

Aug 2019 FPOC:

Fruitvale Lease/Mission Partnership

Motion: Authorize Leonard (and Tim) to propose final terms and agreement details under the guidelines and principles below. These are essential. Changes to those are not yet authorized MSC

From June FPOC Meeting: Leonard is meeting this month with the Oakland City Church Team in advance of a final version or near final version of a proposal to use the site for a joint ministry. Goal will be to get a handle on capital costs going forward as a basis for in-lieu-of rent, then craft a missional partnership, not just an empty building solution.

Proposed Basic Terms of the property side of the deal:

PSF puts up the money to pay for the capital upkeep of the building, essentially as a loan

Most if not all of the money is put up in the first 1-3 years. Amount would be max \$1.2M

Scope to be mutually determined, but includes life-safety, code compliance, and major capital work. Not sure how much accessibility and how much seismic can be done in that budget. PSF and OCC cooperate on getting the work done, with OCC being lead and PSF overseeing the Owner's oversight side

OCC pays \$4,000 per month "in-lieu-of-rent" which is actually repayment of the capital costs.

That means the net cost of the \$1.2M is "interest-only" on the capital money. But PSF retains the property and if OCC pulls PSF can sell, or rent at market rates to recoup. If OCC is successful then PSF determines the future disposition of the asset at the end of the agreement.

OCC Pays for insurance and property taxes in addition to the \$4k.

OCC can rent the facilities and keep the income, and pays for any increases in prop taxes due to any rentals.

Term of the agreement is proposed at 25 years. First three year are guaranteed by OCC like

A commercial lease. Remaining years OCC can opt out and PSF takes over the property.

FPOC to recommend approval of the property agreement, and PSF to vote for approval in Nov.

In terms of Joint Mission,

Details to be finalized, will be set up under BoO.

OCC becomes a mission of Presbytery, and they operate in that area as one of our church presences.

OCC commits to raising \$350K for neighborhood mission

OCC commits to Raise \$50K for church planting.

Mission plan to be recommended by COM, Staff and FPOC, and sent to PSF to approve in Nov.