

**Bethel Lutheran Church
Special Congregational Meeting March 10, 2024**

Minutes	
<p>Members Present: A quorum was confirmed with 85 members signed in. Meeting called to order: 12:04 PM.</p>	
Topic	Discussion and Decisions
Agenda and Opening Prayer	<p>Doreen Baldwin led us with a reflection about our wonderful space, and the donation we received from Zoar congregation in Oregon.</p> <p>Pastor Ben Sandin led us in Prayer.</p>
Bethel Site Property Lease	<p>Ann Marie Kenitzer spoke for the Finance Committee. She called out each of the members of the committee for their hard work over the past months to put this proposal together.</p> <p>She provided a map to show the areas under discussion today: Part of the preschool area and Zoar 1.</p> <p>Update on the lease: Almost 5 years ago (2019) the congregation voted to lease these rooms to Tulip Kids Academy. Our lease was 5 years, and our tenants had an option to extend the lease when it ended. When Covid hit in 2020, their enrollment was decimated. This is a problem in the whole area, not specific to our tenant. Under the terms of our lease, they had to let us know by January 1st whether or not they planned to continue the lease. Tulip Kids let Bethel know they could not afford to continue the lease. Bethel made two offers, but both were declined and have expired.</p> <p>At that time, Bethel received a call from a different agency that was looking for a space equal to the previous space: Preschool area and Zoar-1. Villa Montessori School</p> <p>Because this is a long-term lease, the Congregation needs to vote on this action.</p>
Villa Montessori School	<p>Ann Marie Kenitzer introduced us to the school and gave us a brief talk about their history.</p> <p>Villa Montessori is a non-profit, non-denominational school for children from 2.5 years old through first grade.</p> <p>They are members of national (AMS), local (BAMA) and teacher (NAMTA) Montessori Associations.</p>

	<p>Currently, they are leasing 2 rooms from Cupertino Unified School District since 2021, but CUSD is terminating their lease early to re-claim rooms for their Transitional Kindergarten.</p> <p>In the past, they've had leases with other churches, for 5 years, and 40 years.</p>
<p>Proposed Bethel Site Lease</p>	<ul style="list-style-type: none"> ● All 4 Pre-schoolrooms and the Pre-school play area. ● Bethel Site enables them to double their licensed size, back to levels prior to Covid. ● Students will be on site M-F from 9-4 ● 5 year lease with rent increasing 3% annually, and an option to extend. ● First year Goodwill Credit of \$10k (in FY2024 budget set aside for realtor commission) ● Annual Bethel Lease Income of \$160660, starting July 2024 <ul style="list-style-type: none"> - Financial diligence and reference checks are all strong. - There will be no real estate broker commission.
<p>Zoar 1 Tenants Proposal</p>	<ul style="list-style-type: none"> ● Potential tenants have withdrawn at this time ● We will now open the search and communicate Bethel space available up to Zoar-1 Block. Bethel will reach out and communicate that we have a space available. <p>We are looking for a non-profit, either a school, religious organization, or charitable organization.</p> <p>A tenant who desires at least 2 rooms in Zoar-1 and a long-term lease.</p> <p>Strong financials and organization stability.</p> <p>Reasonable rates in the range of market level.</p> <p>Bethel Budget Implications Plan in progress to add at least one week Summer Camp Rental (+\$8000) Target an income range from Potential Zoar-1 tenants between \$65k and \$135k</p>
<p>Financial Summary</p>	<ul style="list-style-type: none"> ● Bethel's property lease income target from July 2024 ● Gap of \$81k with only VMS preschool lease and increased summer camps. ● Including potential new Zoar-1 Tenant the gap can be reduced to \$16k or it can become a surplus of \$54k as compared with prior TKA lease.
<p>Questions</p>	<p>Why are we limiting ourselves to non-profit tenants? Because it puts it into a much better place in regards to Bethel's property taxes. Currently we are exempt from paying them, and a tenant outside of those parameters puts our exemption status at risk.</p>

	<p>Is Room 3 involved? If someone comes and needs that room, it is on the table, with the staff lounge. If that's the case, we will find a way to support the quilters in relocating their supplies and equipment to another space.</p> <p>Where is the money coming from for the \$10,000 credit to VMS? It was money earmarked as a payment for our realtor's commission, but as no realtor was involved, we don't have to spend it in that way. It is a one-time credit.</p>
<p>Motion and Vote</p>	<ol style="list-style-type: none"> 1. Vote to approve leasing the Pre-school space to Villa Montessori School. 2. Vote to approve leasing up to the full Zoar-1 Wing to either a Single Tenant or Multiple Tenants provided these parameters are met: <ol style="list-style-type: none"> a. Non-Profit, either school, religious organization, or charitable organization. b. Tenant desires at least 2 rooms at Zoar-1 and a long-term lease. c. Strong financials and organization stability. d. Reasonable rates in range of market level. <p>The first motion was passed by unanimous vote.</p> <p>Question on the 2nd motion: When we do find a tenant, will we have another meeting? This is why we vote today, so we don't have to have another meeting. Because it takes 2-3 weeks to schedule a congregational meeting, it seemed better to vote within these parameters so that the financial committee could move quickly.</p> <p>Question: Does the gap between tenant occupancies mean there's an impact on our budget? Yes, if we do not get another tenant, we should be concerned. Ann Marie and Dave Tribby said that it's reasonable to be optimistic that we'll find a tenant before we are in difficulties. They also say that we might have some wiggle room in the budget to keep things from becoming a large problem.</p> <p>Question: Does the phrase "reasonable rate" allow the finance committee to judge the lease amount confidently? Dave Tribby says, yes.</p> <p>The second motion was passed by unanimous vote.</p>
	<ul style="list-style-type: none"> ●

Closing Prayer	Doreen Baldwin and Pastor Ben Sandin
Meeting adjourned	12: 42 PM

Submitted by: Margit Schmitt, March 10, 2024