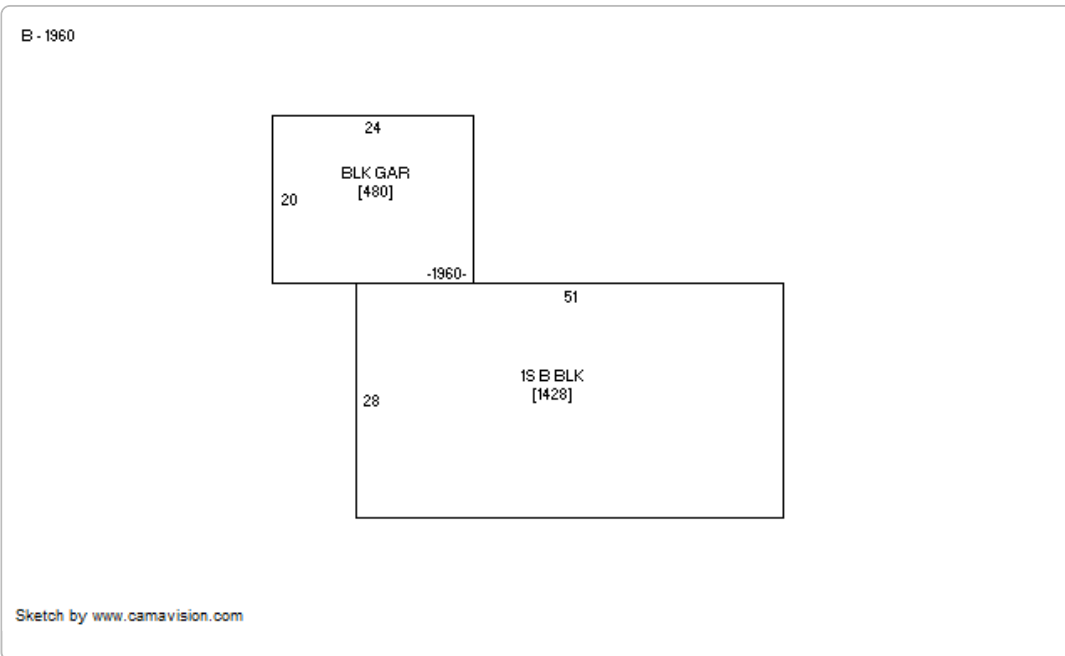
Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2022	B22.2703	5/16/2022	(\$1,106.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,116.00)
2021	B21.5112	10/15/2021	(\$1,061.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,071.00)
2021	B21.2236	5/17/2021	(\$1,061.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,071.00)
2020	B20.5777	10/15/2020	(\$1,076.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,086.00)
2020	B20.2869	5/15/2020	(\$1,076.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,086.00)
2019	B19.4562	10/15/2019	(\$1,011.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,021.00)
2019	U19.2493	4/23/2019	(\$1,011.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,021.00)
2018	U18.15049	10/8/2018	(\$992.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,002.00)
2018	U18.5103	5/8/2018	(\$992.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$1,002.00)
2017	U17.13930	10/2/2017	(\$867.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$877.00)
2017	U17.7028	5/11/2017	(\$867.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$877.00)
2016	U16.14238	10/3/2016	(\$864.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$874.00)
2016	U16.7348	5/13/2016	(\$864.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$874.00)
2015	U15.15687	10/9/2015	(\$765.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$775.00)
2015	U15.4661	5/7/2015	(\$765.00)	(\$10.00)	\$0.00	\$0.00	\$0.00	(\$775.00)

Photos

Legal Description



Sketches



No data available for the following modules: Doing Business As, Agricultural Land, Commercial Buildings, Agricultural Buildings, Delinquent Taxes, Amortized Special Assessments, Ditch Special Assessments.

Legal Description



Summary

Parcel ID R01.08.14.477.008
Property Address N/A
Sec/Twp/Rng 14/108/27
Brief E100' OF PORTION OF GL 11 LYG S OF AUD PLAT 35 & N OF B E RIVER
Tax Description ADDITION 014 108 27
 (Note: Not to be used on legal documents)
Area N/A
Use Code 5E-Exempt Properties
Tax Authority Group MANKATO CITY SCH 0077



* The Use Code is the Assessor Office's determination of the use of the property for the current assessment year and is not the same as the property's zoning.

* Please contact the zoning authority for information regarding zoning.

Owners

Primary Owner
[UNITARIAN UNIVERSALIST FSHP](#)
 937 Charles Ave
 Mankato MN 56001

Alternate Taxpayer

Fee Owner

Land

Lot Area 0.22 Acres ; 9,583 SF

Yard Extras

- #1 - (1) Shed W10.00 x L16.00 160 SF, Frame Shed, Low Pricing, Built 1990
- #2 - (1) Paving - Asphalt 1,300 SF, Concrete Parking Lots, Low Pricing, Built 1980

Valuation - Assessment Year

	2022 Values	2021 Values	2020 Values	2019 Values	2018 Values	2017 Values
EMV Improvement	\$2,200	\$1,900	\$1,700	\$1,600	\$1,400	\$1,400
EMV Land	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200
EMV Machine	\$0	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$21,400	\$21,100	\$20,900	\$20,800	\$20,600	\$20,600
Green Acres Value	\$0	\$0	\$0	\$0	\$0	\$0

Photos



No data available for the following modules: Doing Business As, Agricultural Land, Residential Dwellings, Commercial Buildings, Agricultural Buildings, Sales, Permits, Taxation, Pay Property Taxes, Delinquent Taxes, Taxes Paid, Amortized Special Assessments, Ditch Special Assessments, Sketches.

Property Review

Andy Roberts has been in the house repeatedly over the past several years. The following are notes from that conversation.

- The roof was looked at in 2021 and is in fair condition.
- Major appliances, electric, and siding are in fair condition.
- Plumbing will be an issue in coming years.
- Upcoming expenses for the property will be roughly the same as they have been in the past.
- The interior of the house is cluttered. However, there are no immediate needs.

Home Inspector

Contacted Closer Look Home Inspections. The estimate is \$583.00.

Valuation

Parcel 417-006

Appraised value: \$217,406

Zillow Value Estimate: \$241,200

Zillow Rent Estimate: \$2,146

Parcel 417-008

Appraised Value: \$21,400

Estimated value: unknown

Can compare to neighboring property.

Note: Easements will have an effect on the price of each property.

Todd spoke with an associate who buys homes, improves them, and resells. He said that Zillow estimates for home resale are remarkable accurate for our purposes.

Surveyor

Contacted Widseth for an estimate of combing two parcels and redrawing property lines. Spoke with Brian Belcamp, a verbal estimate is coming.

If we decide to reconfigure property lines, the re-configured properties must meet current code and be approved by Mankato Planning and Zoning. This includes structure setbacks, impervious surfaces, etc.

Estimate is \$2,800.00. See Contract Letter.

Income and Expenses

Income/Expense History						
Year	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Rent/Income	\$14,400	\$14,400	\$14,400	\$14,400	\$14,650	\$15,000
Taxes	\$ 1,751	\$1,879	\$2,023	\$2,107	\$2,157	\$2,142
Repairs	\$847	\$6,453	\$376	\$0	\$995	\$0
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Other Expenses			\$135			
Net Income	\$10,802	\$5068	\$10,866	\$11,293	\$10,498	\$11,858
Average Annual Income		\$10,064				
Monthly Average Income		\$839				
Current Monthly Rent		\$1,250				

Going Forward

Leave As Is

The Fellowship would take no action and leave as is. We could seek property management to ease the responsibilities on Buildings and Grounds and our volunteer pool. This will reduce our monthly income, however.

Change of Focus

Due to the current UUFM financial forecast, we did not investigate alternative uses for the house that meet our values.

The change of focus would need to be board/budget driven. All investigated options would come with additional expenses.

Rev. Rita has provided tools to investigate what other Fellowships are doing.

Zoning rules and regulations are in appendix A. Condition use permits are required for day care center, half-way house, etc.

Improved Rental

Todd spoke with an associate who buys homes, improves them, and resells. He said that Zillow estimates for home rental are remarkable accurate. Zillow estimates our rental on the property to be roughly \$2,146. We are currently charging significantly less.

If the Fellowship would like to use the rental as a source of income, the board could consider authorization of additional funds to be spent on home improvements in order to attract renters at the estimated \$2,200 per month rate.

Selling

In order to sell property, the Fellowship needs to decide to sell one or both properties. If both, the Fellowship would hire a surveyor to change property lines and record at the following at the county:

- 1.) Change property line in front of house.
- 2.) Change property line in back of house or incorporate lot 417-006 with 417-008.
- 3.) Create easement in front and along west side of property line. This would need to include language regarding snow removal, asphalt maintenance, etc.

Selling Estimates

- 1.) Survey/county registration: \$2,850+. See appendix B.
- 2.) Appraisal: \$1,500
- 3.) House Inspector: \$585.00
- 4.) Realtor Fee: ranging from 3-6%.

The above are estimates, no quotes. The Fellowship needs to decide if parcels are to be combined and/or property lines edited, and what easements to incorporate prior to getting a quote.

Arguments for keeping the property:

CONS

- Property is currently (by non-professional opinion) in “fair” condition. It will require upgrade expenses if we hope to increase the current rental charge and/or change tenants.
- May require “professional” management rather than the current volunteer parishioner method.

PROS

- **Maintain** control of a property that is in very close proximity to our existing worship space. (See site maps.)
- Potential to upgrade and increase rental income.
- Explore alternative uses that would meet our values.
- Potential property value and rental income increases due to inflation.
- Property provides consistent, long-term, cash flow.
- Property provides a community garden. The garden is a popular part of the Fellowship. 5-6 people maintain it, while additional people pick up produce and socialize over the garden.

Arguments for selling the property:

CONS

- **Lose** control of a property that is in very close proximity to our existing worship space. (See site maps.)
- Lose control of other purposes for the property, such as: meetings, youth classes, housing for group home, public service agency, low cost rental for needy family, etc.
- Will require upgrades to best optimize sale price
- Because of current site boundaries, there will be yet undetermined costs for surveying and legal costs for resetting boundaries which may require easements and /or zoning variances.
- The new property boundaries would be in very close proximity to our existing worship space.

PROS

- Potential for an immediate cash infusion to Fellowship treasury of \$200,000+. This is equal to almost 20 years of income at the current level of net rental income.
- Cash infusion could be used for immediate financial needs of the fellowship.
- Removes the property from our responsibility for it. This responsibility has been falling on a smaller, aging group of volunteers.
- Our volunteer resources are limited, selling the property allows the fellowship to refocus these resources on the church itself.

Considerations

There are obviously several potential financial expenditures to these options. The board can request further exploration of these if desired

Appendix A

Sec. 10.14. - R-2 One- and Two-Family Dwelling District.

Subd. 1. Purpose. The R-2, One- and Two-Family Dwelling District, is intended to provide for low and medium-density residential development.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the R-2, One- and Two-Family Dwelling District:

- A. Dwellings, one- and two-family and attached one-family.
- B. Gardens, provided no retail sales.
- C. Home occupations, as regulated by Section 10.82.
- D. Parks, playgrounds, tennis courts, and swimming pools.
- E. Schools, public and private elementary, middle, and secondary.

Subd 3. Conditional Uses. Except as specifically limited herein, the following uses may be allowed in the R-2, One- and Two-Family Dwelling District, subject to the regulations for conditional uses set forth in Section 10.92 of this chapter:

- A. Bed and breakfast residences, as regulated in Section 10.82.
- B. Campgrounds within public parks.
- C. Cemeteries, crematories, and mausoleums.
- D. Child daycare facilities, when not operated as a home occupation, and as regulated in Section 10.82.
- E. Churches or places of religious worship, parish houses, rectories, and convents.
- F. Congregate Housing.
- G. Golf and country clubs.
- H. Government institutions, municipal buildings, museums, and libraries.
- I. Hospitals and medical clinics.
- J. Nursing homes and similar institutions.
- K. Other residential, institutional, or government service uses determined by the Planning Agency to be of the same general character as the permitted and conditional uses above and found not to be detrimental to existing uses and the general public health, safety, and welfare.
- L. Parking lots providing off-street parking for a use permitted in a residential zoning district, provided the parking lot is within five hundred (500) feet of the main building of said use.
- M. Public utilities and essential service utility facilities and structures, as regulated in Section 10.82.

(Ord. 1-14-2008)

Subd. 4. Minimum Lot Area. The minimum lot area for the R-2, One- and Two-Family Dwelling District, is as follows:

- A. **One-Family (Attached or Detached).** Six thousand (6,000) square feet per dwelling unit. Lots recorded prior to May 28, 1956, may have a minimum size of five thousand five hundred (5,500) square feet for a one-family dwelling.
- B. **Two-Family.** Eight thousand (8,000) square feet.
- C. **All Other Uses.** Eight thousand (8,000) square feet.

Subd. 5. Minimum Lot Width. The minimum lot width for a one-family dwelling unit is fifty (50) feet and shall be measured at the front setback line. The minimum lot width for all other uses in the R-2, One- and Two-Family Dwelling District, is sixty (60) feet and shall be measured at the front setback line. Lots recorded prior to May 28, 1956, may have a minimum lot width of fifty (50) feet.

Subd. 6. Yards and Setbacks. The minimum yard and setback requirements for the R-2, One- and Two-Family Dwelling District, are as follows:

A. Front Yard Setback.

- 1. **All Buildings.** A minimum of thirty (30) feet.

B. Side Yard Setback.

- 1. **Dwellings.** A minimum of six (6) feet.
- 2. **All Other Principal Buildings and Uses.** Ten percent (10%) of lot width, provided the side yard is a minimum of ten (10) feet or a maximum of thirty (30) feet.

Two (2) side yards shall be required for each zoning lot.

C. Rear Yard Setback.

- 1. **Dwellings.** A minimum of twenty-five (25) feet.
- 2. **All Other Principal Buildings and Uses.** Twenty-five percent (25%) of lot depth, provided the yard is a minimum of twenty-five (25) feet or a maximum of seventy-five (75) feet.

D. Transitional Yard. None required.

E. Accessory Buildings. Accessory buildings shall not be allowed in the required front or side yards. Accessory buildings may be located in the rear yard, provided the building is located at least three (3) feet from any property line.

F. Parking. Except for the property's driveway, all parking surfaces shall be set back a minimum of three (3) feet from any property line.

Not more than thirty-five percent (35%) of the front, corner side yard, or rear yard setbacks shall be hardsurfaced or used for driveways and/or unenclosed motor vehicle parking. Motor vehicle parking shall not be allowed in the required side yard setback.

(Ord. of 2-9-2004)

Subd. 7. Maximum Ground Coverage. The sum total of lot area that may be covered by all structures located on a zoning lot in the R-2, One- and Two-Family Dwelling District, shall not exceed thirty percent (30%).

Accessory buildings shall occupy not more than fifty percent (50%) of the total area of a required rear yard.

Subd. 8. Maximum Floor Area Ratio. No restriction.

Subd. 9. Maximum Building Height. The maximum building height in the R-2, One- and Two-Family Dwelling District, is thirty-five (35) feet. Accessory structures shall not exceed twenty (20) feet in height. Refer to Section 10.81 for exemptions.

Subd. 10. Minimum Structural Requirements. The following shall be minimum structural requirements in the R-2, One- and Two-Family Dwelling District:

- A. All structures used for residential occupancy shall have a minimum width of twenty (20) feet at the structure's narrowest dimension and the structure shall be affixed to a continuous permanent perimeter foundation constructed of concrete block, poured concrete, or wood. All structures, either principal or accessory, shall be constructed in conformance with the Uniform Building Code.

Appendix B



October 3, 2022

Unitarian Universalist Fellowship of Mankato Church
c/o Todd Schweim
935 Charles Ave.
Mankato, MN 56001
Phone: 715-557-0086
Email: t.schweim@me.com
Sent via email only

RE: Scope and Cost Estimate for UUFM Church
Boundary & Topographic Survey

Dear Mr. Schweim:

Thank you for the opportunity for Widseth Smith Nolting and Associates, Inc dba Widseth to work with you to provide land surveying services for five adjoining parcels listed as PID's: R01.08.14.477.002, R01.08.14.770.005, R01.08.14.477.006, R01.08.14.477.007, & R01.08.14.477.008 in the City of Mankato, MN.

Scope of work:

Locate and mark all existing property corners of the subject property, locate all structures and man-made improvements. Create a Certificate of Survey suitable for administrative review by the City's Planning Committee. Proposed legal descriptions will be created should the parcels need reconfiguring. The Certificate will include the boundary and legal description of the existing parcels. The Certificate will be signed by the same Minnesota Licensed Land Surveyor who is setting any replacement property corners.

Area to be Surveyed:

See attached Exhibit A – GIS Map, which are the parcel maps from the Blue Earth County GIS of the subject property.

Scope of Work Cost:

\$2,850 Lump sum

Timeline:

We will schedule the work within 20 business days after receiving a notice to proceed.

Deliverables:

An Electronic pdf and signed hard copies of the Certificate of Survey will be provided.

We will invoice as work is completed during our monthly billing cycle and payment is due within 30 days. A late payment PENALTY of 1% per month, which is an annual rate of 12%, shall be applied to any unpaid balance, commencing 30 days after the invoice date. If full payment has not been rendered within 90 days after the date of the completion of this project.

General Conditions and Assignment of Risk:

See attached WSN general provisions and fee schedule.

As authorization to proceed, the client will sign and date this contract, and return it to WSN. This contract is offered as of this date, October 3, 2022, and is open for a period of 30 days.

OFFERED BY:
WIDSETH SMITH NOLTING & ASSOC., INC.

ACCEPTED BY:

Bryan T. Balcome, LS, Vice-President

Todd Schweim



Peter Jenkins, PLS, CFedS