

**Presbyterian Church at Tenafly
Congregational Meeting Minutes
Sunday, April 10, 2022**

Call to Order: Elder Diane Anderson, serving as moderator, called the meeting to order at 11:05 a.m. with a prayer. It was noted that a quorum was present.

Moderator Anderson informed the congregation that we have only one item of business on the docket for this meeting, which is the proposal from the Session to sell the lower parking lot to the current tenant, Honda of Tenafly. There will be time for questions from the congregation at the end of the presentations.

She reminded those present that every member of the congregation had been sent the outline proposal and the opportunity has been given to request a detailed report on the work done by the Session and its task force and advisory group which led to this proposal.

Moderator Anderson invited Elder Chris Young to summarize the proposal. Elder Young noted that Tenafly Honda came to us to purchase the land with an initial offering of \$1.35 million. The current level of rent is a little over \$60,000 a year. She noted this was not the first time that the tenant had expressed a desire to purchase the property. A task force was formed to get appraisals of the land's worth and answer other questions regarding the offer.

Due to the fact that this sale was proposed by the buyer, rather than the church as seller, we had not done the background research into the transaction. As a result, we had to look into all of the issues that would come up in connection with selling the piece of land. A Task Force was created to do this. Brian Coats-Thomas, Chair, members: Peter Abitante, Bob Cooper, Rod MacKenzie, Ron Rexroth, Al Rocco, Blake Simis and Christina Young spent over 6 months researching areas of concern and obtaining 2 commercial appraisals of the plot of land. In the end it was primarily the financial projections prepared by Rod MacKenzie and Al Rocco which provided the main concern. The offer of \$1.35million fell far short of the \$1.53million Rod estimated we would need to cover our cash flow need of at least \$60,000 a year 'breakeven amount'. As a result, in August the Task Force recommended to Session that we decline the offer from Honda, thank Norm Dorf for his generous offer and suggest that we continue to rent him the lot. Clerk Eimer wrote on behalf of the Session to Honda of Tenafly informing him of this decision. At this point, the task force was discharged with grateful thanks for their work.

Honda of Tenafly then replied in September, saying that they were not interested in renegotiating the lease and still very much wanted to purchase the lot. At this point we had to start over and a new Advisory Group was established to assist with updated financials by Rod as well as to become fully comfortable with the other issues attendant to the potential sale. The Advisory Group was comprised of: Brian Coats-Thomas, Mary Jane Eimer, Rod Mackenzie, Ron Rexroth, Jon Teall, and Christina Young. The group met twice, with much work undertaken between meetings.

Elder Young noted that we have not needed the lower parking lot in over 25 years. The land is more valuable to DC Honda than any other buyer. The land has been in our possession since the Civil War. Honda of Tenafly has been there close to 100 years and the dealership was started by Mr. Dorf's grandfather. It is an established and thriving business. That is why they are willing to pay a premium for the space. His offered price now, \$1.675million is almost \$150,000 over our 'breakeven' amount, providing a good cushion to support the church's financial health.

Co-Treasurer Mackenzie then briefed the congregation on the key financial points of the proposal including allocating funds to a presbytery mission project. He stressed that the new sales proceeds should provide ample funds for the church to continue increasing the annual support of our budget in line with what the rent increases

would have been. In 12 years the rent would have been up to \$74,000 annually. In addition to this however, the amount of funds he will invest for the church will continue to grow, providing a ‘forever fund’, which will be in a separate account from the other church investments. This way we will be able to track its growth.

He shared his appreciation for Elders Young and Rexroth who met with Mr. Dorf regarding our counteroffer of requiring \$1,675,000 payment which he readily accepted.

It has been discovered that the new Presbytery of Northeast New Jersey is continuing the existing Presbytery of the Palisades policy of not imposing a fixed levy on property sales income, but that it would be diplomatic and appropriate to make a donation to a presbytery fund. Once the sale is final and we have the money in hand, we will investigate options. Elder MacKenzie informed the congregation that PCAT will be responsible for attorney fees to write up the deed, addressing the driveway, staircase, and integrity of the retaining wall and green slope in addition to covering the sales tax.

Questions from the congregation:

It was confirmed that the money from the sale of the parking lot is required to support our annual operating expenses and core budget rather than to provide a fund for special projects

It was confirmed that the Presbytery will need to approve the sale of our property before we can finalize the sale and Mr. Dorf is aware of our process to be followed and timeline. The issue will come before the Presbytery for a vote at their May meeting. It was noted that we have been keeping the Presbytery updated of our need to sell the land to cover our operating expenses and the due diligence undertaken to get to this point.

M/S/U: The congregation of the Presbyterian Church of Tenafly, accept the offer to sell the lower parking lot to Honda of Tenafly for the sum of \$1,675,000, subject to Presbytery approval. We will indicate to Presbytery that we intend to allocate a proportion of the net sale in excess of the “break even” income in support of mission in the Presbytery once an appropriate project is identified. This decision of the congregation is to be communicated by the Clerk of Session to Presbytery, seeking approval to sell.

The congregation thanked the careful and immense amount of work done by the members of the task force, advisory group, and Session to get this point. It is a difficult decision to let go of the property. Moderator Anderson also noted the admirable work done by many members in the congregation as evidenced by the reports she had seen in preparation for this meeting.

Adjournment:

M/S/U: The meeting was adjourned at 11:25 a.m. with a prayer.

Respectfully submitted,

Mary Jane Eimer
Clerk of Session