

DATE: July 10, 2018

SUBJECT: Financing of Building Project

PROPOSED ACTION: To approve financing of the building project in amounts required to fully fund the approved building project. This financing will consist of: (1) A construction loan currently estimated to be in the range of \$2.4 million (2) Conversion of the construction loan to a mortgage loan at the end of construction, and (3) Re-financing of the mortgage loan at the end of the fundraising campaign, currently estimated to be in the range of \$1.7 million.

BACKGROUND: A Capital Campaign was coordinated by Walsh Fundraising during February-June 2018. Pledges totaling \$2,727,726 were received from the congregation to be collected through August 2021.

With the bulk of the construction concluding by the end of 2019 there will be a need for a temporary construction loan in the estimated range of \$2.4 million. The construction loan will be converted to a mortgage loan in early-2020. All capital campaign funds received through August 2021 will be applied towards the mortgage balance.

After the capital campaign concludes in September 2021 the mortgage will be re-financed in the range of \$1.7 million, with monthly payments of \$12,000 - \$14,000 depending on interest rates and length of mortgage.

At a joint Building Committee/Congregation Council retreat of July 7, 2018 this approach for financing the Building Project was discussed and approved.

SPONSOR: Executive Committee