



A Resolution to Build and Renovate Facilities to Further Support Ministries and Missions

Church Conference
October 21st, 2024



Outline

- Strawbridge UMC History
- Visioning – determining congregation's direction and facilities needs
- Scope and Cost of New Facilities
- Funding Plan
- Schedule through Construction
- The Resolution

History

- Strawbridge United Methodist Church - Chartered May 20, 1984
 - Three building phases – 1986 (Fellowship/Education), 1996 (Education/Office), 2001 (Sanctuary)
 - All debt retired as of 2016
 - As of end 2021, membership roll totaled 1,085
- Warmly welcomed hundreds of new members in late 2022 when nearby Kingwood and Atascocita UMC's disaffiliated
 - Current total membership: 1,518. 2024 Annual Budget: \$1.8 M
 - Weekly worship attendance increased from ~250 to ~450+

Visioning Team – Fall 2023

- Formed to build consensus around a vision for SUMC's ministries and determine needed facilities improvements given increased membership
- Team developed and conducted a survey of members with 250 responses
- Found strong and broad endorsement of our mission and motto:

“A Community Compelled by the Love of Christ to Make a Difference in a World in Need”

“We’re striving not to be the best church in the community, but to be the best church for the community”

- Also found strong alignment with the direction SUMC is headed

Facility Improvement Priorities – Input from Visioning:

- Parking capacity
- Adult classroom capacity
- Missions (e.g. to support Family Promise, support groups like Grief Share)
- General updating/renovation/additional space (e.g. nursery/children/youth areas, choir robing/storage areas, brighten Sanctuary, update Narthex)
- Infrastructure and major maintenance (e.g. replaced aged roof, technology/AV, family bathrooms)

Building Program History

- Oct./Nov. 2023: Started conceptual design and planning for a capital campaign
- Dec. 2023: Purchased adjacent land for parking/future needs
- Jan. 2024: Held Town Hall meeting to gather congregation's input to plans
- March 2024: Church Council approved pursuit of a ~\$7.9 M Project Plan
 - Included new building, parking lot, extensive renovations and infrastructure upgrades
 - To be funded via capital campaign to raise \$7.5 M and existing capital reserves
- June 2024: Church Council reduced scope - ~\$4.7 M Phase 1 Project
 - Consistent with results of capital campaign and desire to minimize borrowing
 - Deferred parking lot – plan to use on-street parking and potentially add more time between early service and Sunday School hour
- Sept. 2024: Completed design development architectural work - \$5.1 M cost estimate

Phase 1 Scope – Current

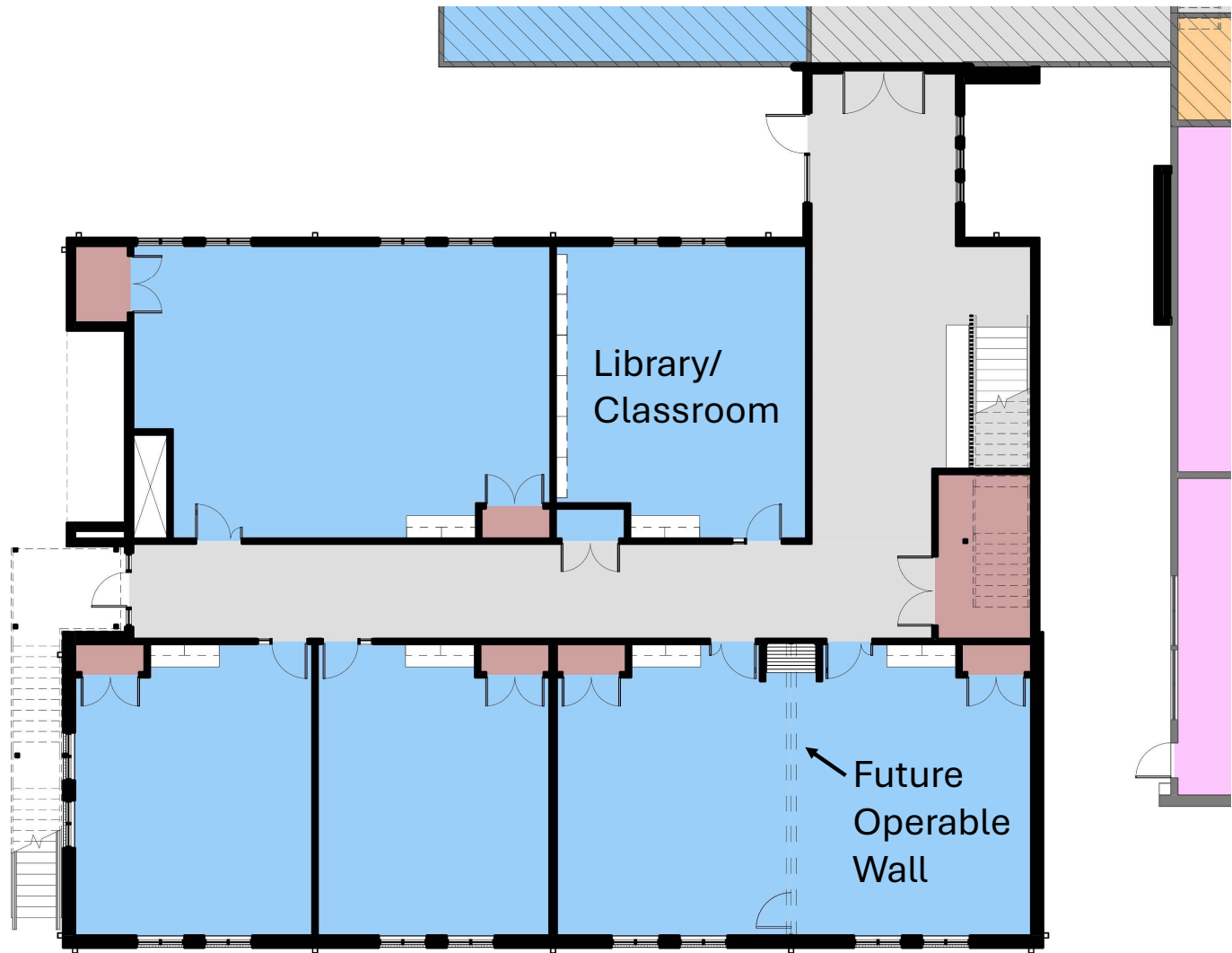
- New 2-story education building, 10,379 sq. ft. building with 2nd floor unfinished
 - 1st Floor – adult classrooms/meeting rooms with dedicated storage for Missions activities
 - 2nd Floor – future development as a youth area
- Renovation to re-allocate and upgrade space on 1st floor of existing education buildings
 - Enlarge/update nursery area and convert Great Hall to classrooms
 - Relocate Library and convert current space to offices
 - Secure children's area with new doors and check-in area
 - Include space for a sensory room for children with special needs
 - Upgrade bathrooms at REC to meet needs of those with disabilities
 - Renovate hallways on 1st floor – economic to do now due to extent of wall movements
- Safety and capacity upgrades for choir – replace risers in choir room, move modesty rail forward in chancel

Current Plans - New Education Building



1st Floor Plan - New Building

- Adult Classrooms
- Missions Storage



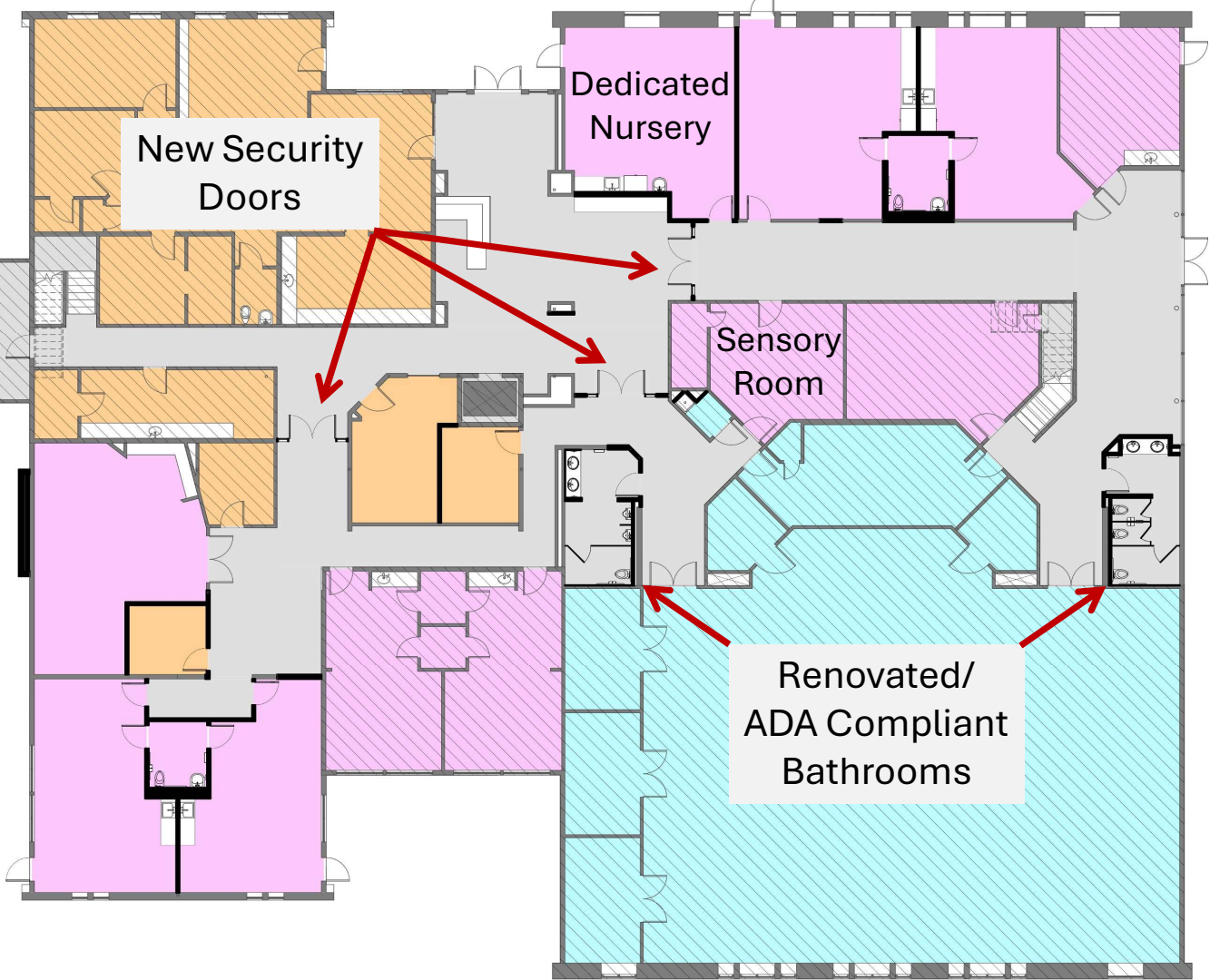
1st Floor Connector to New Building



Children's Area Renovation – Floor Plan

- Children's Classrooms
- Office
- REC/Kitchen

No changes in
hatched areas



Enlarged and Dedicated Infant Nursery



Renovated Children's Check-in Area



Current Phase 1 Cost Estimate

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|--|---------------------|
| Capital Campaign Costs (spent and committed) | \$ 94,553 |
| Parking Lot Design Costs (spent) | \$ 48,238 |
| New 2 story wood building - second floor shelled | \$ 3,670,110 |
| Children's Area and Choir Renovations | \$ 945,659 |
| Construction Finance | \$ 98,000 |
| Reroof Existing Buildings | <u>\$ 275,000</u> |
| Total | \$ 5,131,560 |

Appreciation

- **Architecture and Engineering Committee** (Bill Koerner – Chairperson)

Shirley Astwood
Jerry Dusenbery
Rev. Todd Jordan
Josh Shepherd

David Butler
Rev. Joy Johnston
Clint Reed

Rev. Beth Chenault
Kent Johnston
Sam Roxburgh

- **Consultants**

MHP Architects

Jim Powell
Jose Fernandez
John Krejci

Mission Constructors

Fred Grona
Tommy Uzick

Proposed Funding Plan

| | |
|--|-----------------|
| Capital funds available prior to campaign | \$0.45 M |
| Capital campaign pledges | \$3.40 M |
| Non-pledge contributions | \$0.34 M |
| SUMC member loan in lieu of selling lots now | \$0.30 M |
| Texas Methodist Foundation – residual loan | <u>\$0.64 M</u> |
| Total | \$5.13 M |

Non-Pledge Contributions

- As a group, regular SUMC givers to our annual budget who do not provide an estimate of giving have historically contributed an additional 30% or more above pledged giving
- Similar non-pledged gifts are likely to be made to the capital campaign if we provide an opportunity to designate gifts above normal annual budget giving
- Recent capital campaign at Klein UMC experienced this
- Financial plan conservatively estimates such gifts at 10% of the pledged amounts

SUMC Member Loan in Lieu of Selling Lots Now

- Generous agreement to lend amount that could have been realized by selling four lots off adjacent acreage now - \$300,000 principal
- Preserves this acreage for potential future SUMC use
- Terms of loan:
 - 20 yr balloon mortgage – no payments of principal or interest until repaid in full, no pre-payment penalties
 - No interest accrues during the 1st five years, 3.3% fixed rate compounded thereafter
 - If SUMC decides to sell the four lots before paying off the loan, lender repaid principal plus larger of interest then due or 25% of net appreciation above \$400,000

Texas Methodist Foundation – Tentative Lending Terms

- SUMC has financial capacity for construction and long-term finance exceeding need
- Term: Up to 28 years total
 - Pay interest only during construction period of up to 3 years
 - After that, residual balance converts to a 25-year mortgage with payments of principal and interest
 - Borrow only what is needed as needed, no pre-payment penalties
- Variable interest rate based on Prime Rate less 1.00 to 1.55% (currently 6.5 to 7% depending on how frequently updated)
- If we end up borrowing \$640,000, annual payments of P&I would be \$54,600 per year, or about 3% of our annual budget

Schedule

- Final Design and Costing leading to Construction Approval
 - Finalize construction drawings/specifications – January 2025
 - Negotiate final lending terms – Jan/February 2025
 - Receive final, priced construction proposal – mid February 2025
 - Charge Conference to approve a) loans, and b) award of construction contract – March 2025
- Construction
 - Permit Approval – May 2025?
 - Break ground for new building – Summer 2025
 - Renovation of children's area – Summer Break 2026
 - Occupancy for all areas – Fall 2026

Recommendations and Approval

- Submitted by: The Embrace the Spirit Steering Team

John Swank – Team Chair and Trustees Chair

Kathy Reedy – Church Council Chair

Rev. Todd Jordan

Neil Ryan – Finance Chair

Rev. Joy Johnston

David Klosterboer & Adam Mowery – Co-chairs of Capital Campaign

Rev. Beth Chenault

Bill Koerner – Lay Leader & Chair of Architecture and Engineering

Jerry Dusenbery

Kevin Larson

Burke Watson

- Recommended by: Strawbridge UMC Church Council (9/29/2024)
- Approved by: TAC Southwest District Building and Location Committee (10/7/2024)

Resolution (per handout)

SUMC shall proceed with a building and renovation program with a supporting financial plan as follows:

- Scope:
 - A new 10,000 sq. ft. building for adult education, mission group storage and meeting space for SUMC and outside groups using our facilities. The second story of this building shall be left unfinished for future completion.
 - Renovation of the children's education area to a) provide a dedicated nursery, b) a sensory space for those with special needs, c) security doors, d) lavatories updated to current ADA standards, and e) one additional office for current staff
 - Renovations to increase the safety and capacity of choir facilities
 - Replacement of all existing roofs

Resolution, Continued

- Funding Plan totaling \$5.13 M:
 - Capital funds available prior to campaign - \$0.45 M
 - Capital campaign pledges - \$3.40 M
 - Non-pledge contributions - \$0.34 M
 - SUMC Member loan in lieu of selling lots now - \$0.30 M
 - Texas Methodist Foundation residual loan - \$0.64 M

