



Resolutions to Construct and Renovate Facilities to Further Support Ministries and Missions

Charge Conference
May 4th, 2025



Outline

- Scope and Cost of New Facilities
- Construction Plan
- Schedule
- Funding Plan
- The Resolutions (full text in handout)
 - No. 1 – To authorize construction
 - No. 2 – To authorize necessary mortgages

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
 - Convert Great Hall to two nurseries – infant and toddler, with new restroom between
 - 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 room risers
- Re-roof existing buildings

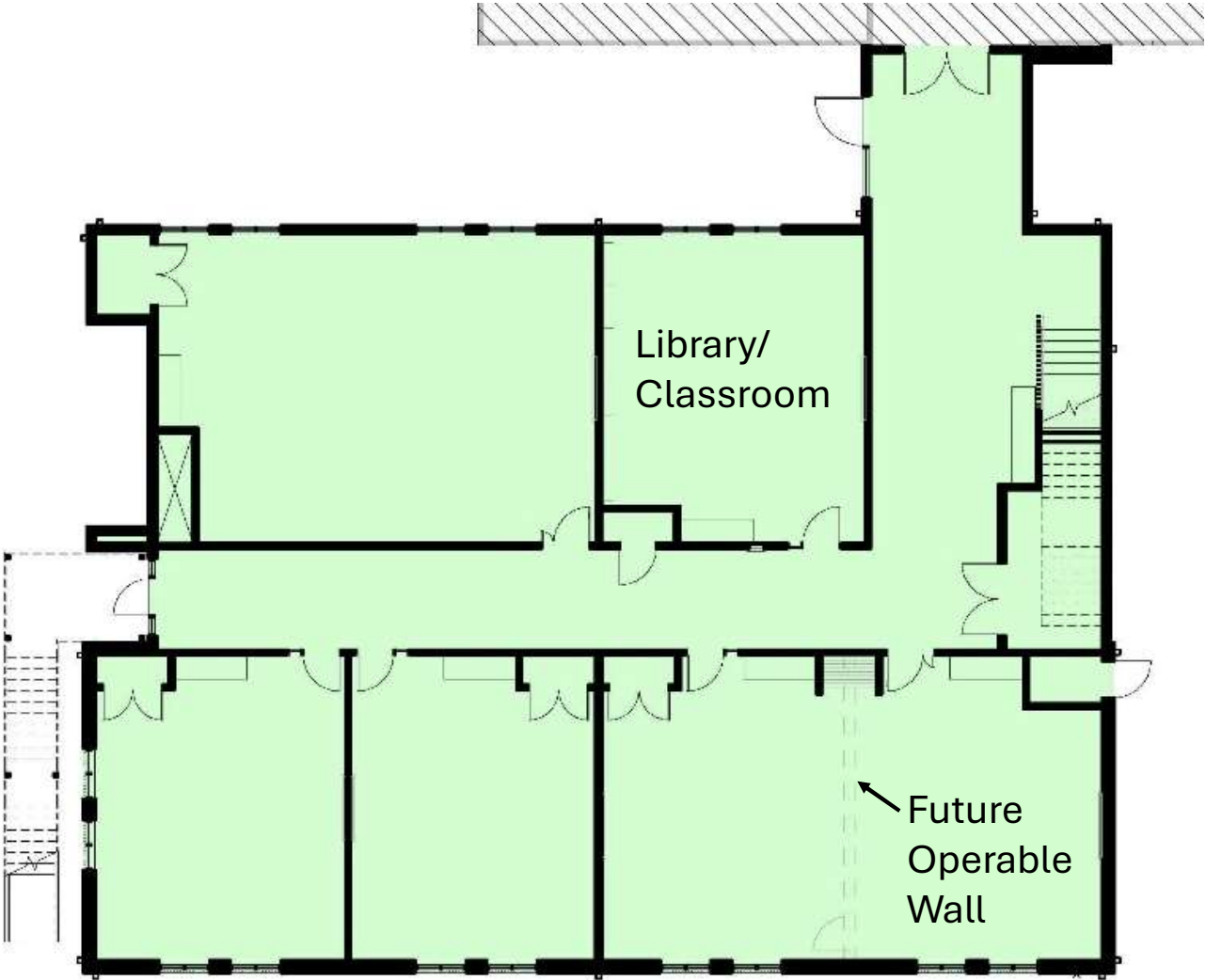
Current Plans - New Education Building



1st Floor Connector to New Building

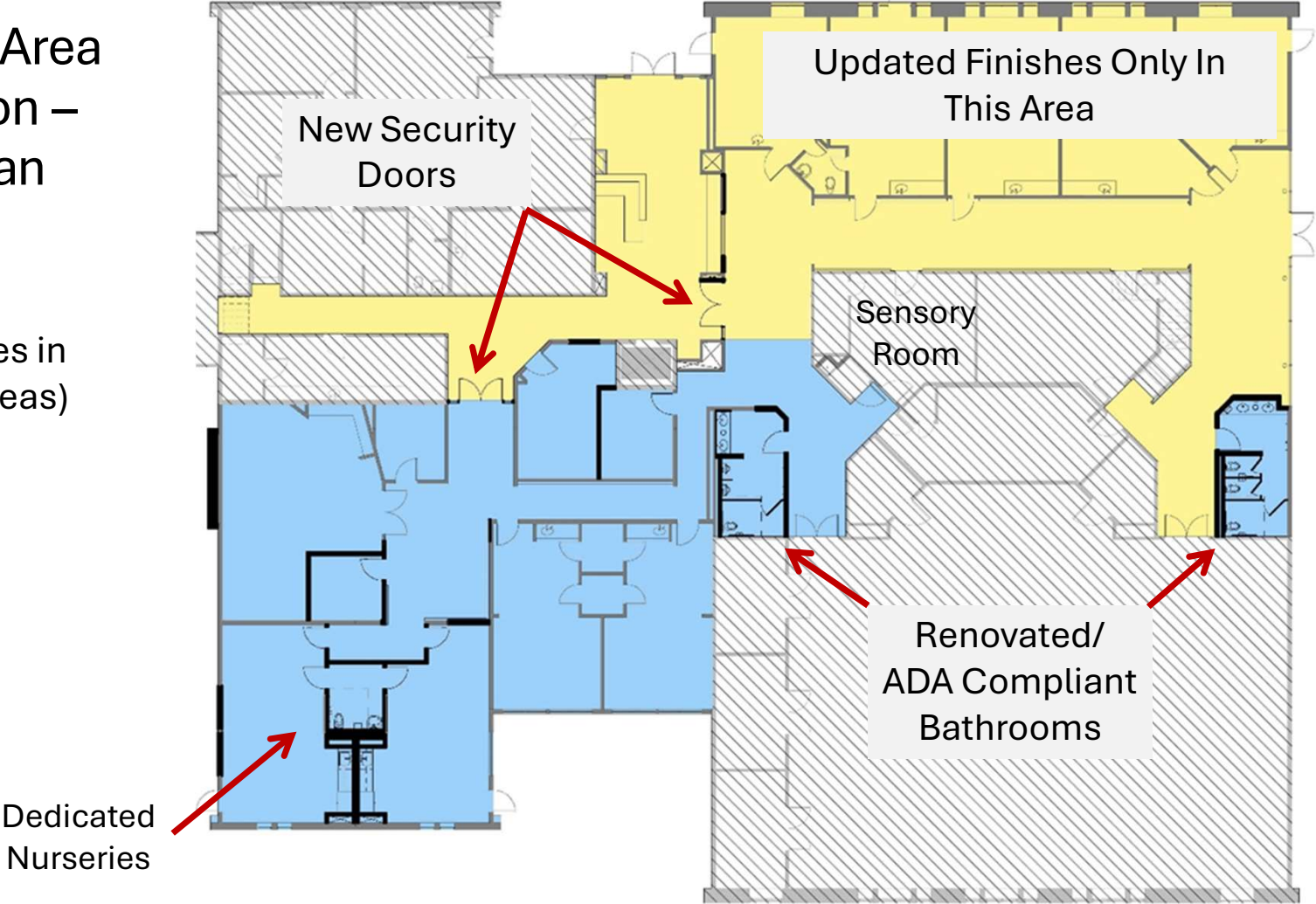


1st Floor Plan -
New Building



Children's Area Renovation – Floor Plan

(No changes in
hatched areas)



Children's Check-in at Office Lobby



Enlarged and Dedicated Infant Nurseries



Current Status Of Work

- Construction Drawings and Specifications are complete
- Construction Plan is complete
- Sand Creek Village Association approval is complete
- Permitting by the City of Houston is in progress
 - First round comments received from all areas and responses submitted for further review
 - Anticipate completion by the end of June or mid-August latest
- Cost estimated based on proposals from subcontractors
 - Same level of detail as firm bids that will be received and locked in May
 - Budget includes 10% contingency to cover subcontracts that will be subject to cost escalation (e.g. framing materials).

Key Construction Cost Changes

October 2024 Cost	\$ 4,021,000
Fire Sprinklers	\$ 170,000
Relocation of AC Units	\$ 150,000
Extend Schedule 3 Mos (minimize BBLC impact)	\$ 100,000
Misc. Paving Additions	\$ 50,000
Outcome of Permitting Review - likely cost	\$ 30,000
Deletion of X102-105 Renovations	\$ (140,000)
Net escalation and misc. to date	\$ 35,000
Less contingency for design changes	\$ (124,000)
Subtotal	\$ 4,292,000
Cost escalation contingency	<u>\$ 425,000</u>
Current Cost	\$ 4,717,000

Current Phase 1 Cost Estimate

Component	Current	Prior	Increase
Capital Campaign Costs	\$ 94,553	\$ 94,553	
Parking Lot Design Costs (spent)	\$ 48,238	\$ 48,238	
Building and Renovations	\$ 5,379,814	\$ 4,615,769	\$ 764,045
Construction Finance	\$ (50,000)	\$ 80,000	\$ (130,000)
Reroof Existing Buildings	<u>\$ 220,000</u>	<u>\$ 275,000</u>	<u>\$ (55,000)</u>
	\$ 5,692,605	\$ 5,113,560	\$ 579,045

Phased Construction

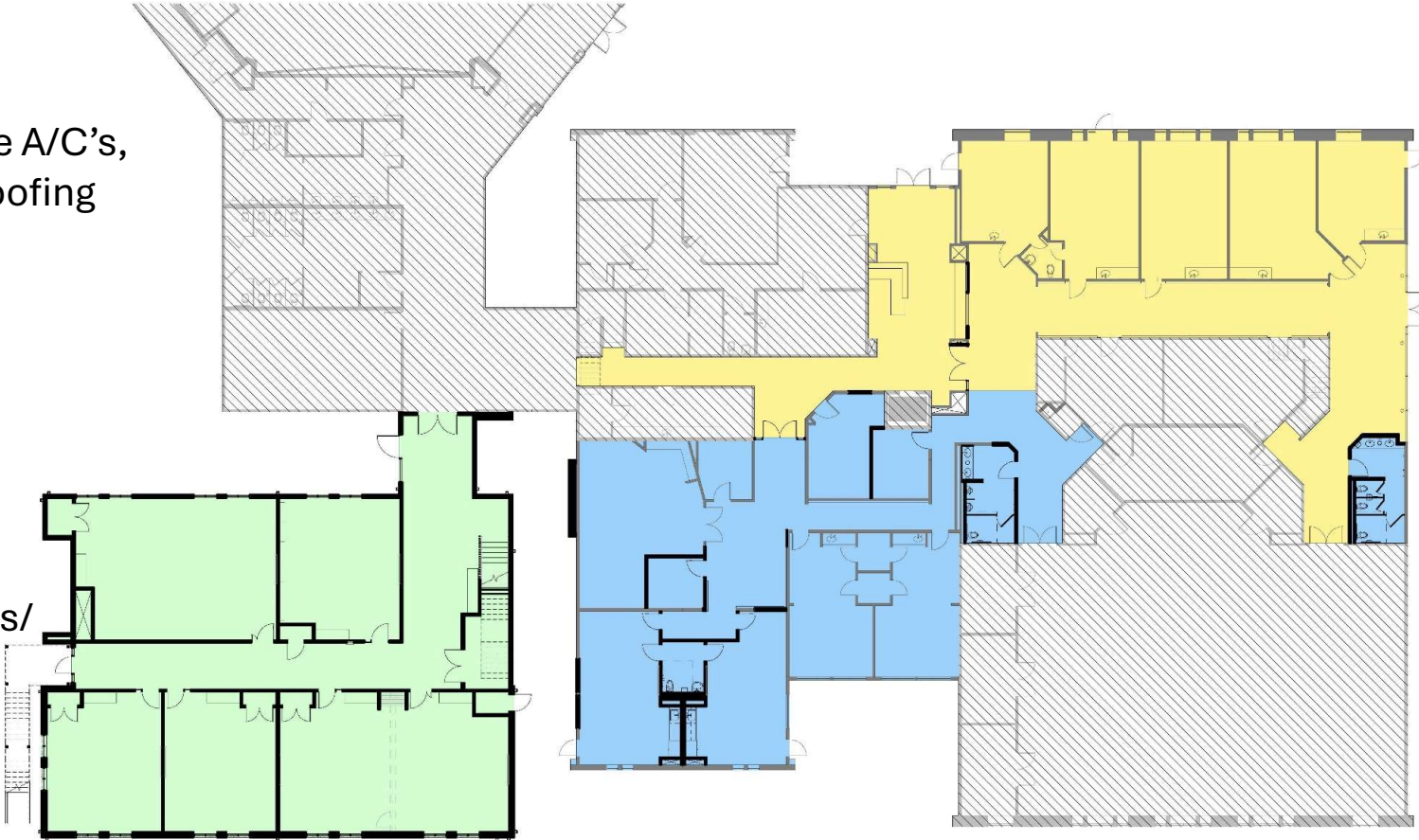
Phases:

□ Early Works – Move A/C's, Choir Risers, Re-roofing

■ New Building

■ Renovate BBLC 2's and 3's

■ New nursery/ offices/ bathrooms/ BBLC 4's



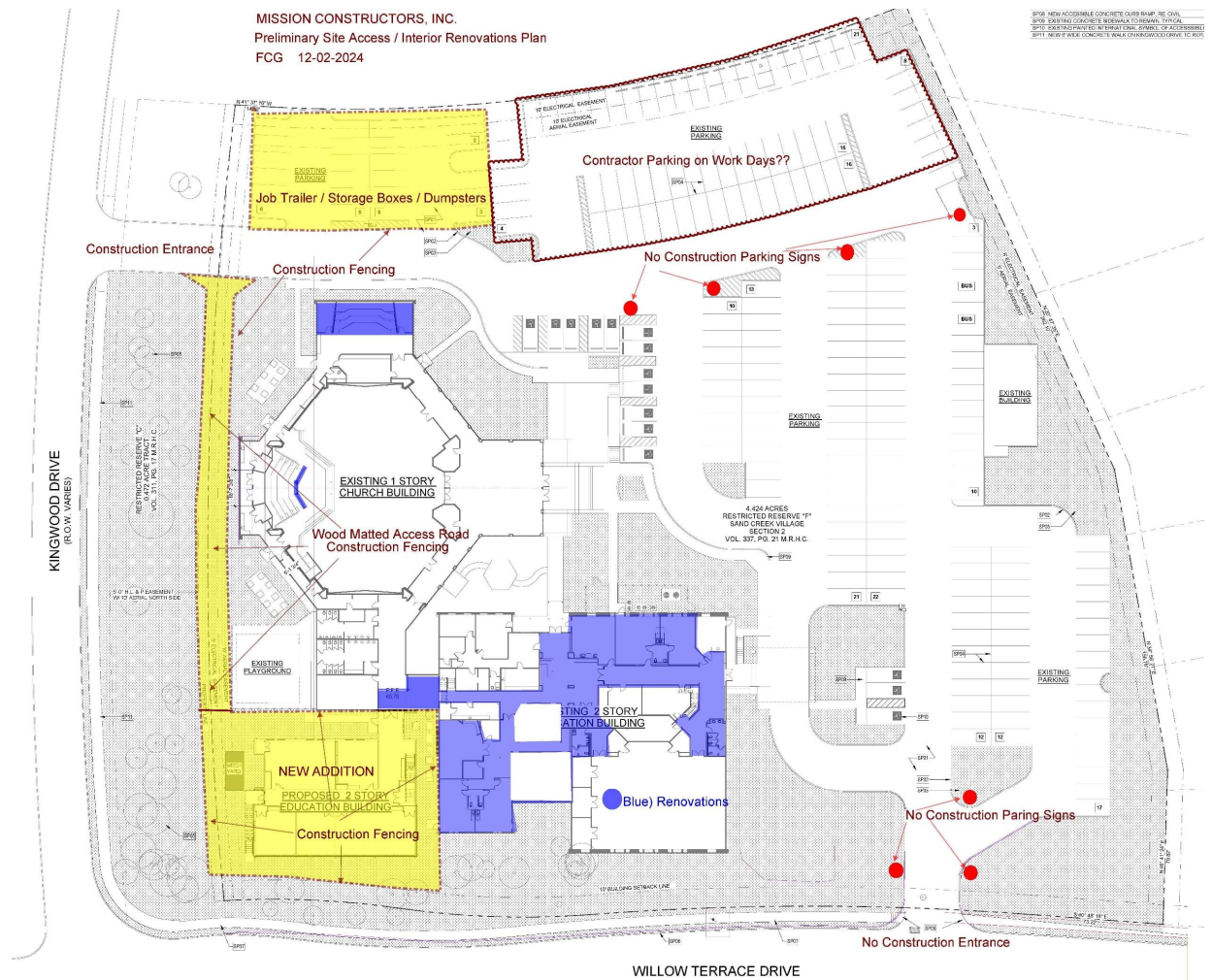
Construction Plan

Key Points:

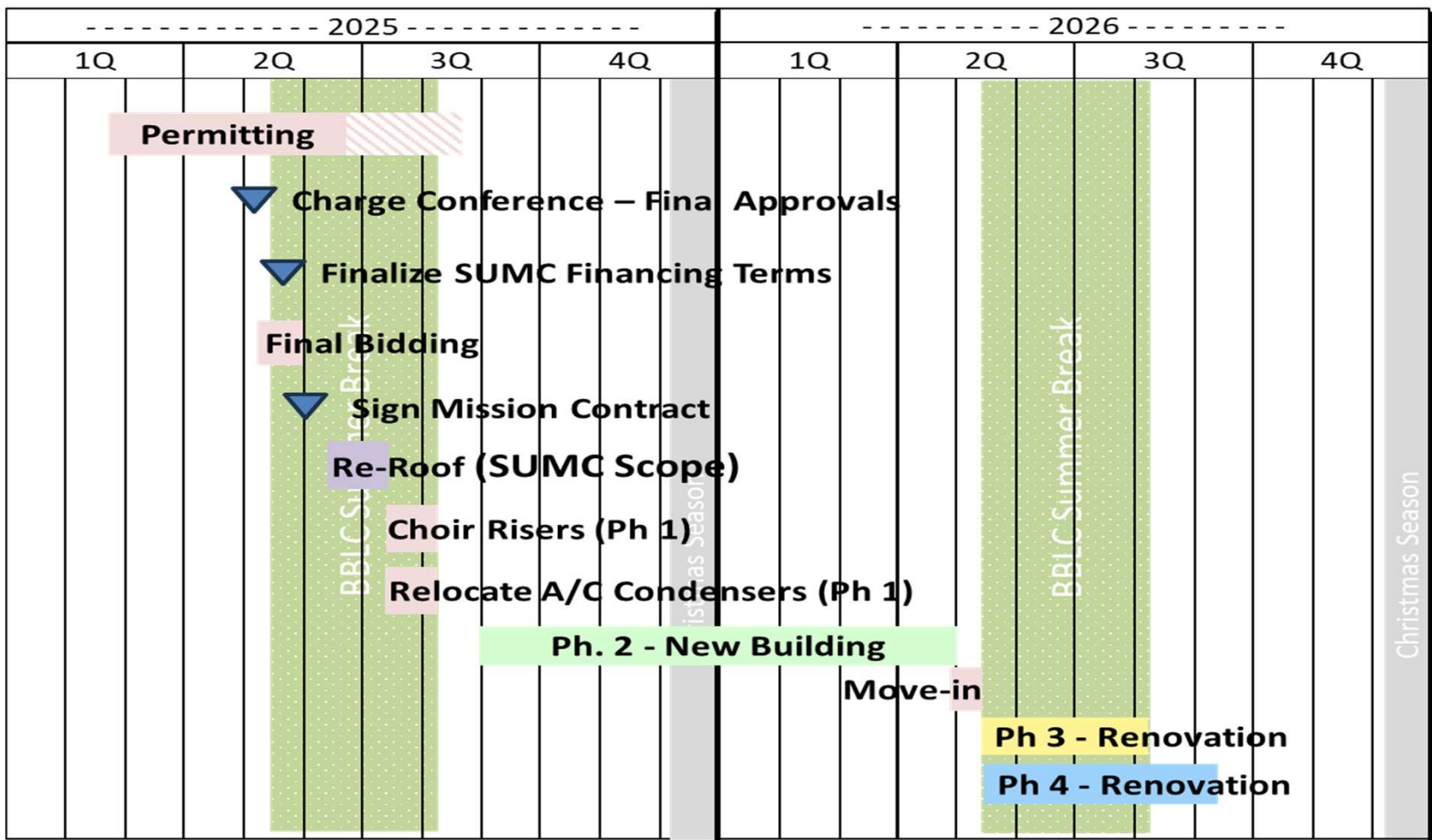
Areas Dedicated to Mission Constructors

Areas to be renovated

- Access for new building works segregated from entrances
- Children's areas to be renovated over Summer 2026
- Three BBLC Classrooms for 4yr olds will be temporarily located in the new building for perhaps a month
- Will not have access to 23 parking spaces near choir room
- Workers will park along drainage ditch during weekdays



Construction Schedule



Stakeholders and Project Team

- **Embrace the Spirit Leadership Team**

John Swank – Team Chair and Church Council Chair

Shirley Astwood – Trustees Chair

Lynn Noesser – Finance Chair

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

Bill Koerner – Lay Leader & Chair of Architecture and Engineering

Kevin Larson

Rev. Todd Jordan

Rev. Beth Chenault

Jerry Dusenbery

Burke Watson

- **Finance Lead – Adam Mowery**

- **Architectural and Engineering Committee**

Shirley Astwood

Jerry Dusenbery

Clint Read

David Butler

Rev. Josh Hale

Sam Roxburgh

Rev. Beth Chenault

Kent Johnston

Josh Shepherd

- **Project Manager - Bill Koerner; Sam Roxburgh, David Butler – Alternates**

- **Key Interfaces**

- Ministries/Missions – Rev. Josh Hale, Executive Pastor (Rev. Todd Jordan until then)
- Trustees – Shirley Astwood, Chair and Mel Puckett, Building Manager

- **Architects – MHP Architects – Jim Powell, Partner**

- Jose Fernandez – Lead, John Krejci – Permitting and Execution interface

- **General Contractor – Mission Constructors – Glenn Woo, President**

- Fred Grona – Execution Planning, Cliff Craig – Project Manager (onsite)

Proposed Funding Plan

Capital funds available prior to campaign	\$0.46 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
2 nd Member Foundation loan	<u>\$1.19 M</u>
Total	\$5.69 M

- Notes:
1. Have received over \$1.78 M in pledges and interest to date
 2. Cash on hand as of 3/30/2025 is \$1,845,035 after expenditures to date of \$387,561
 3. Will also require construction phase finance from the Texas Methodist Foundation – short term revolving loan at 6.0% fixed rate

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% 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 - \$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 interest accrues during the 1st five years, 3.3% fixed rate compounded thereafter
 - No pre-payment penalties
 - 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
 - Lender to hold a mortgage on Cedarville property
- Loan documents drafted by lawyer and agreed with lender

2nd Member Foundation Loan

- Generous offer of a \$1.19 M loan on excellent terms - 12-year duration at ~4.62% APR fixed interest
- Saves about \$80,000 in Construction Phase Loans
- Donor will make contributions to SUMC's annual budget to offset interest
- Payment of principal limited to \$50,000 per year for first 5 years
- Consistent with our intent, SUMC agrees to repay loan in full as part of any future capital campaign (e.g. for parking lot)
- No pre-payment penalties, and early payments in excess of the cumulative total may be applied to current payments due (flexibility allowed)
- Will require a mortgage on the main campus property
- Still need some construction finance from TMF because last ~\$500,000 of pledges collected over the 9 months following completion of project

Recommendations and Approval

- Submitted by: The Embrace the Spirit Steering Team

John Swank – Team Chair and Church Council Chair

Shirley Astwood – Trustees Chair

Rev. Todd Jordan

Lynn Noesser – Finance Chair

Rev. Beth Chenault

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

Jerry Dusenbery

Bill Koerner – Lay Leader & Chair of Architecture and Engineering

Burke Watson

Kevin Larson

- Endorsed by: SUMC Finance Committee
- Approved by: TAC Southwest District Building and Location Committee (10/7/2024, updated April 2025)

First Resolution (per handout)

SUMC shall proceed to construct a new building and renovate existing areas 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 provide a) dedicated nurseries, 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 the choir room
 - Replacement of all existing roofs

First Resolution, Continued

- Funding Plan totaling \$5.69 M:
 - Capital funds available prior to campaign - \$0.46 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
 - 2nd Member Foundation loan - \$1.19 M
- Work is anticipated to be complete by October 2026
- Bill Koerner is appointed as Project Manager, in consultation with Steering and Architecture/Engineering Committees
- If necessary, the Finance committee and Church Council may endorse/approve overall budget supplements up to 5% (15% for individual line items)

Second Resolution - Mortgages

- Charge Conference approval of mortgages on church property is required by the United Methodist Book of Discipline
 - As required for loans from members and/or the Texas Methodist Foundation anticipated to total, after completion of the capital campaign, \$1.49 M
- Furthermore, the Chairperson and Secretary of the Board of Trustees are authorized and directed to actions necessary to execute and deliver such documents as may be necessary to obtain the necessary loans in the amounts shown above
 - Including mortgages on existing SUMC properties and liens on certain personal property within as necessary
 - Also authorized to make such amendments as may be necessary to complete the project and service loans over their term



- Discussion
- Voting by members of Charge Conference:
 - Resolution #1 – Proceed to construction
 - Resolution #2 – Authorizes mortgages for loans

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the Spirit 
for such a time as this

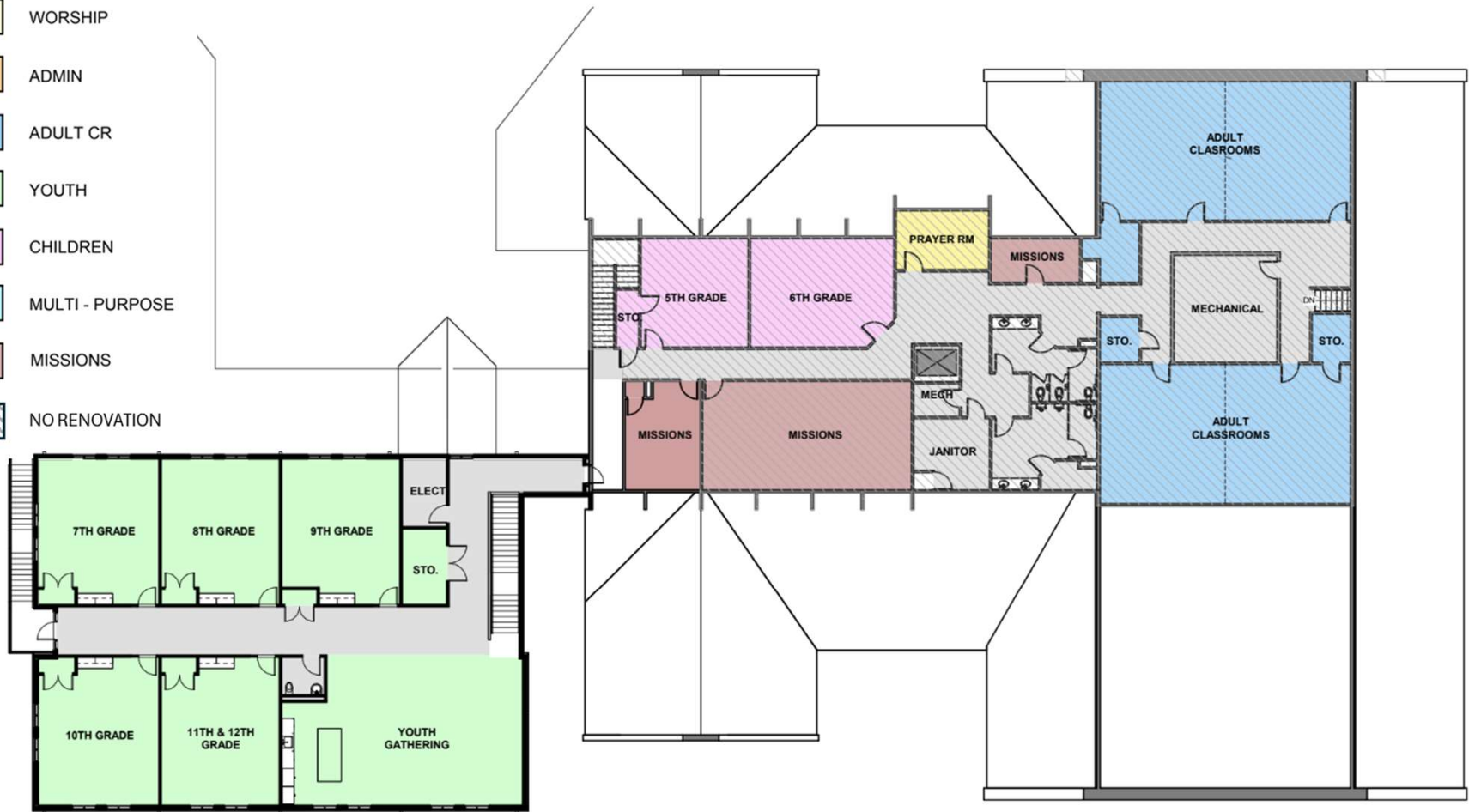
...and one more thing:

Remember this for our Youth?



Proposed Second Floor Plan

- WORSHIP
- ADMIN
- ADULT CR
- YOUTH
- CHILDREN
- MULTI - PURPOSE
- MISSIONS
- NO RENOVATION



Second Floor Buildout Proposal

- Our generous member has further offered to lend more funds on same terms to finish the second floor, accelerating this part of Phase 2!
 - Provides a large gathering space and 5 classrooms for youth
 - Space vacated available for more adult SS classrooms and dedicated Missions rooms!
- Doing this now would:
 - Allow immediate use of our investment in building the shell of the 2nd floor
 - Avoid ~\$100,000 in re-mobilization charges for future construction
 - Avoid cost escalation over time
 - Avoid future disruption of major construction in the new building
- Today's Proposal:
 - Charge conference to authorize spending \$22,000 to advance architectural plans to construction quality, update cost and begin permitting
 - Given this involves additional scope, we will seek Church Conference approval to construct in July

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