

# Building Partnership Agreement

Living Table United Church of Christ, Lake Nokomis Lutheran Church and Spirit of St. Stephen's Catholic Community will form a nonprofit Building Corporation to share the building and adjacent parking lot at 5011 31st Avenue South in Minneapolis.

The Building will be remodeled and improved with funds provided by Spirit Catholic Community and Living Table. Spirit Catholic Community will contribute \$400,000 and Living Table will sell its building and contribute all but \$125,000 of the sale proceeds. Lake Nokomis Lutheran will transfer its title to the building and parking lot to the corporation. The three churches will jointly own and use the Building under the basic terms of this partnership agreement.

Each of the three congregations will continue to have its own name, worship service, pastor, leaders, council, outreach programs, and budget.

## *With this Building Partnership we can:*

- Multiply our impact as we serve the community and work for justice together
- Spend more on ministry and less on property and administration
- Enable our councils, staff, and members to focus on mission and ministry
- Learn from each other and build community with each other
- Reduce our environmental impact
- Provide opportunities for robust joint programs, such as combined educational and outreach programs for children, youth, adults, and families
- Provide an example to the community of how different denominations can cooperate

## *Sharing the Facility*

The current sanctuary will be used for worship at separate times on Sunday mornings by Lake Nokomis Lutheran and Spirit Catholic Community. Worship times to be determined. This sanctuary will be remodeled to enlarge the Gathering Space. Chairs will replace pews to provide maximum flexibility in the use of this space.

A Small Sanctuary will be created for worship primarily by Living Table. Both sanctuaries will be shared outside of worship hours.

Each church will have private office space and space for records and supplies. Private offices will be allocated based on need and space available. All other spaces will be shared. Space will be provided for the storage of historical materials and artifacts from all three churches.

Removable artwork, portable liturgical furnishings, and decorations currently in the building will temporarily be taken down by Lake Nokomis Lutheran and moved to a space in the building. Living Table and Spirit Catholic Community will share artwork, liturgical furnishings, and decorations from their buildings. All three churches will work together to determine which items to display where and when. They will also decide on new items to be displayed.

## *Sharing Staff, Ministry and Programs*

The churches will share administrative space, office equipment, and internet access. We anticipate that the congregations may grow into sharing other programs and staff members, especially with children, youth and family ministry and adult faith formation. The participating churches share a commitment to social justice and serving others and will likely combine efforts for greater effectiveness. Each church will contribute its proportionate share of the cost of shared staff, offices, and ministries.

The shared library will be administered by a joint team of members from all three churches.

## *The Nonprofit Building Corporation and Financial Arrangements*

The Building Corporation will be governed by a nine-member Building Corporation Board, with three Board members from each church. The Board will determine its policies and processes consistent with its bylaws, Minnesota nonprofit law, and sound practice. The terms of this agreement will be incorporated into the bylaws.

The Board will meet monthly. Members from the churches may attend the Board meetings and participate in discussions, but decision making will reside with the Board members. Meeting minutes will be made available to council and church members. The Board will provide monthly financial reports for the councils and will prepare a quarterly narrative report for members.

The Board is responsible for operating, maintaining, and improving the facility and will hire and supervise a Building Manager and other needed staff. The Board is responsible for negotiating and managing the charter school lease and other agreements with outside building users.

The Building Manager will supervise building maintenance and upkeep and will carry out building improvements, subject to approval by the Board. Nonemergency maintenance or improvements over \$15,000 (reviewed periodically) will require approval by the councils of all three churches.

The Building Manager will be responsible for scheduling the use of shared spaces, including after-hour use of the shared charter school spaces. The Board will set priorities and parameters for outside groups using the building, including an alcohol-use policy. It will purchase or lease shared office and maintenance equipment.

The Board will maintain adequate casualty and liability insurance coverage on the property and furnishings, along with workers' compensation coverage for its employees. Each church will be responsible for workers' compensation coverage for its employees and its own liability coverage, as recommended by the insurance carriers for each of the entities.

At the beginning of each fiscal year, the Board will prepare a facility budget. It will determine the percent of space used by each of the churches and by the charter school. Each user will pay its share of the facility budget based on this percentage. The facility operating budget will include utilities, cleaning, maintenance, repairs, wages for the building manager and custodian, if hired, and similar expenses.

The Board will establish a Reserve Fund to prepare for major expenses such as replacement of roofs, heating systems, boilers, and parking lot paving, as well as desired building improvements. The reserve fund will primarily be funded by the charter school rent as described in the following paragraph. If the reserve fund is not adequate to cover anticipated future needs, each church may be asked to make payments to the fund based on its percent of use.

The Building Corporation will assume the current mortgage on 5011 31<sup>st</sup> Ave South, which has a balance of about \$400,000. Rent from the charter school will be applied to the mortgage payment and lease-related costs. The balance, up to \$120,600 annually, will go to Lake Nokomis Lutheran. The remaining balance will be deposited into the Reserve Fund.

## *Conflict Resolution*

The Three-Church Discernment Team recommends that the Board adopt a consensus governance model similar to the one used by Living Table. Every effort will be made to avoid conflict by using this consensus governance model. Nonetheless, conflicts may arise that will need to be resolved.

In the event that all Board members from one church object to a motion, or in the event that a nonemergency motion passes by only one vote, such motion will be tabled until it can be reviewed by the three church councils acting as members of the corporation.

The councils will meet jointly to hear respective arguments for and against the motion or issue. The motion can then move forward by the Board only if all three church councils vote to approve the motion. In the event that the church councils fail to resolve the matter, three or more Board members can request mediation to resolve the issue.

In the event that one church is delinquent in its share of the operating expenses for three or more months, the Board members of the non-delinquent churches may vote to terminate that church's lease and take measures to remove that church from the Building Corporation.

## *Withdrawal*

If a church decides to close or determines that the building no longer meets its needs, that church will give six months' notice to the Building Corporation. The Building Corporation is not obligated to refund the initial contribution of that church, but if a new church decides to move into the shared building, a portion of its initial contribution may be returned to the leaving church, based on the determination of the Board.