

Next Steps Phase One Building Financial Information & Proposal

The Building and Elder teams of Grace Crossing are asking the church to approve a construction credit line increase from the \$850,000 that was approved in November 2020, to \$1,500,000. The church will vote on this matter at the end of each morning worship service on Sunday, February 21st. Members who are still at risk of COVID and cannot attend are given the opportunity to come by the church office on **Thursday, February 18th between 8:00 AM & 5:00 PM to vote by paper ballot.**

- **Total Cash On-Hand Designated for Next Steps - \$858,309**
 - The above amount includes funds given to the Next Steps campaign of \$646,687, and also funds given to the general budget that we have saved.
- With our Savings Account, Checking Account, and our Next Steps account, **GCBC has a total amount of cash on hand of \$1,127,357.**

In November 2020, GCBC voted to authorize our Elder team to borrow an **amount not to exceed \$850,000**. This was based upon an original estimated building cost of \$1,700,000. This was an estimated cost done by a contractor in the spring / summer of 2020.

Since this time, several factors have impacted our project:

1. Rise in building supply costs.
2. Addition of required sprinkler / fire suppression in the existing building.

After receiving bids from four construction companies, the lowest bid from these is also the company that the Building Team and Elders feel the most comfortable moving forward with. The total cost for construction, the additional sprinkler system, and the fees to our architect for the building drawings and documents, along with their oversight of construction, the total cost comes to **\$2,353,044**.

What are the options that the Building Team and Elders explored?

1. Waiting to begin building and trying to save more money before beginning construction.
 - a. This option would mean postponing construction until we'd raised more money.
 - b. This option would also mean that we would be back to square one in finding out how much the building would cost. The bids we have received will expire in 30 – 60 days and we would have to request new bids from the companies interested in our project. The bid we would like to proceed with is good for only 30 days.
 - c. The Elder and Building Teams feel that a delay in beginning construction will lead to more increase in building costs. We also are limited in how long our interest rate is locked in for, before we begin construction. A delay would quite possibly cost us even more in interests and project costs.
2. Cutting the cost of the current project.
 - a. As you may remember, we have already cut a lot of what we'd originally proposed for Phase One in an effort to get started. Cutting square footage or

making the building smaller at this point would be counter-productive to what we are trying to accomplish.

- b. We are exploring options to cut costs from the current bid, have identified some ways to save, and we will be exercising those options without losing the effectiveness of the building.

What is the proposal that the Building Team and Elders are bringing to our church?

3. Continuing with our plan to begin construction in late winter / early spring of 2021. **This means we are asking our church to authorize the Elders to increase our credit line for construction to no more than \$1,500,000. This is an increase of \$650,000 from what the church voted to approve in November.**

This is the option that the Elder and Building Teams bring to our church, with these reasons:

- i. We believe as our church continues to give to our budget and Next Steps, that by the time the construction is completed, we will have at least half of the \$2,353,044 needed.
- ii. This is a construction loan line of credit. We will only make draws against this amount as needed. As such, we only pay interest on the amount we draw, not on the entire amount.
- iii. We have a solid, committed bid from an established local construction company. We believe it is a “no fluff” bid, as the difference between the two lowest bids was only a few thousand dollars. Other bids were significantly higher. This company has a commitment to us to be completed by the end of 2021, and very likely before Thanksgiving. If our church votes to increase the line of credit and proceed, we will sign a contract with this company, and the price quoted is locked in.
- iv. We have checked with our bank, and they have approved an increase at the same interest rate contingent upon our church membership voting to approve this proposal.

We prayerfully submit this proposal to our church family for approval. Please respond with any questions you may have, and we will work to answer those in a timely manner. You may respond by email to KCooper@gracecrossing.life, or contact the church office by phone. You can also stay up to date with messages from Pastor Kevin by downloading our app and also checking in on our web site for video updates.