

FEBRUARY 26, 2022 PRESBYTERY MEETING

SUPPLEMENTAL REPORTS

COMMITTEE ON NOMINATIONS (CN)

The following persons are nominated for approval by the presbytery:

Committee on Educational Resources (CER)

Class of 2024: Ann-Bailey Lipsett, member, New Monmouth, Maury River MC, 1st term

Committee on Mission and Outreach (CMO)

Class of 2024: Robin Owens, RE, Opequon, Mountain Valley MC, 1st term

Committee on Presbytery Administration (CPA)

Class of 2024: Eric Hulett, RE, Tuscarora, Maury River MC, 1st term

Class of 2024: Jim Lunde, TE, Warrenton, Mountain Valley MC 1st term

Committee on Preparation for Ministry (CPM)

Class of 2024: Brent Showalter (WITHDRAWN)

Class of 2023: Kathy Shue, RE, Charles Town, Eastern Panhandle MC, 1st term

Class of 2024: Sarah Hill, TE, Mt. Carmel, Maury River (MC), 1st term

Presbytery Permanent Judicial Commission (PPJC)

Class of 2027: Dawn Ruple, RE, Trinity, Central Valley MC, 1st term

We affirm the following persons for nomination to the respective committees of the Synod of the Mid-Atlantic:

Synod Permanent Judicial Commission (SPJC)

Class of 2027: John Peterson, TE, Covenant, Highland-Augusta MC, 1st term

Synod Committee on Representation (SCOR)

Class of 2024: Tom Holden, TE, retired, 2nd term

All presbytery committee chairs are urged to welcome their new committee members if they have not done so already and invite them to their next meeting.

COMMITTEE ON PRESBYTERY ADMINISTRATION (CPA)

Regarding: Sale of Presbytery Property and Presbytery Office Relocation

Beginning in 2015, Shenandoah Presbytery recognized that maintaining its property at 1111 N. Main Street, Harrisonburg, VA would create long term concerns for the Presbytery. The structure was aging and would need major improvements such as exterior painting and a new roof. And the grounds were large with the ongoing need for lawn care, tree maintenance and snow removal. CPA was tasked with selling the property and re-imagining another location for the offices.

The services of Jeff Robb with Lee & Associates Commercial Real Estate were engaged.

The major steps taken to date:

October 25, 2015	Property initially listed for sale at \$995,000
June 22, 2018	Lot sold to Dollar General for \$276,667
February 2, 2021	CPA reduced price for remaining lot to \$829,000

In the spring of 2021, CPA paused to ask a simple, yet profound, question:

“With no serious offers being made in one of the hottest real estate markets in American history, might the Holy Spirit be nudging us to consider other options for the property?”

A subgroup of CPA members and Presbytery staff (Bronwen Boswell, Betsy Hay, Ann Held and Clayton Rascoe) were asked to explore how the property might be used in mission to the “least of these” in the Harrisonburg and Rockingham County area. They hosted a series of three open houses at the property that were attended by representatives from United Way of Harrisonburg & Rockingham County, Faith in Action, Harrisonburg City Manager’s office and over ten different nonprofit organizations.

Subsequently, two significant actions occurred:

- The board of directors of a local nonprofit, Open Doors, voted to “engage in negotiations with Shenandoah Presbytery regarding the property at 1111 N. Main Street with the goal of a favorable purchase. The potential purchase of this property is for the intent of establishing a long-term, 12 month, low-barrier shelter to alleviate homelessness in the City of Harrisonburg and Rockingham County.”
- Harrisonburg City Council approved the designation of \$326,000 from CARES Act funds for the purpose of purchasing property and/or services for a low-barrier homeless shelter.

Jeff Robb has now successfully negotiated a Draft Purchase and Sale Agreement between the Presbytery of Shenandoah and the City of Harrisonburg for the property at 1111 N. Main Street, Harrisonburg, VA.

CPA brings the following motions to the Presbytery of Shenandoah on February 26, 2022.

Motion 1: The Presbytery of Shenandoah authorize the sale of the Presbytery office property located at 1111 N Main St, Harrisonburg, VA 22802 to the City of Harrisonburg for the sum of \$700,000 according to the Purchase and Sale Agreement included with the Presbytery Packet. (See pages S-5-S-9)

Explanation: CPA is pleased that the combination of the sale to Dollar General and the proposed sale to the City of Harrisonburg approximates the desired sale price established in 2015. Highlights of the proposed agreement with the City of Harrisonburg include:

- Price of sale = \$700,000 (note: assessment value of \$993,000; listed for \$829,000; initial offer from City of \$500,000)
- Contingencies:
 - the purpose of the property will be restricted to providing services to persons who are homeless, for a minimum of 10 years
 - both parties will approve before March 1st by signing the agreement (note: City Council will vote on February 22 and Presbytery will vote on February 26)
 - there will be a 30 day inspection period following the signing
 - closing will take place within 30 days of end of inspection period
 - Presbytery may lease the property back until May 7th if necessary
 - a non-profit whose purpose is helping homeless persons may go ahead and begin using the property upon closing (note: or earlier if agreement is reached directly with Presbytery)

CPA feels that this agreement honors the mission and ministry of the Presbytery of Shenandoah. The sale of the property for this specific purpose becomes an act of response to our Matthew 25 calling: *“For I was hungry and you gave me something to eat, I was thirsty and you gave me something to drink, I was a stranger and you invited me in, I needed clothes and you clothed me, I was sick and you looked after me, I was in prison and you came to visit me.”*

This sale is presented to Shenandoah Presbytery after prayerful discernment, listening carefully to where the Holy Spirit led us and opening ourselves to new possibilities to be the Body of Christ in the world.

Motion 2: The Presbytery of Shenandoah move their offices to Massanetta Springs Camp and Conference Center at 712 Massanetta Springs Rd, Harrisonburg, VA 22801, and that the General Presbyter, after approval from CPA, be empowered to enter a lease and negotiate a move-in date to secure those offices for a minimum of a three-year period.

Explanation: Over the past several years, Jeff Robb has shown various commercial rental properties to members of CPA for their review. Criteria for a new space included remaining in the greater Harrisonburg area; physical accessibility; availability of meeting space; reasonable expenses.

Robb advised the group that commercial rental properties with the Presbytery's needed amenities are priced between \$14-\$20/sq ft. (For a 2000 sq ft office, the price in this market would run from \$28,000 to \$40,000 annually.)

CPA also reviewed office operating and maintenance expenses on our current property and average expenses over the past five years have been \$27,000/annually. Entering into a rental agreement fixes the cost to the presbytery, limiting our exposure to expensive capital needs of maintaining an aging property.

After careful discernment, CPA recommends Massanetta Springs Camp and Conference Center as its top choice for a relocation of the office. This location optimizes denominational connections and relationships, is easily accessible, offers appropriate office square footage and amenities, is visible and welcoming on the Massanetta Springs campus and is reasonably priced for our needs.

The Executive Committee of Massanetta Springs Camp and Conference Center has already approved its Executive Director to enter into a lease with the Presbytery of Shenandoah. Highlights of a proposed lease include:

- Annual rental of \$34,000 (\$2,833 monthly) that includes exclusive use of the Kinnaird Tower office space, approximately 2,000 sq.ft., as well as water, sewer, electricity and trash removal
- Preapproval to make cosmetic interior renovations to the space at Presbytery's expense. Structural changes may be made only with permission from Executive Committee of the Board of Directors
- To provide all needed meeting space at no cost for one meeting a year of the Shenandoah Presbytery if the presbytery desires
- To make larger meeting space available where the Massanetta Springs calendar allows for a nominal cleaning fee; meetings of up to eight persons can be accommodated in the leased office space
- Option to arrange appropriate signage and parking spots

Motion 3: The proceeds from the sale of the Presbytery office be allocated to cover moving and renovation expenses of the new Presbytery offices. Remaining funds will be invested for the benefit of the mission and ministry of Shenandoah Presbytery.

Explanation: There will be unbudgeted expenses related to relocating the Presbytery offices and minor remodeling or renovations to optimize the functionality of the space. Presbytery staff are working to arrive at an estimate of these expenses. CPA would like time to study various options for investing the proceeds and can report back to Presbytery with additional details.

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement") is made as of the Effective Date, as defined herein, between **Shenandoah Presbytery Corporation** ("Seller"), and **The City of Harrisonburg** ("Purchaser"). In consideration of the mutual covenants and representations herein contained, Seller and Purchaser agree as follows:

1. Effective date: The Effective Date shall be the date this Agreement, or counterparts thereof, has been signed by both Seller and Purchaser.
2. Purchase and Sale: Subject to terms and conditions of this agreement, Seller agrees to sell and convey to the Purchaser, and Purchaser agrees to purchase from Seller the real property in City of Harrisonburg, Virginia, being tax map parcel(s) 41-E-2 comprised of 3.684 acres, more or less, as described on Exhibit 1, together with all improvements and fixtures thereon and appurtenances thereto (the "Property").
3. Purchase Price: The purchase price ("the Purchase Price") for the Property is Seven Hundred Thousand Dollars (\$700,000.00).
4. Earnest Money: Within ten days of the Effective Date, the Purchaser will make an earnest money deposit with Lee & Associates of One Thousand Dollars (\$1,000). The earnest money shall be held and applied in conformity with the regulations of the Virginia Real Estate Board. Pursuant to such regulations, if the sale of the Property is consummated, then the earnest money shall be paid to Seller and applied to the payment of the Purchase Price. If Purchaser terminates this Agreement in accordance with any right to terminate granted by this Agreement, the earnest money shall be immediately returned to the Purchaser, and no party shall have any further obligations under this Agreement except those stated to survive termination. In the event the sale of the Property is not consummated due to a default by Purchaser, the earnest money shall be delivered by Lee & Associates to Seller, and no party shall have any further obligations under this Agreement except those stated to survive termination.
5. Inspection Period: Purchaser shall have 30 days after the Effective Date (the "Inspection Period") to conduct regarding the Property such tests, feasibility studies, surveys, inspections and reviews of the due diligence materials provided by Seller as Purchaser chooses to conduct, and to review title, survey and environmental letters, geological and engineering studies including but not limited to test bores for soil analysis. Seller hereby agrees to allow Purchaser and its agent's access to the Property to conduct these studies. If Purchaser determines that the Property is, for any reason, unsuitable for its purposes, Purchaser may terminate this Agreement without incurring any cost or liability by submitting written notice of termination to Seller on or before the last day of the Inspection Period.
6. Subdivision Approvals: If any subdivision approvals are required for the Property to be conveyed to Purchaser, such subdivision approvals shall have been obtained by Seller at and as of the Closing Date.
7. Seller's Documents: Seller agrees to provide to Purchaser within 5 days of the Effective Date a copy of any environmental reports, soil studies, building inspection reports, or any documents within Seller's possession or control pertaining in any way to the condition or of defects to the Property, including a copy of the Seller's most recent title insurance policy for the Property ("Seller's Documents"). Seller shall have a duty to supplement Seller's Documents if at any time Seller receives additional documents prior to the Closing Date, as herein defined.

8. Closing:

- (a) Closing: The closing (“Closing”) shall be held at a location of Purchaser’s choice, on or before 30 days following the expiration of the Inspection Period, or any extension thereof, (the “Closing Date”) unless the parties mutually agree upon another place or date.
- (b) Closing Documents: At Closing, Seller shall deliver the following to Purchaser:
- (i) A Special Warranty Deed (“the Deed”) executed by Seller conveying good and marketable title to the Property to Purchaser, free and clear of all liens, but subject to easements and other matters of public record;
 - (ii) If requested by closing agent, a Form 1099-S and Virginia Form R-5 evidencing the Seller’s federal tax identification number, state of formation, and other pertinent information for tax reporting purposes;
 - (iii) An industry standard owner’s affidavit, executed and sworn to by Seller;
 - (iv) A settlement statement;
 - (v) Such resolutions and certificates as may be required by Purchaser’s Title Company to evidence the due authorization of the execution and performance of this Agreement and the documents to be delivered pursuant hereto, Seller’s organizational documents, and such other documents as may reasonably be required by Purchaser’s Title Insurance Company in order to consummate the sale of the Property to Purchaser and insure title.
- (c) Payment of Purchase Price: At Closing, Purchaser shall deliver to Seller the Purchase Price by cash, certified check, cashier’s check, or wire transfer of immediately available funds (taking into account credit for the earnest money.).
- (d) Proration: All real estate taxes with respect to the Property for the year in which the Closing occurs shall be prorated as of the Closing Date, with the exception that Purchaser shall be responsible for roll back taxes pertaining solely to the Property by virtue of its receiving a reduced land-use assessment.
- (e) Possession: Possession of the property shall be delivered to Purchaser at closing broom clean, free and clear of leases and parties in possession; however, the parties agree to enter into a lease agreement permitting the Seller to maintain its offices in the house located on the Property until May 7, 2022. The lease shall provide that the Purchaser may provide office and storage space to an agency or non-profit providing services to individuals experiencing homelessness, but such lease shall not unreasonably interfere with the Seller’s use of the Property. The lease between the Seller and Purchaser shall not require rent to be paid but will require the Seller to pay all utilities associated with the Seller’s use and to be responsible for any damages to the Property caused by Seller.
- (f) Closing Costs: Except as otherwise expressly provided herein, Seller shall pay, on the Closing Date, the Virginia grantor’s tax, fees for recording any lien releases, and the real estate commission payable to Lee & Associates herein provided. Purchaser shall pay on the Closing Date, all recording costs other than the Virginia grantor’s tax and release fees, and all other normal and customary charges regarding the closing.

9. Corporate Authority: As a condition precedent to each party’s obligation to proceed to closing, both parties must complete the appropriate corporate and legal procedures to authorize the transactions contemplated in this Agreement by March 1, 2022, and each party agrees to diligently pursue all

required approvals by such date. In the case of the Seller, such compliance shall include approval by the Shenandoah Presbytery. In the case of the City, such compliance shall include approval by the Harrisonburg City Council at a duly called meeting. If a party fails to obtain required approvals by March 1, 2022, despite its diligent efforts, the other party may elect to grant an extension or may elect to terminate this Agreement in which event the earnest money shall be refunded to Purchaser.

10. Covenants for Use of Property: The deed of conveyance for the Property from the Seller to the Purchaser shall contain a legally binding covenant that for ten years from the date of closing the Purchaser shall use the Property to provide services to individuals experiencing homelessness. The covenant will also allow Purchaser to use the Property for any additional governmental services at Purchaser's discretion. This covenant shall be deemed a personal covenant to the Seller, not assignable by Seller, and shall be binding on successor owners of the Property but shall not run with the land.

11. AS IS: CONVEYANCE OF THE PROPERTY TO PURCHASER AT CLOSING SHALL BE "AS IS" WITH ALL FAULTS. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT TITLE WARRANTIES TO BE SET FORTH IN THE CONVEYANCE DEED, SELLER HAS NOT MADE AND EXPRESSLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO (i) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY FOR THE USES THAT PURCHASER MAY CONDUCT THEREON; (ii) THE SUITABILITY OF THE PROPERTY FOR THE USES THAT PURCHASER MAY CONDUCT THEREON; (iii) THE PROPERTY'S COMPLIANCE WITH APPLICABLE LAW, INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (iv) THE HABITABILITY, MERCHANTABILITY, MARKET ABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; OR (V) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING.

12. Risk of Loss

(a) Casualty: If the property suffers any damage prior to Closing from fire or other casualty, Purchaser may either (i) terminate this Agreement or (ii) consummate the closing in which event the proceeds of any insurance covering such damage, up to the amount of the purchase price shall be assigned to Purchaser at closing.

(b) Condemnation: If prior to closing, action is initiated or threatened to take any of the Property by eminent domain proceedings or by deed in lieu thereof, Purchaser shall have ten (10) days from written notice of such event from Seller to advise Seller that it intends to (i) terminate this agreement or (ii) consummate the closing, in which event the award of the condemning authority shall be assigned to Purchaser at the closing.

13. Default

(a) Breach by Seller: If Seller breaches this Agreement, Purchaser may terminate this Agreement and receive immediate return of the earnest money, in addition to all other remedies available to Purchaser at law or in equity.

(b) Breach by Purchaser: If Purchaser breaches this Agreement, Seller shall be entitled to retain the earnest money, in addition to all other remedies available to Seller at law or in equity.

14. Miscellaneous

- (a) Notice: Any notice pursuant to this agreement must be in writing and shall be effective: (i) on the date of actual receipt by the addressee, if sent by delivery, electronic mail, or facsimile, or (ii) on the third day after deposit with the U. S. Postal Service, postage prepaid and properly addressed. If mailed or (iii) when the attempted initial delivery is refused or when it cannot be made because of a change of address of which the sending party has not been notified. Either party may change its address for notification by giving notice to the other party.

IF TO SELLER:

Jeff Robb, Senior Vice President
Lee & Associates
10070 Mount Zion Road
Linville, VA 22834
Jeffreymrobb@gmail.com

IF TO PURCHASER:

Chris Brown, City Attorney
409 South Main Street
Harrisonburg, VA 22801
Chris.Brown@Harrisonburgva.gov

- (b) Real Estate Commission. Neither Seller nor Purchaser has contacted any real estate broker, finder or similar person in connection with the sale or purchase of the property, and each party represents and warrants to the other that no broker commissions, finder fees or similar compensation are due or owing to any person or entity as a result of such party's actions, **EXCEPT** Lee & Associates who represents the Purchaser, to whom Seller shall pay, at closing, a commission of 5% of the purchase price.
- (c) Entire Agreement: This Agreement embodies the entire agreement between the parties relative to the property and its conveyance from Seller to Purchaser.
- (d) Amendment: This agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.
- (e) Headings: The captions and headings used in this Agreement are for convenience only and are not intended to amplify or modify the provisions of this agreement.
- (f) Governing Law: This Agreement shall be governed by the laws of the Commonwealth of Virginia and the applicable federal laws of the United States.
- (g) Successors and assigns: This agreement is assignable and shall bind and inure to the benefit of Seller and Purchaser and their respective successors and assigns.
- (h) Attorney's Fees: If it becomes necessary for either party to file a suit to enforce this Agreement, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages as herein provided, reasonable attorney's fees and costs incurred in such suit.
- (i) Construction: Each party waives any common law or statutory rules of construction providing that this Agreement should be interpreted against the drafter and agrees that this Agreement should be interpreted according to the fair meaning of its language.

(j) Waiver: Any waiver of any provision of this Agreement must be in writing, and any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any other breach of any other provision of this Agreement. The failure of a party to insist on a strict adherence to any term of this Agreement on one or more occasions will not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this agreement.

WITNESS, the following signatures and seals.

SELLER:

Shenandoah Presbytery Corporation

By: _____

Its: _____

Date: _____

PURCHASER:

City of Harrisonburg, Virginia

By: _____,

Its: City Manager

Date: _____

EXHIBIT 1

Legal Description of Property

That certain lot as shown on the City Block Maps on Sheet 42, Block E, Parcel 2, and being more particularly described as that lot, containing 3.684 acres, more or less, situated at 1111 North Main Street in the City of Harrisonburg, and being shown and designated as Lot 2 (Remainder) on a plat made by James A. Patton, L.S., entitled "Minor Subdivision of Tax Map #41-E-2," which is recorded in the Clerk's office of the Circuit Court of Rockingham County, Virginia, in Deed Book 5004 at Page 121.