

**JOURNEY OF FAITH – PART TWO**  
**THE MONEY GAP**  
**March 15, 2009**

**INTRODUCTION**

For the past four years the SCVUMC Board of Trustees has been working on design, costing and financing a new church building for our property at the northwest corner of Sahuarita Road and La Villita Road. Several renditions of the proposed building have been made to bring the scope and cost of the building into line with available financing.

About a year ago, after completion of a successful Capital Stewardship Campaign, our Architect, Kim Acorn, was directed to prepare detailed design and cost estimates. Previous discussions with lending institutions had indicated we could finance the project including the commitments received in the Journey of Faith. Unfortunately the credit crunch has caused the bank to pull back on their assurances of financing. Other banks that were contacted had the same concern--We needed to either grow the church to gain more giving units or cut back on the costs, or preferably both.

**DESIGN CONSIDERATIONS**

Due to a number of constraints in the purchase agreement for the land the church is limited on what it can do regarding development of the property. The original design criteria given to the Architect barely met the minimum requirements of the agreement. The basic building was designed for a total of 10,040 sq ft and a ceiling height to accommodate a basketball gymnasium at sometime in the future. A separate classroom/office wing of 3,500 sq ft was included as an alternate option. If unable to finance the classroom wing temporary classrooms and office space would be included in the basic building by cutting the worship service space from seating 460 to seating 300.

**ESTIMATED COSTS**

Estimated costs for the basic building without the classroom wing as of June, 2008 were:

<u>Land Costs</u> – Pay off the current loan	\$ 325,000
<u>General Contractor Costs</u> – site work, utilities, landscape, building, supervision, taxes, profit, contingency (5%)	1,526,900
<u>Soft Costs</u> – temporary partitions, performance bond, sewer hookup, building permit, insurance	97,200
<u>Other Project Costs</u> - Architect and other fees and flooring and furnishings	261,750
Total	<u>\$2,210,850</u>

**FINANCING**

Discussions with lending institutions and bonding people indicate SCVUMC can expect a loan or bond sale to provide \$1.1M to \$1.4M in funds. With the available building funds to date (\$230,000) and/or anticipated building funds by year end (total \$370,000), this leaves a current estimated “money gap” of \$430,000 to \$740,000.

Next week’s article will explore ways to increase the available funds and/or reduce the costs.

Your BRIDGE Team