



## CONNECTICUT DISTRICT

NEW YORK ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH

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Rev. Dr. Alpher Sylvester, District Superintendent

Connecticut District Board of Church, Building and Location

January 18<sup>th</sup>, 2024

Church Council

Stratford United Methodist Church

2600 Main St.

Stratford, Ct 06615

Re: Connecticut District Board of Church, Building and Location

Conditional approval to Stratford United Methodist Church

Below we set out a **Tiered approval approach** in response to the Stratford United Methodist Church (SUMC)'s request that the Connecticut District Board of Church, Building, and Location (BCLB), and the New York Annual Conference (NYAC) provide approval for the repurposing of a portion of the operational footprint of SUMC.

### **Phase #1. APPLICATION:**

Conditional Approval is granted today \_\_\_/\_\_\_/\_\_\_ and is limited **only** to the general concept and "**application processes**". As we have discussed, we are concerned about the economics of this proposal, the 99 year encumbrance of local church property, and the local church's role as landlord of a housing development during some or all of this time. To move forward from this phase:

SUMC should not make any final commitments to enter into this project given the very general concept terms and conditions reflected in the documents we have reviewed.

The Connecticut Board of Church, Building, and Location (BCLB), must be informed of and provided copies of all site drawings, applications, and other documents concerning the transaction as CHP approaches the governmental authorities for zoning, building, and other land use approvals.

SUMC must keep BCLB and the District Superintendent informed through a formal report before the due diligence period expires.

Response to the following will be necessary to move further in the process:

- A complete tax analysis and attestation that SUMC will not be responsible for any tax resulting from the use of part of its property for a development ground lease, and that the remaining church property will not be subjected to taxation.
- Precise dimensions of the demised premises should be clearly stated.
- A clear delineation of SUMC's responsibility for developmental and ongoing operating costs (utilities etc.). We understand that the proposed transaction contemplates a net lease, meaning SUMC has no cost associated with the tenant's operation of the property.
- A precise scope of tolerable changes by investor and lender.
- A well-defined identifiable point of "potential exit" from the deal if the church chooses to do so.
- The precise timeline of developer/tenant payments to SUMC, as part of the agreement, must be delineated.
- NYAC will want to be guaranteed a "consent right."
- A written justification as to why subdividing the property and sale of the parcel to be developed will not be a better option as opposed to accepting owner risk for 99 years, including operating, tax, claims, and other landlord risk.

**Phase #2. LAND LEASE AGREEMENT:**

A major decision point will be the review and execution of the Land Lease Agreement and the Lease of the 5600 square feet of space. The CT BCLB must be formally informed and approve the final agreements. In order to facilitate that process, SUMC should provide to the DS and CT BCLB drafts of the transaction documents when there are material changes.

**Phase #3. FINANCING:**

It is understood that as part of the agreement between the Mutual Housing Association of Southwestern Connecticut, Inc. doing business as Connecticut Housing Partners ("MHA"), and SUMC:

- There are three (3) years to secure financing for the project. The Connecticut's BCLB expects to be formally informed of that process, including material developments in that process.
- There is an opportunity during the financing phase for a "good faith attempt to revise the terms" if the financing agency wants changes. The BCLB will want to be formally informed as such negotiation is engaged and negotiated. There will need to be a final approval of these terms and conditions.

Signed: \_\_\_\_\_  
Pastor

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Date

Signed: \_\_\_\_\_  
Church Council Chair

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Date