

Project Beit Tefilah Report
May 9, 2012

We have been approached by a neighbor with serious interest in purchasing our property. (This same neighbor had previously purchased some property from Temple Shaarey Zedek in the 1980s and had expressed interest in some land in 2003.) This opportunity was deemed worth exploring, as it could permit us to obtain an improved facility that would better meet the needs of our membership (both in size and demographically), could benefit our annual budget by being more cost-efficient to operate, and be in a better location, while preserving our ability to be a community center. As our current facility (and membership) ages and as our membership continues to decline in numbers, it may become difficult for us to maintain and fully utilize our current facility. If the potential buyer were willing to offer a purchase price well in excess of market value, this could be the right time to sell.

The Executive Committee considered this opportunity worth exploring and, in August 2011, the Board authorized our President to appoint a committee to negotiate potential terms for a non-binding letter of intent with the potential purchaser. On October 25, 2011, the potential purchaser signed the letter of intent. Particularly important was the fact that the offer was well in excess of the fair market value of our property – to the point that we could envision obtaining a new facility without the need for fundraising from the membership and that we could continue to occupy the current facility until a new facility is ready – allowing us to ensure that there would be no interruption in our services. The Board approved the letter of intent (with a revision) on November 8, 2011. The potential purchaser accepted the revision on November 11, 2011. The essential terms of the letter of intent are as follows:

Purchase price - \$7,000,000

Conditions – buyer to obtain acceptable financing, environmental and other environmental approvals, seller to obtain congregational and court approval
Closing – after TBT closes on property for a new facility and has permits to begin any necessary construction (closing in stages permitted)

If TBT cannot close by 10/1/14, 1.4 acre parcel to be sold for \$500,000

Post-closing occupancy – TBT to be permitted to occupy post-closing

Formal purchase and sale agreement to be negotiated

Confidentiality to be maintained

The next step for both parties was to engage in due diligence in order to determine whether it would make sense to move forward. The potential purchaser has been doing so – they have engaged architects and an attorney, conducted environmental reviews, and have negotiated with lenders. We have exchanged drafts and comments on a formal purchase and sale agreement.

We similarly embarked on a due diligence process, including the creation of as many as 17 task forces to, for example, identify repair, maintenance and upgrade needs and costs for the current building and preliminary site identification and space needs for

a potential new building. Those efforts are continuing to date. The House Committee has provided a preliminary estimate of \$350,000 to stay in our current building, with an annual cost of \$52,000 for natural gas and electricity, and \$12,000 in annual non-routine maintenance. In December 2011, we held a series of informational forums to solicit congregational input. Many suggestions were made concerning preferences for geographic location and about space needs. During that time period, we met several times with the Amherst Planning Department and began identifying potential sites. More than twenty were identified and evaluated. We also began to reach out to potential community partners, including synagogues, Kadimah, the JCC and Federation. We began identifying potential architects, construction managers, and general contractors.

We consulted members with relevant experience in architecture, real estate, building and engineering to help narrow the list of potential sites. We brought together a group of some of the people who had expressed in site selection and community partnerships to help us assess potential sites. A site at Bryant Woods South and John James Audubon Parkway was identified as particularly attractive to that group, although at least one other site generated some interest. A motion will be taken up during the Annual Congregational Meeting that would permit us to **hold** that property with a fully refundable, highly contingent offer. Significant work, with some cost (at no risk to TBT), will need to be done to evaluate both sites to determine whether they could suit our needs. It would not make sense to expend those monies unless we knew that the property could be ours, should we so choose. However, those site assessment efforts would need to be completed before any recommendation could be made concerning any particular site or sites.

When and if we have a Purchase and Sale Agreement that the potential buyer is prepared to execute, it will be clear that **they** are prepared to move forward. At that point, we would want to complete our due diligence, and to be prepared to report to our Board, and then to the Congregation, as to **whether** we should or should not accept the offer and, if so, **where** we could move, **what** kind of a facility we could potentially have at that location and what it would **cost**. Those recommendations will be influenced by advice from our professional advisors and they will reflect substantial congregational input. But we are nowhere near ready to make any such recommendation nor is there any commitment to pursue any particular plan of action. We will continue to communicate in writing, including through the Shofar and on our website, and we will continue to hold periodic informational meetings. If you have any questions, comments or suggestions, they can always be provided to Janet Gunner or Harvey Sanders.