

Proceeds from Sale of Property Owned in Doraville, Georgia

Proposal from the Budget & Finance Committee:

With thanksgiving to God for the ministry and generosity of the former Lutheran Church of the Advent in Doraville, Georgia, the subsequent ministry of Iglesia Luterana Sagrada Familia in that location, and now the new ministry that will occur as Sagrada Familia joins with Amazing Grace Lutheran Church in Lawrenceville, Georgia,

The proceeds from the sale of the synod's property in Doraville, Georgia shall be used as follows:

- Disburse 10 percent of the sales proceeds, net of any closing costs payable by the Synod, as a tithe to the wider church, with the recipients of this tithe to be approved by the Synod Council Executive Committee;
- Set aside the remainder of the proceeds (corpus) to be used as designated in the future by the Synod Council for the purposes of mission, planning, outreach, and strategic visioning;
- Acknowledge that future disbursements may include but are not limited to the following possibilities:
 - Additions to the Synod's New & Renewing Congregations Fund (Planting Fund)
 - Additions to the Gordy Scholarship Fund with the ELCA's Fund for Leaders
 - Additions to the principal of the synod's Candidacy Fund
 - Additions to the synod's Ministry Enhancement account
 - Additions to the synod's Staff Development account
 - Additions to the synod's Youth, Young Adult, and Campus Ministry accounts
 - Support of efforts to increase multicultural ministries within the synod
 - Support of racial justice training and cultural awareness
 - Teaching evangelism, communication, formation, and technology tools to all synod congregations
 - Long-term planning of future ministries
 - Legacy gift planning
 - Support when needed for annual ministry funding plans
 - Mortgage reduction payments associated with synod office space

- **Specify that expenditures from the new fund may include disbursements of both principal and accumulated investment income, without limitation, with the approval of the Synod Council;**
- **Specify that the sales proceeds added to the new fund are to be invested similarly to current synod funds that are treated as endowment funds, including the commingling of monies invested in individual investment products, provided that accounting for investment returns is allocated proportionately to each synod fund and until such time as the Synod Council may specify otherwise;**
- **Request that the Budget and Finance Committee annually review the new fund and make any recommendations to the Synod Council that the Committee deems appropriate.**

BACKGROUND INFORMATION & RATIONALE:

In September 1989, The Lutheran Church of the Advent in Doraville, Georgia entered into a 20-year agreement to lease approximately 1 acre of its land to a not-for-profit corporation now known as the Interfaith Outreach Home (IOH). A consortium of about 30 churches and synagogues in North Atlanta cooperated in establishing and building an apartment building on this property to provide transitional housing for families with children who would otherwise be homeless. There are 10 small apartments in the IOH building, with each apartment being about 440 square feet in size.

Although Advent owned the land on which the IOH building was constructed, IOH owns the building. Advent ceased functioning as a congregation in January 2000, though it has been continued as a legal entity. As one of its final actions, Advent's Congregation Council approved the transfer of ownership of all of its property to the Southeastern Synod. The Council also made it clear that they wished for the IOH ministry to continue in its current location. The Latino mission congregation known as Iglesia Luterana Sagrada Familia began sharing Advent's worship space while Advent was still there. Sagrada Familia eventually became the sole occupant of the building formerly occupied by Advent and for a couple of years recently shared that space with another mission group (Hope International); the \$2,000/month rent paid by IOH under its ground lease has been used primarily to pay expenses on the building and maintain the property as needed.

When the original 20-year land lease expired, the Synod Council approved its renewal; the current term will expire in 2030, though early termination by either the Synod or IOH may occur as early as August 31, 2020 with a three-year advance notice. About three years ago, IOH notified Bishop Gordy that it would like to buy the land upon which its building is located, as well as some or all of the other property owned by the synod at that location. Director of Evangelical Mission Wayne Fell began meeting with the IOH Board on this topic, culminating in Synod Council approval in January 2019 of an option for IOH to buy the entire property at a sales price of \$1.6 million, with any sale to be completed by September 30, 2019. IOH has notified the synod of its intent to exercise its option to buy the property, and the sale is expected to close by the end of September.

The potential possible uses for the sales proceeds were provided to the Budget and Finance Committee by Bishop Strickland. The Committee added some additional operating language to the proposed actions under consideration. The intent of both the bishop and the Budget and Finance Committee is to assure that the proceeds are not squandered, but rather are used in a thoughtful manner consistent with the vision and priorities for mission that will be developed over the next several months.