



MEMORANDUM

To: Episcopal Church in Minnesota (ECMN)

From: Megan Flanagan, Executive Director, ULI Minnesota

Date: November 7, 2025

Subject: Recommendations for the Future of the Gethsemane Property

On September 3, 2025, ULI Minnesota convened a Technical Assistance Panel for a half-day session to explore reuse and redevelopment options for the Gethsemane property. The session included interdisciplinary experts in real estate, architecture, and community development, and focused on aligning potential strategies with the Diocese's mission priorities and financial realities.

About ULI Minnesota Advisory Services

Since 1947, the Urban Land Institute Advisory Services program has assembled well over 700 ULI member teams to help sponsors find creative, practical solutions for complex land use challenges across the country and globally.

A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services. Members are specifically recruited to form a panel of independent and objective volunteer ULI experts with the skills needed to address the identified land use challenge. The program is designed to help break through obstacles, jump-start conversations, and solve tough challenges that need an outside, independent perspective.

ULI Minnesota was founded in 2001 to serve the Minneapolis-Saint Paul region and the state of Minnesota. Its members are involved in all aspects of the development and city planning process — private, public, and nonprofit. Membership in ULI Minnesota includes the research and resources of the oldest and largest network of cross-disciplinary real estate and land use experts in the world.

ULI MN is led by local membership and works to engage public and private sector leaders to foster collaboration, share knowledge, and influence meaningful strategic action in the

responsible use of land to create and sustain thriving communities. The mission of ULI Minnesota is made possible by the generous contributions of time and talent made daily by our members.

ULI Minnesota has conducted more than 20 TAP panels and 80+ other Advisory Services offerings, with hundreds of ULI members sharing their expertise in support of our mission to “Shape the future of the built environment for positive impact in communities worldwide.”

Background of the Study Site

The study site consists of the sanctuary, built in 1883-1884, and the “school” wing built in the 1940s. The congregation worshipping in this building dispersed in 2019, at which point it came under the stewardship of ECMN’s Board of Trustees.

The April 2025 Valbridge proposal set the current property value at \$1M - \$1.4M.

Current operating expenses for the property are approximately \$96,000 per year with no lease revenue; these expenses are currently absorbed by the Board of Trustees’ reserve fund. 2022 estimates collected by Jay Nord concluded that deferred maintenance needs include tuckpointing, window replacement, and roof repairs, at a projected cost of \$1M. (The church is eligible for Legacy funds that could help pay for part or all of this deferred maintenance.)

The sanctuary is listed on the National Register of Historic Places and the Minnesota State Preservation Register, and it is locally designated by the City of Minneapolis. The education wing is not on the National Register, but that is likely due to the fact that when the Sanctuary was listed, the education wing was not 50 years old and therefore ineligible. However, since it is now over 50 years old, it could be potentially added to the Register as a functionally related structure to the Sanctuary.

Per the Diocese, “The Episcopal Church in Minnesota strives, when buildings and assets need to be repurposed, to do all in our power to ensure the property remains a positive asset for the community in which it is located. A project that aligns with our mission is always our preferred outcome. While the meaning of ‘mission alignment’ varies from site to site, we generally consider projects addressing social justice, affordable housing, senior housing, education, or the arts to be missionally aligned.”

The Process

The panelists received background materials on the site in advance of the panel. They started the day with a tour of the sanctuary and school building. They then interviewed Bishop Craig Loya, trustee Heather Worthington, property manager Jay Nord, and consultant Sara Joy Proppe to receive further insight. The panel deliberated and formulated recommendations, which were then presented to the ECMN team.

Questions considered by the panelists:

- What is the best approach to the disposition of the property?
- What are creative ways to retain the Sanctuary, which is National Register listed?
- What is the recommended site assembly approach for a future developer (more of a roadmap, not ECMN doing this outright)?
- Who are local or national developers who have the appropriate skillset?

Key Findings

Upon beginning deliberations, the panelists worked from these initial assumptions, based on their review of background materials, tour of the site, and discussion with key Diocesan representatives:

- The property is a valuable asset with architectural character and reuse potential. It is also an important cultural landmark for the City of Minneapolis.
- In current market conditions, the land doesn't have a premium to the improvements. The panel found the school structure to be in good shape and does not recommend deconstructing it ahead of marketing the property.
- There's no premium to be achieved by land assembly.
- The school is well-suited for multifamily housing of several kinds and could also be studio space.
- Immediate sale is unlikely to yield significant financial return. A quick sale would likely take 12–18 months and may not stop the current negative cash flow.
- Mission-aligned reuse is feasible and desirable. Options discussed include a wellness or retreat center, performance venue, social services hub, or arts/makerspace.
- Historic tax credits and other financing tools could support redevelopment, but operational sustainability remains a challenge.

Assets and Challenges

The panelists identified the key assets of the study site, including:

- Aesthetically pleasing structure with dramatic spaces.
- The modest size of a potential redevelopment project at 26,000 square feet, with a potential cost of \$7-\$10 million.
- The building footprint of the school allows for an efficient, double loaded corridor.
- Its location in the center of a large metropolitan area.
- The property's status in a Qualified Census Tract is an advantage, as currently the City is only seeing exploration of new 4% LIHTC projects in QCT tracts.

- The current church ownership is an advantage for a potential affordable housing project; it often takes 2-4 years to assemble funds and churches can often be patient landowner partners.
- While not directly on site, there are many underutilized parking resources available adjacent to the site. It should be possible to work out agreements for parking.
- The lack of immediate residential neighbors should negate any significant opposition to a reuse of the building for most purposes.

Challenges were site-specific, including:

- Lack of adjacent bus routes.
- Limited walkability of the corridor.
- Lack of quality outdoor space - any reuse would likely necessarily be internally focused.
- Lack of dedicated parking.

One panelist referred to the site as the “best house on the worst block.” They noted that any use of the space would require it being a destination in itself, as there are no significant draws in the immediate area.

The Core 50 land use designation requires 4.0 FAR and 10-story minimum on new buildings. It will be difficult to finance a 10-story new affordable building, as this size does not align well with the scale of funding programs which target projects with fewer than 100-120 units.

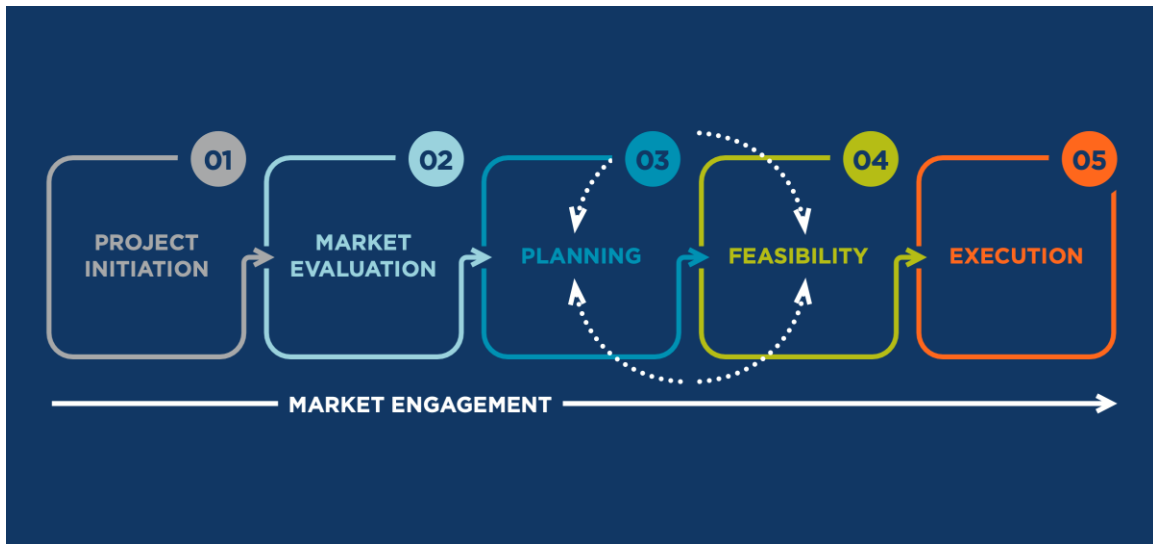
Guiding Principles for Decision Making

The panelists suggested that the Diocese adopt these guiding principles in decision-making related to the site:

- Stop the negative cash flow as soon as possible. Adaptive reuse is likely the fastest path versus attempting a large scale development of the entire block.
- Preserve the legacy of the church through mission-aligned use.
- Be good stewards ECMN’s assets. This includes flexibility in considering optimal disposition of the property, with donation, sale, and investment as potential pathways.
- Use lessons learned from this property as a case study for other situations where church property comes to the oversight of the Board of Trustees.

These principles should guide future decisions and help evaluate proposals and partnerships.

Recommendations and Suggested Actions



The panel was pleasantly surprised by the condition of the school building and recommended **not** deconstructing it ahead of a sale. It was noted that the layout would work for housing on its own or as a support to the future use of the sanctuary.

What is the best approach to the disposition of the property?

If ECMN would like to sell the property, the panel recommends the following steps:

1. Develop a Marketing Package: Include fit plans with a high-level look at 4-5 specific scenarios and a clear articulation of guiding principles.
2. Take sufficient pre-development work to help prospective purchasers evaluate the opportunity for their specific uses.
3. Hire a broker and broadly market for a mission-aligned user

If the Diocese would prefer to keep ownership, it should identify a development partner and an operations partner.

What are creative ways to retain the Sanctuary, which is National Register listed?

The panel identified several potential uses for the Sanctuary, some of which pair the sanctuary with use of the school building as lodging or studio/office uses. These uses include:

- A retreat center
- A performance or lecture venue (the space has excellent acoustics and sightlines)
- Arts education space and maker space
- Community gathering space
- Wedding venue

- Social services center (with appropriate operational partner);
- Home for a workforce training/youth organization.

One of the panel's favorite scenarios for repositioning of this property was as an urban retreat and wellness facility. The sanctuary is ideal for group uses such as lectures, performances, or activities like yoga classes. This space has a aesthetic appeal for this kind of use. The school wing could be renovated for sleeping rooms; the commercial kitchen and smaller gathering spaces would provide additional support.

The full property could also be reused as an arts center or music school, with studios and classrooms in the school building and performance and gallery space in the sanctuary.

Nonprofit organizations can make use of the school building to provide social services or youth support programs, either on its own or in conjunction with a community gathering space in the sanctuary.

What is the recommended site assembly approach?

The panel does not recommend ECMN pursue a site assembly of the adjacent parcels as they do not see current market value in acquiring more land.

Who are local or national developers who have the appropriate skillset?

ECMN has previously identified a list of developers, locally and nationally, who would have the skillset for developing this project. The panel recommends that ECMN identify preferred scenarios for mission-aligned disposal of the site, contract with an experienced broker, create the marketing package, and connect with ULI Minnesota and other networks for specific suggestions.

Additional suggested actions:

- **Engage in Pre-Development Work**
 - Formulate a project concept and feasibility study.
 - Identify potential operators and development partners.
 - Consider forming a task force or hiring dedicated capacity to lead this effort.
 - Consider pursuing a NRHP Part 1 Evaluation of Significance for the Education Wing to tee it up for historic tax credits.
- **Connect with City of Minneapolis planning staff to discuss the various scenarios.**
 - Any demolition would require review by Heritage Preservation Commission, with additional review by Planning staff to determine a staff recommendation for the HPC.
 - Historic designation provides more flexibility in an adaptive reuse situation through a historical variance; all downtown uses would be permitted, but variances would enable request for even more use options.
- **Leverage Financing Tools**

- Pursue historic tax credits, new market tax credits, and philanthropic support.
- Evaluate the potential for tax increment financing if structured as a for-profit entity.
- Evaluate the potential for Met Council funding for any site remediation costs and potentially conversion/construction cost, as well as predevelopment funds
- Treat Gethsemane as a Case Study
 - Use this project to inform future property decisions across the Diocese
 - Document the process and outcomes to build institutional knowledge.

Conclusion:

The Gethsemane property represents both a challenge and an opportunity for ECMN to advance its mission while preserving a significant historic asset. The panel's recommendations emphasize adaptive reuse as the most practical and missionally aligned path forward, leveraging the site's architectural character and cultural value. By prioritizing pre-development planning, engaging qualified partners, and exploring creative financing tools, ECMN can provide thoughtful stewardship for this unique, historic property.

Thank you for the opportunity to partner on this effort.

Appendix A: Examples of Church Conversions

Heartland Retreat Center, Elmore MN (former Trinity Lutheran Church)

<https://heartlandretreatmn.com/>



This Kasota stone church was renovated into a rental facility with sleeping accommodation for up to 18 retreat guests. Originally designed for quilting retreats, it also hosts yoga retreats, family reunions, corporate events, training workshops, and other craft-focused gatherings like wood carving and scrapbooking.

Waller Urban Retreat Center, San Francisco, CA (former Hamilton Methodist Episcopal Church)

<https://www.wallercenter.org/>

Operated by the Board of Camping and Retreat Ministries of the California-Nevada Conference of the United Methodist Church, the Waller Center offers affordable accommodations and meeting spaces for non-profits, faith-based, and community groups.

The Hamilton Chapel space is available for weddings, performances, worship, and other gatherings. The Center's dorms provide low-cost options for up to 50 guests. Meeting rooms, kitchen and dining room, and a gymnasium/banquet hall are also included in the complex.



Hinterland Hall, Lanesborough, MA (former St. Luke's Episcopal Church)

<https://www.hinterlandhall.com/>



Listed on the National Register of Historic Places, this 1836 Gothic-Revival stone church in the Berkshires has been repurposed as an upscale event center and retreat. It hosts weddings, musical performances, private dinners, and photo shoots. The choir loft has been transformed into a luxury guest room.

The Church, Sag Harbor, NY (former Methodist Church)

<https://www.thechurchsagharbor.org/>

Built in 1835 and moved to current location in 1864, this Greek Revival style church was deconsecrated in 2007 and passed through several owners with different visions before its current repositioning as a creative asset showcasing diverse events and highlighting the work of writers, dancers, inventors, and artists. An adjoining residency (built by a previous owner) hosts artists for multi-week stays.



Sanctuary Lofts, Minneapolis, MN (former St. James Episcopal Church)

<https://www.sanctuaryloftsmpls.com/>

This development is an adaptive reuse of a 1940s church and addition of a new construction on the property to provide 27 unique, affordable apartments – studio, 1 bedroom, and 2 bedroom. The brick structure features original stained glass, hardwood floors, and light fixtures, with apartments featuring individual character adapted to the space.



Tron Kirk Market, Edinburgh, Scotland (former church)

<https://www.scottishdesignexchange.com/pages/tron-kirk-market-royal-mile>



The Scottish Design Exchange worked with the Scottish Historic Building Trust to transform the Tron Kirk, originally opened in 1641, into an indoor market showcasing 20 artists and designers.

Appendix B: Panelists

John Breitinger

Executive Managing Director – Practice Leader – Real Estate Development Advisory Services, Cushman & Wakefield



John oversees Cushman & Wakefield’s Minneapolis Real Estate Development Advisory practice. In this role, he helps communities and real estate owners align real estate assets with operating and investment strategies. John focuses on real estate strategy, development, redevelopment and workouts of properties that are not performing to their potential. Most of John’s 35-year career has been focused on complex redevelopment projects and workouts. He has a passion for community building and place-making through the thoughtful development of the built environment. Prior to his practice at Cushman & Wakefield, John spent 20 years with United Properties, most recently as the General Manager of its retail investments. In that role, he established UP’s retail investment program and built it to a multi-state portfolio of 22 grocery-anchored shopping centers worth more than \$200 million.

Amy Geisler

Manager, Residential Finance, Department of Community Planning and Economic Development, City of Minneapolis



Amy leads the Residential Finance team at the City of Minneapolis in the Department of Community Planning and Economic Development. The Residential Finance team works with developers to create and preserve high-quality affordable rental housing. The team administers programs including the Affordable Housing Trust Fund, Housing Revenue Bonds, Low Income Housing Tax Credits, Naturally Occurring Affordable Housing (NOAH) Preservation Fund, 4d Affordable Housing Incentive, and Inclusionary Zoning. Amy previously held housing- and development-related roles with the City of Saint Paul, Metro Transit’s Transit Oriented Development Office, and the City of Ramsey. Amy holds a Master of Urban and Regional Planning degree from the Humphrey School of Public Affairs.

Alex Haecker, AIA, NCARB

Principal, AWH Architects



Alex has over 25 years of professional experience in design, architecture, historic preservation, adaptive reuse and rehabilitation. Alex has worked on a wide array of projects during the course of his career, but has focused on adaptive reuse, historic preservation, urban infill, and workplace environments. Along with his architecture practice he is deeply committed to serving the community by both serving on nonprofit boards and being a past 3 term Commissioner on the Minneapolis Heritage Preservation Commission. This dedication, both professionally and personally, affords him the extensive knowledge of historic renovations, additions, and renovations of existing buildings and spaces. His work encompasses residential, municipal, nonprofit, educational and corporate clients across the nation.

Taylor Smrikarova

Real Estate Developer, TNS



Taylor's work is focused on the intersection of real estate development, architecture, urban-focused design and community orientation. She believes that the development process itself adds beauty in creating occupiable art. Taylor worked in mixed-use development at Redesign, Inc., The Excelsior Group, in both commercial real estate and architecture at THOR Companies, and office renovations at RSP Architects. She also worked in residential architecture at Nelson Architects (in Washington D.C.), commercial mortgages at Capital One (in Maryland), and assisted homeowners during the Home Affordable Refinance Program (HARP) after the 2008 crisis while at Dorner Law & Title Services (in Boston, MA).

Appendix C: Reports, Resources, and Articles from ULI's Knowledge Finder

- [**ULI Southeast Florida/Caribbean: First Baptist Church of Fort Lauderdale, Inc.**](#)
The Property is the largest contiguous area in downtown Fort Lauderdale. Established in 1907, prior to the incorporation of the City of Fort Lauderdale, FBFTL is deeply rooted in its community and has positively provided a myriad of services for nearly 115 years, including large community events and a successful mission program. Further, FBFTL is a member of the Southern Baptist Convention, which is a collaboration of more than 40,000 other Baptist churches. In light of the increased density and development of the real estate surrounding its property, FBFTL contacted ULI to further understand its opportunities for growth and impact, with the vision that it will continue to be a movement of hope for the City of Fort Lauderdale and beyond.
- [**ULI Atlanta: Creating Sacred Oasis for All Saints' Episcopal Church**](#)
Located in the southern part of Midtown Atlanta, All Saints' Episcopal Church owns an entire city block bordered by West Peachtree Street, Ponce de Leon Avenue, Spring Street, and North Avenue. Interested in a deeper understanding of their options for development of some of the parcels of land located on their campus, All Saints' partnered with ULI Atlanta's TAP program.
- [**Development for Nondevelopers**](#)
The *Development for Nondevelopers* report was informed by ULI members and partners, including both developers and nondevelopers. It provides an overview of essential information about the real estate development process and aims to outline the basics of real estate development to help community members and public-sector leaders engage effectively in the real estate development process.
- [**Affordable Housing: YIGBY \("Yes in God's Backyard"\) Movement Seeks to Counter NIMBY Movement \(Urban Land, February 20, 2024\)**](#)
A tsunami of emptying houses of worship—up to 100,000 according to one religious source—is washing across America. Developing intelligent reuses and redevelopments for these properties will make the difference between a community flourishing and struggling. Housing advocates view underused faith properties as natural sites to develop projects that help close the great national gap on affordable housing.
- [**Community Hubs: YIGBY Movement Finds New Uses for Declining House of Worship \(Urban Land, September 3, 2024\)**](#)
The mismatch between small, aging congregations inside of large, deteriorating church buildings poses a major, long-term challenge to the integrity of our city centers and surrounding neighborhoods. Churches, synagogues, and mosques, after all, not only provide religious refuge, offer human services, and stand as architectural icons, but they also serve as important third places for the community.