

Building Committee Notes
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We have about \$1.06 million in our Building Fund after 5 years of fundraising and the associated design expenses. These funds were raised on top of the annual Stewardship Campaign. In total, Bush Hill members and supporters have contributed an average of some \$832,000 per year, or a little over \$30,000 a month since 2005.

On January 27, 2010, six bids were received, ranging from a high of \$5,384,774 to a low of \$4,745,000. Bidders have been notified of the results, but contract award will depend on the several approvals now needed in order to obtain financing for the project. These bids compare to a \$5,600,000 estimate made by the architect in early 2008.

We received tentative approval from Burke & Herbert Bank for a construction loan of about \$4.5 million in 2007. If approved, the construction loan would be obtained as needed during construction (envisioned at 18 months) with interest-only payments. At the end of construction, it would be converted to a 25-year mortgage with refinancing after 5 years. It is envisioned that similar mortgages would be negotiated every 5 years until the debt is retired.

A working model has been constructed in Excel to help the church develop the financing plan. It is based on the low bid received, the architect's estimates of additional costs that must be defrayed, and the preliminary estimate from B&H Bank about the likely commercial interest rates that will apply to the loans. An ad hoc committee of members has been asked to review the model and provide advice to the building committee as the financing plan unfolds.

The model lets us look at the cost implications of various financing decisions that may be open to the church. One of the critical decisions is how much of a financial reserve to retain in the building fund to cover unforeseen shortfalls in monthly income in the future. Right now, it looks like a reserve of \$250,000 to \$500,000 will provide the needed balance in cost and risk.

If the congregation approves the project proposal at the February 22 Annual Congregational Meeting, we will apply to Burke & Herbert Bank and the National Capital Presbytery's Administrative Commission on Congregational Property for the necessary loan approvals. If all goes well, we may be able to finally start this project in June after the Day School year ends.