

179th Ave. House Financing

Sept 23, 2012

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Capital Campaign Coordinating Committee

Current financing status

- Owed...
 - Bank Loan: \$138,000
 - Repairs & Admin Loan: 34,000
 - Total to finance \$172,000
- Income needed now
 - Gifts so far (pay off R&A loan) \$33,400
 - Needed gifts now 16,600
 - Loans @ ~4%, 10 years 122,000
 - 72K: \$729/mo; 20K: \$204/mo; *need 30K*

Pledge goals 2013-15

- Pay down \$72,000; 20,000; 30,000
- Pledges needed: \$45,000 over 3 years
 - 3 families @ \$2000/yr (18,000)
 - 4 families @ \$1000/yr (12,000)
 - 6 families @ \$500/yr (9,000)
 - Balance of congregation @ \$2,000/yr (6,000)
 - Total: \$46,000
 - Amount of Pledges going to interest: \$12,940
 - Cash CDs when due, pay ahead.

Options after 3 years

<u>Loan</u>	<u>Balance</u>	<u>Interest Paid</u>
\$72,000	\$53,330	\$7,573
\$20,000	\$14,912	\$2,374
\$30,000	\$22,221	\$3,156 (gift?)

- Pay \$1240/mo from operating budget, OR
- Ask pledgers to go 3 more years, OR
- Do another capital campaign, OR
 - Some combination

Loan Flexibility

- Loans at 4% APR – better than market
- APR bonus: 0.1% for each gift/pledge of 10% of loan amount.
 - eg. \$20K loan earns 4.5% if \$10K gift/pledge is added
 - ($\$20K \times 10\% = \2000 ; $10K/2K=5 \times .1\%$)
- Terms nominally 10 years, but can be whatever you like.

Gifts Now or Pledge Later?

- Gifts: better for families with resources
 - Less to borrow
 - Less interest to pay
 - Less to refinance in the future
 - Simpler
 - May have tax advantages
- Pledges: better for families with income
- Loans: require gifts and pledges to retire

Contingency Plans

- If it appears this three-year plan won't go, we stop, return all gifts, and turn the house back to the original investors.
- After 3 years, if we haven't fulfilled expectations, we sell the house, pay off the loans, and return as much as possible to gifters, in proportion to their share.

Memorials and Honors

- “Maynard House”
 - The four Maynard brothers seek to honor their UU parents with a major gift.
 - The Committee proposes to the congregation naming the house “Maynard House” if their gifts and pledges are at least \$30,000.
- Other memorials. If you’re giving a large gift, do you want to create a memorial or “in honor of...”? Give us your ideas.

Summary

- It appears we have a go if we can get sufficient 3-year pledges (or gifts now).
- We see much opportunity to use the house
- We seek to be win-win with everyone
- We are flexible. If you have ideas, share them with us.

Purposes of Meeting...

1. Get congregational approval for a loan from the UU PNW Growth Foundation.
 - \$20,000 at 5.5% for 20 years (\$138/mo)
 - It appears unneeded, but approval gives us flexibility.
 - Committee: “Please approve request.”
2. Comment on “Maynard House” name, or other suggestions.
 - (No action, since not on agenda)

Please commit by 10/11/12

- We'll be available after the meeting to answer questions.
- Are there any comments, concerns, endorsements from congregation?