

# ***Important and Exciting Information Regarding the Future of Denver Lutheran High School***

**Denver Lutheran High School will be in a different location for the 2012-2013 school year!!**

**Everyone is invited to join us for a full explanation of this exciting opportunity and a chance to ask questions on any of the following dates and times:**

**Thursday, July 1, 7:00-8:00 p.m. in the DLHS Media Center  
Friday, July 2, 7:00-8:00 p.m. in the DLHS Media Center  
Monday, July 5, 7:00-8:00 p.m. in the DLHS Media Center  
Friday, July 9, 7:00-8:00 p.m. in the DLHS Media Center**

**Please read on . . .**

*Written by Dan Gehrke – Principal, Denver Lutheran High School.*

*I love Denver Lutheran High School. I know that all of you do as well. Since 1955, God has used DLHS to proclaim His message of salvation to high school students. Many have come to know Jesus during their time at DLHS, and many more have walked across our stage, received their diploma, and went out into the world as spiritual champions – equipped with what they learned during their four years at 3201 West Arizona Avenue.*

This story has been repeated at many Lutheran high schools all over the country. Ten years ago, Lutheran secondary education boasted over 100 LCMS high schools in the United States. Combined with the strength of Catholic high schools and various non-denominational Protestant high schools, Christian secondary education was thriving.

Today, things have changed. The paradigm is quickly shifting. Catholic and protestant schools are downsizing and closing their doors all over the country – particularly in urban areas. Lutheran schools at all levels are struggling for survival. Six Lutheran high schools have closed their doors in the last two years alone. The Denver area has seen two Lutheran elementary schools close their doors in the last fifteen years and their total enrollment dip to nearly unsustainable levels. Why? The reasons include any or all of the following:

- Lack of congregational financial support
- Rising costs of education
- Aging school buildings
- Lack of discretionary income for families
- The rise of charter schools and other free alternative public options
- Less emphasis placed on the importance of Christian education by families
- Changing community (location) demographics

## ***Where DLHS currently stands***

Denver Lutheran High School is struggling financially for many of those same reasons. At a time when most Christian high schools are faced with the continual challenge of making ends meet, DLHS (and the Colorado Lutheran High School Association) unfortunately has the additional challenge of servicing its debt from the

addition and renovation of DLHS and the new building for Lutheran High School Parker in 2005. It was believed by many at that time that improving the facilities at DLHS would increase enrollment. **It has not.**

The reality of the future of DLHS is as follows:

- Enrollment will continue to decline and level off at about 150 students or lower (we currently stand at 183). Enrollment trends at our Lutheran elementary schools are holding fairly steady, but show no signs of increase.
- If the economy remains the same or worsens in the next five years, the amount of tuition assistance being requested will continue to increase. The amount of unfunded tuition assistance needed to maintain 150 students will continue to increase. The gap between the tuition assistance amount and donations/tuition angel support will continue to widen. Put simply, the amount of people within our existing pool of prospective families that can afford our product will continue to decrease.
- Capital improvements and deferred maintenance of the school building will become more and more difficult to fund. We have 183 students in a building that could hold 475. Operational costs will continue to exceed the margin generated from the enrolled students.
- As the neighborhood surrounding 3201 West Arizona Avenue continues to change demographically, DLHS will become even less attractive to non-Association (non-Lutheran) customers seeking a private education.
- DLHS will become a financial burden upon the Colorado Lutheran High School Association with respect to tuition income. We already lag far behind the tuition income generated from an identical enrollment at Lutheran High School Parker.
- DLHS will become less attractive to our Association Lutheran families as program and staff cuts become inevitable.

Over the last fifteen years, enrollment has dropped at DLHS from 375 students to 183 students. A further decline in enrollment coupled with our existing debt load will make sustaining the ministry at DLHS extremely difficult. A change is needed.

## ***Our opportunity***

The reality is, to continue our legacy of Lutheran secondary education, it has to be connected to people who can afford to pay tuition. This base is most often found by locating the school in an area that has the means to support private education. This is why most private or parochial schools are located or have relocated to the suburbs or other upper-middle to upper class areas. DLHS has been blessed to have a beautiful facility, but it is located in a low-income area. I have heard "I wish we could just pick up the school and move it," many times in my fifteen years at DLHS. That is not meant as a slight against the families that live in our neighborhood – it's just the reality of a neighborhood that is declining and a zip code with a low median household income.

In light of the facts listed above, The board of directors of the Colorado Lutheran High School Association voted to see what the DLHS campus could profit on the market if it was "for sale." The Board decided to list the property before Christmas. The thinking was twofold:

1. Maybe a school in Southwest Denver would be interested in purchasing the building at a high price.
2. If so, it may provide an opportunity to sell DLHS, relocate it, and improve the current debt situation of the CLHSA.

The campus was listed on December 23, 2009 and interest was extremely high. The building was shown numerous times throughout December, January, and February.

**In February, Denver Public Schools made an offer on the building for 5 million dollars, which after closing costs will net approximately 4.65 million dollars. They also agreed to work out a lease-back scenario for the 2010-2011 school year and the 2011-2012 school year. The CLHSA Board entered into a non-binding letter of intent with DPS at the end of February. A due diligence period ensued and the CLHSA Board prepared to present the current opportunity to the Lutheran Church Extension Fund (the holder of the debt on the property).**

On May 19th, a presentation was made to the LCEF Loan Committee requesting that DLHS be able to use the proceeds from a sale of the property to relocate the campus.

On June 23rd, LCEF agreed to allow DLHS to sell its campus under the following conditions:

\$2.5 million of the proceeds from the sale would be reserved immediately for DLHS to use for relocation.

A campaign to raise two million dollars would begin and \$1.5 million of that campaign will be used for relocation as well, with the remaining \$500,000 to be used to pay LCEF back the amount loaned to CLHSA over the past 1 1/2 years.

\$2.15 million of the proceeds from the sale would pay down our existing debt principal. This allows CLHSA to lower its interest and fees payment in the short term and aid DLHS in offsetting the lease back with Denver Public Schools.

On June 28th, The CLHSA Board agreed to sell the DLHS campus to Denver Public Schools, lease the facility back from them for two more school years, and use the proceeds from the sale to relocate DLHS to another location.

On June 30th, the Denver Public Schools met and approved the purchase of the DLHS campus for 5 million dollars.

**Therefore, DLHS will be relocating its campus for the 2012-2013 school year. Please be assured that no uncertainty exists as to whether the campus will be moved. We WILL be relocating. Ceasing our operation or consolidating with Lutheran High School Parker is not a viable option for the long-term ministry of the CLHSA and therefore is not a consideration.**

## ***What this means for our current DLHS students and families. . .***

**The class of 2011 and the class of 2012 are not affected by this decision.** DLHS will lease back its current campus for the next two school years. Operation will be "business as usual" and those students will graduate from DLHS at its current location.

**The class of 2013** will be attending DLHS at its current location for the next two school years but DLHS will be at a different location for their senior year.

**The class of 2014** will be attending DLHS at its current location for the next two school years but DLHS will be at a different location for their junior and senior years.

**The class of 2015** will attend DLHS at its current location for just one year and at a different location for their sophomore, junior, and senior years.

## ***After two more years at its current location, where will DLHS relocate to for the 2012-2013 school year?***

A feasibility study has shown that the north to northwest part of the Denver Metro Area has a high interest in having a private Christian school. Therefore, efforts have been ongoing to find property in that area on which to build or a building in that area that could be renovated to be a school.

Several excellent opportunities exist right now and the CLHSA hopes to announce its new location and purchase by September of 2010. It is a high probability that the new location will be north of I-70 and west of I-25.

## ***Our commitment to the classes of 2013, 2014, and 2015 . . .***

Maintaining the enrollment level of the class of 2013, 2014, and 2015 is the biggest key to the success of DLHS during the next two-year transition. In that regard, DLHS is committed to the following items:

For many students in those classes, the new DLHS will be a farther drive than the current DLHS. **DLHS promises to do everything it can to provide transportation from Denver to the new location** – by shuttle service, organizing carpools, or off-setting transportation costs. We absolutely do not want travel distance to the new location to be a reason to not stay at DLHS during the next two school years.

DLHS plans to have the same level of programs at its new location. While we will attempt to improve our program offerings and create a “new DLHS” to attract customers, we have every desire to continue to offer high academics, solid extra-curricular activities, and of course the best Christian education in the Denver metro area. It will still be “us” and the qualities that make our school a great place to go.

DLHS will continue to work with families to provide as much tuition assistance as possible. We will do everything in our power to “keep” the class of 2013 and 2014 at DLHS. If you are live considerably south of DLHS and feel that Lutheran High School Parker would be a better option for high school, we would certainly extend the same tuition rate to attend LHSP.

## ***The keys to our success***

This plan for the future success of DLHS is a bold one. It will take massive effort, prayer, and trust in our Lord. Four things are critical to the success of this plan:

- 1. Our belief and trust in the greatness of our God must continue.** What started as a question (“I wonder what we could get for our campus?”) has become an opportunity that we could not pass up. That is God at work. While relocating may not be “comfortable,” the future benefits far outweigh the negatives. Done correctly, it will allow the ministry of the Colorado Lutheran High School Association to continue and the ministry of DLHS to reinvent itself in a new location. Ultimately God is in control and will see to it that His will is accomplished through our efforts.
- 2. We must maintain our current enrollment level.** Families must maintain loyalty to DLHS even with the relocation. If you asked many parents and students what they like best about DLHS, they often answer with “the community.” This transition will put our community to the test. Satan does not want our ministry to survive and he will try every trick in the book to lure people away from our Christian environment and sabotage our efforts. I believe that our current families believe in our mission strongly enough to go through this amount of change.
- 3. Donations and giving to the high school must not drop. The loyalty of our donors must remain intact.** Do we really believe that DLHS exists to carry out its mission statement? Or do we believe that it is

about a building or a campus? Separating from a location that has belonged to DLHS for 57 years will not be easy. The emotional attachment to 3201 W. Arizona Avenue is extremely high. It is for all of us. But ultimately, the quality Christian education of DLHS can exist and thrive somewhere other than 3201 W. Arizona Ave so we can continue to provide a legacy for future generations. It is critical to maintain every avenue of support for our ministry: donors, alumni, supporters, churches, pastors, teachers, grandparents, parents, and students. God-willing, the excitement level for the new DLHS will be so high that the amount of giving to the school and to the campaign will exceed our wildest expectations.

**4. We need to raise a lot of money in a short amount of time to fund a full facility.** The amount of money that is raised by the campaign in the next 12-18 months will determine what the new facility will offer. A comprehensive funding plan for the new facility or a renovation will be completed shortly. The time to make a gift that will give DLHS the best opportunity for future sustainability is **NOW**.

The suddenness of this announcement was not intended to cause anger or frustration. I am sure that many may ask, "why were We/I not a part of this process?"

The truth is that discussion outside of the board, faculty and selected individuals and supporters may have caused unnecessary panic if the campus was not sold. This may have resulted in an unnecessary drop in enrollment if the sale did not occur. The CLHSA board felt that it was in the best interest of DLHS to not be publicly discussing a potential sale if it was not going to happen.

As we all move forward with this relocation plan, I often wake up both excited and nervous for the future. Then I turn to Scripture and am reminded that God is in control of it all and that no hurdle is too high for Him. My prayer is that through the next few years that we come to know Him more and that we are all able to show Him more to others – regardless of the difficulty of the task at hand.

Someone once said that "history unfolds in the space between difficult and impossible." Amen to that. Let's get to it.

***Many, O LORD my God,  
are the wonders you have done.  
The things you planned for us  
no one can recount to you;  
were I to speak and tell of them,  
they would be too many to declare.***

- Psalm 40:5