

Report From the Administrative Commission on Congregational Property
9/25/2018

Important Information for Churches

G-4.0206 Selling, Encumbering, or Leasing Church Property from the Book of Order

a. Selling or Encumbering Congregational Property

A congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation.

b. Leasing Congregational Property

A congregation shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of the congregation.

All leases executed by NCP Sessions must contain the following language:

"Notwithstanding anything contained in this Lease/License to the contrary, in the event that the Landlord as a religious organization is dissolved, Lessor or the National Capital Presbytery may terminate this Lease/License, provided that notice of such dissolution is provided to Lessee at least ninety (90) days prior to the anticipated date of dissolution, and (ii) the Lease/License shall not terminate for ninety (90) days after the date of such dissolution unless otherwise agreed by the Parties."

The Presbytery has empowered the Administrative Commission on Congregational Property with the powers of an Administrative Commission to consider and approve requests from churches to lease, sell or encumber the real property of a church. Any action in this regard by a congregation without the Presbytery's permission will not be recognized as legally valid.

If your church is considering leasing, selling or encumbering real property please contact Todd McCreight, Director of Business Operations, at 240-514-5356 or email tmccreight@thepresbytery.org.

Actions Taken Since the Last Presbytery Meeting

6/5/18 Darnestown Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Darnestown Presbyterian Church, a member in good standing of the NCP, to borrow up to \$2,300,000 for construction and long-term financing from the Presbyterian Investment and Loan Program (PILP) to fund Phase 1 of the church's growth and improvements plan, contingent upon approval from the congregation and PILP. The PILP loan rate will be 4%, amortized over 20 years. The church will be paying down the loan from capital campaign contributions, such that by the of 2020 the remaining loan amount is expected to be \$1,400,000. NCP also agrees to guarantee this loan, based on PILP loan requirements.

This approval is for a period of three years from date of approval, and is subject to review by the ACCP if the project is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

7/18/18 Korean Presbyterian Church of Rockville

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Korean Presbyterian Church of Rockville, a member in good standing of the NCP, to re-finance their existing mortgage debt of \$640,000 with SunTrust bank, based on a 5 year term extension, a 15 year re-amortization period, a new monthly payment of appx. \$5,200, and no penalties for prepayment.

This approval is for a period of three years from date of approval, and is subject to review by the ACCP if the project is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

8/22/18 Neelsville Church (e-vote)

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Neelsville Presbyterian Church, a member in good standing of the NCP, to borrow \$1,400,000 from Mid-Atlantic Federal Credit Union to pay off a \$380,000 remaining

balance from the Presbyterian Investment and Loan Program, and to pay National Capital Presbytery the retention amount of \$960,027, in connection with NCP's agreement to dismiss NPC to ECO ("a Covenant Order of Evangelical Presbyterians"). This loan will have a fifteen-year term, a fixed 4.38% interest rate for the first ten years, and interest-only payments for the first two years.

Unanimously approved

8/28/18 Bethesda Presbyterian and Taiwanese Presbyterian Church of Washington

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Bethesda Presbyterian Church and Taiwanese Presbyterian Church of Washington, both members in good standing of the NCP, to sell their jointly owned warehouse property at 5715 Arundel Avenue in Rockville to Cosgrove Enterprises for \$425,000 cash, to be split equally between the two congregations.

This approval is for a period one year from date of approval, and is subject to review by the ACCP if the sale is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

8/28/2018 Burke Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Burke Presbyterian Church, a member in good standing of the NCP, to sell their partially developed residential property in Hardy County, West Virginia for \$27,000. The ACCP understands that Burke plans to apply the proceeds from the sale to their mission project in Kenya.

This approval is for a period one year from date of approval, and is subject to review by the ACCP if the sale is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

2. Templates for various types of approvals

Lease of worship space

6/22/16 Kirkwood Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Kirkwood Presbyterian Church, a member in good standing of the NCP, to lease its worship and other specified spaces to Grace Light Community Church for a one year term effective October 13, 2015, with two one-year renewal options through October, 2018 on the terms and conditions as stated in the current lease agreement, at a monthly rent of \$630. If Kirkwood wishes to extend this lease beyond 2018, ACCP will need to review and approve the proposed extension contract beforehand.

ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

Unanimously approved

3/22/16 Saint Mark Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for

Saint Mark Presbyterian Church, a member in good standing of the NCP, to lease worship and other space on a weekly basis to Global Culture Mission Church for a base rent of \$2,000 per month.

This approval is conditional on:

1. Receiving a certificate of insurance that lists both National Capital Presbytery and Saint Mark Church as additional insured parties
2. Receiving a signed covenant from Global Culture's leadership that recognizes the PC(USA) as one branch of the true church of Jesus Christ.

This approval is for a period of one year from this date, and is subject to review by the ACCP if sale is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

Lease of other space for more than 5 years

Lease renewal

4/26/16 Bethesda Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Bethesda Presbyterian Church, a member in good standing of the NCP, to extend its lease with Bethesda Montessori School, Inc. through August 31, 2019 on the terms and conditions as stated in the original lease agreement, with the addition of the standard 90 day dissolution notice required by the ACCP.

ACCP authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

Cell tower lease

12/1/15 Church of the Covenant

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Church of the Covenant, a member in good standing of the NCP, to sign Amendment 5 to their cell tower lease with New Cingular Wireless. Amendment 5 extends the term of the lease and reduces the annual rent escalation slightly, to 2.5%, but preserves the church's right to cancel future renewal terms.

Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the lease is not signed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

12/1/15 Grace Church (Springfield)

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Grace Presbyterian Church, a member in good standing of the NCP, to sign a proposed Land and Steeple Lease Agreement between Grace Presbyterian Church, 7434 Bath Street, Springfield, VA 22150 and Verizon Wireless, One Verizon Way, Basking Ridge, NJ 07920 for a 15' by 19'9" parcel containing approximately 300 square feet together with space within the steeple above the existing church building for cell-phone antennas.

The terms of lease is an initial five (5) year term, with four (4) additional five (5) year automatic renewals. The annual rent will be \$24,000, and escalate automatically by 2% each year. In addition Grace Presbyterian can avoid any of the term extensions by providing written notice at least six (6) months prior to end of current term. Lease can also be terminated in ninety (90) days if church dissolves.

Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the lease is not signed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

(This approval is a slight revision, changing the rent escalator and the extending the approval period, to an approval dated 6/24/15.)

Unanimously approved

Loan approval

4/7/16 Gaithersburg Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Gaithersburg Presbyterian Church, a member in good standing of the NCP, to borrow up to \$100,000 from the Presbyterian Investment and Loan Program to fund a number of capital maintenance/improvement projects. The loan will have a ten year term and an interest rate of 3.5%.

This approval is for a period one year from date of approval, and is subject to review by the ACCP if the sale is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

Loan refinancing approval

Loan + guarantee approval

Sale of property inc. worship space

12/8/15 Hoadly Road property sale

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) recommends that the Leadership Council accept a \$5,405,000 offer to purchase the former home of Covenant Presbyterian Church at 5604 Hoadly Road, Manassas, Virginia made by Build to Minister LLC, owned by Robert Knowles, that includes a six week inspection/study period, a \$250,000 good faith deposit at the end of the study period, and a closing no more than two weeks after the study period.

NCP's real estate broker has performed a satisfactory bank credit check on Robert Knowles to ascertain that his organization has the funds necessary for closing. New Beginnings Christian Worship Center, Inc., the formerly contracted purchaser, has failed to demonstrate that it has the funds to close on its revised \$5,650,000 offer for the property.

Full text of the motion approved:

WHEREAS:

1. National Capital Presbytery (NCP, or the Presbytery) has been authorized by Covenant Church to sell the church property at 5640 Hoadly Road, Manassas, Virginia;

2. NCP has granted authority to the Leadership Council to approve the sale of 5640 Hoadly Road on behalf of the Presbytery, in order to avoid further delays in the sale;
3. The NCP Leadership Council has asked ACCP to oversee the sale;
4. Covenant and NCP desire to sell the property as soon as possible, preferably at a price that at least covers debt retirement, broker commission(s) and other closing costs, in order to minimize additional debt service and building maintenance expenses;
5. NCP has negotiated a \$5,405,000 offer from Build to Minister LLC, owned by Robert Knowles, that includes a six week inspection/study period, a \$250,000 good faith deposit at the end of the study period, and a closing no more than two weeks after the study period.
6. NCP's real estate broker has performed a satisfactory bank credit check on Robert Knowles to ascertain that his organization has the funds necessary for closing; and
7. New Beginnings Christian Worship Center, Inc., the formerly contracted purchaser, has failed to demonstrate that it has the funds to close on its revised \$5,650,000 offer for the property.

NOW, THEREFORE, be it RESOLVED:

1. That ACCP recommends that the Leadership Council approve an "all cash" sale to Build to Minister, LLC, owned by Robert Knowles, conditional on the following:
 - a. A price to be negotiated but not less than \$5,405,000 with a due diligence period of six weeks and settlement within two weeks of the end of the due diligence period, and
 - b. The terms of the Agreement of Sale and Purchase to be satisfactory to Presbytery's pro bono real estate attorney.

Sale of non worship property

8/8/15 Western Presbyterian

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Western Presbyterian Church, a member in good standing of the NCP, to sell their manse and property located at 3812 Jocelyn Street, NW, Washington, DC with three conditions:

1. That the sales proceeds be added to Western's endowment to increase the annual investment income for supporting the church's missions.

2. That the manse be sold for a price not less than 80% of the appraised value, based on the property's highest and best use, as determined by a professional appraiser.
3. That a copy of the appraisal be provided to the ACCP.

This approval is for a period one year from date of approval, and is subject to review by the ACCP if the sale is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

5/24/16 Bush Hill Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Bush Hill Presbyterian Church, a member in good standing of the NCP, to sell 5927 Cauba Court, a residential property adjacent to the church which the church no longer needs, for a price, net of closing costs and brokerage commission, of at least \$342,000.

Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the sale is not closed within that time period. The ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

Unanimously approved

Sale of easement

6/15/15 Takoma Park Presbyterian

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Takoma Park Presbyterian Church, a member in good standing of the NCP, to grant a 585 square foot storm water management easement covering new permeable pavement sidewalk and driveway installations to the City of Takoma Park for maintenance purposes.

This approval is for a period one year from date of approval, and is subject to review by the ACCP if the pavement installation is not completed within that time period. ACCP also authorizes the officers of NCP, Inc., as agents of the corporation to sign any documents required to complete the transaction.

Unanimously approved

3/10/15 Manassas Presbyterian Church

Under its authority as an Administrative Commission of National Capital Presbytery (NCP),

the Administrative Commission on Congregational Property (ACCP), **authorizes the Manassas Presbyterian Church (MPC)**, 8201 Ashton Avenue, Manassas VA 20109, a member in good standing of the NCP, to convey to the Prince William County Service Authority certain easements for the purpose of constructing water service. In exchange for this easement Prince William County will pay MPC a minimum of one dollar (\$1.00) Congregational approval of this request has been received.

Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the easement agreement is not completed within that time period. The ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

Approved by consensus

Purchase of property

Redevelopment projects

12/10/15 Westminster Church (DC)

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) authorizes the approval of two non-binding letters of intent between Bozzuto Development, Dantes Partners, Westminster Presbyterian Church and National Capital Presbytery. The first letter of intent involves the sale of a portion of the church property for the development of a for-sale condominium project, which will fund the construction of a new church building on another part of the site. The second letter of intent involves the construction and management of an affordable housing project on a portion of the church's land by Buzzuto and Dantes Partners. Financing for the various parts of the project will be provided by Buzzuto and Dantes Partners.

The next step in this project will be the negotiation of detailed contracts between the Westminster Church, Buzzoto Development, Dantes Partners and the ACCP on behalf of the Presbytery that commit the parties to the various components of this redevelopment project. In addition to ACCP's approval, Leadership Council and Presbytery approval will be required for these binding contracts.

Unanimously approved