

An isometric architectural rendering of a church interior. The scene features a central fireplace with a stone surround and a black top. To the left, there is a circular seating area with several round tables and chairs. To the right, a curved wooden walkway leads towards a long, low bench. The background shows a blue-tinted area with more seating and a staircase. A large blue rectangular overlay is positioned in the upper center of the image.

BUILDING MASTER PLAN PROPOSAL

Accessibility Maintenance Community

Bethlehem Lutheran Church



Bethlehem Lutheran Church
Revised Property Development Plans

This new year brings us to a time when The Property Development Team can at last share with our Bethlehem community the revised master planning efforts that you all have so patiently awaited. This endeavor, which began in early 2015, has now come to a point where our team has completed the concept design work with Jaeger, Nikola, Kuhlman and Associates and can now share this new direction of spatial and facilities improvements with you.

As a reminder we sought new guidance in our design efforts in the spring of 2017 as we looked to achieve more detail and better focus in this concept design phase that would better resonate with our Bethlehem congregation. All along, the Property Development Team has focused on the agreed to priorities of greater accessibility and ADA compliance, a more welcoming fellowship/gathering space and overdue maintenance and improvements throughout our property. We believe our efforts have brought us a plan that is not only a better approach to answering the underlying priorities but is also visually more understandable.

While this plan is more detailed than what you saw in our previous effort, it is still a concept plan that provides for you the “direction we are heading” and will be further defined and detailed in the next phase. Some components will likely be adjusted and further shaped as we delve deeper into design efficiencies and look for cost savings. Our ongoing efforts will be to find the most efficient plan suited to our financial comfort.

Many thanks are due to the Property Development Team members who have committed many, many hours to this project. Remembering that this team began its work in 2015 it is important to know who has worked hard to see a successful delivery of this plan to our Bethlehem community. Team members who have committed many hours: Tom Anderson, Greg Andrews (Council), Craig Blomquist, Lynne Hepler, Suzanne Heronemus, Steve Heronemus, Phil Hildebrandt, Julie Schelstreet, Brian Warner, Jill Wirig. Pastor Bill and Heather Feltman have provided many hours of ongoing staff support.

I sincerely hope you find this new plan agreeable and worth a warm embrace.

Jim Kautz

Bethlehem Lutheran Church
Property Development Team, Chair

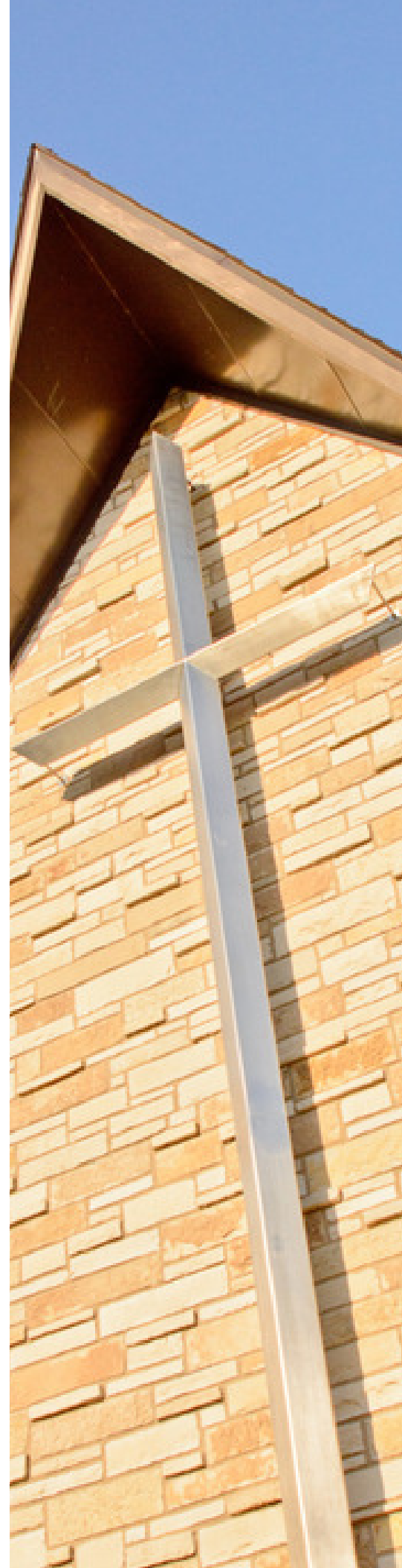
A Letter from the Pastors – Bethlehem Property Development Initiative

Bethlehem Lutheran Church is blessed with many disciples and resources for ministry and mission to the wider community in the Fox River Valley. Our main building continues to be one of our most precious resources. Built in two stages – 1958 original yellow brick building and 1991 Family Life Center addition – this complex physical plant has served BLC well. Our facilities have enabled this congregation to grow and minister in many lasting and significant ways within St. Charles and the overall Fox River Valley.

At the same time, it is clear by now to the casual observer, as well as many of our visitors, there are significant deficiencies in our existing facilities. Some of these items include cramped and outdated restrooms, inaccessibility to the 400 Level for persons with mobility challenges, and awkward and insufficient space for gathering between worship services and for hosting congregation- and community-wide events. Furthermore, numerous significant maintenance items and building repairs have been deferred and neglected to the detriment of the overall condition, comfort, and convenience of our facilities. It is long past overdue for us to address this complicated and interwoven set of issues so that Bethlehem can continue to build community and serve the wider area.

The architectural scheme and renderings being presented to Bethlehem disciples constitute a second Master Plan Concept for a new vision of how to remedy and improve many, but not all, of our building deficiencies in the next 3-5 years and beyond. Making our facilities “better” can mean different things to different persons, which is why it is so important for us as a faith community to discern and discuss how best to make improvements, all with the goal of supporting and prospering the ministry and mission of Bethlehem. Multiple forums are planned for the month of February, providing ample opportunities to listen in on these important conversations and to offer feedback and insights.

We are encouraged that Bethlehem has come to this important place of discernment regarding its aging building. We have the opportunity here to reshape our space even as it continues to shape us and the kinds of programs and ministries we are able to offer to the wider community. The decisions made now will have ripple effects either way well into the future. We trust that together, as disciples in this faith community, we are committed to making sure we have accessible, comfortable, and efficient facilities. May Bethlehem continue to attend to God’s work for many, many decades to come!



1 Accessibility

Create an open and accessible environment.

- ADA compliant washrooms
- Enhanced ADA entrances
- Elevator access to all floors

2 Maintenance

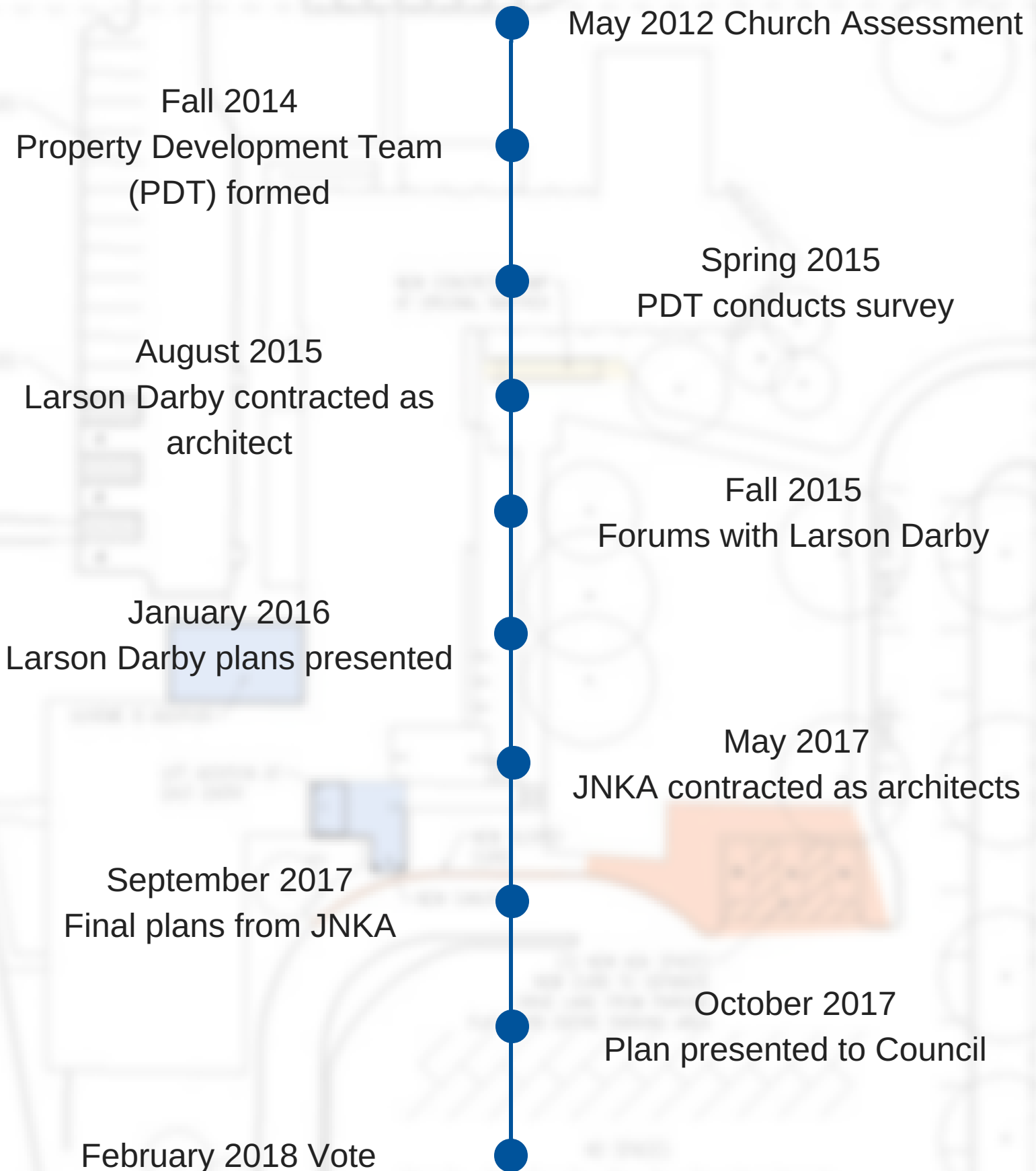
Be better stewards in the maintenance of our building.

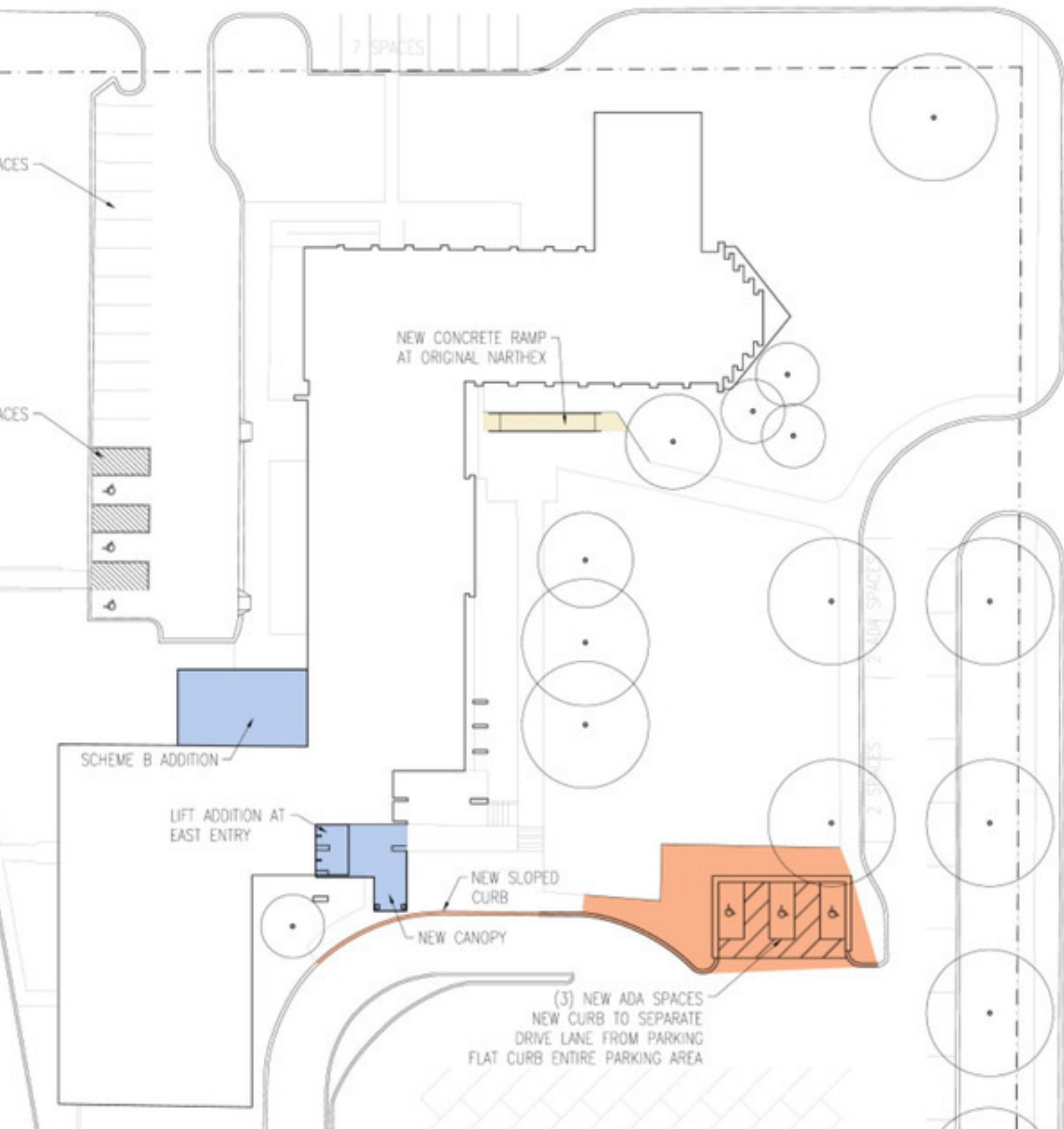
- Replace flooring
- Replace original windows
- Central AC
- Painting

3 Community

Provide an inviting space to gather in community.

- Create welcoming space to promote connectivity and community building





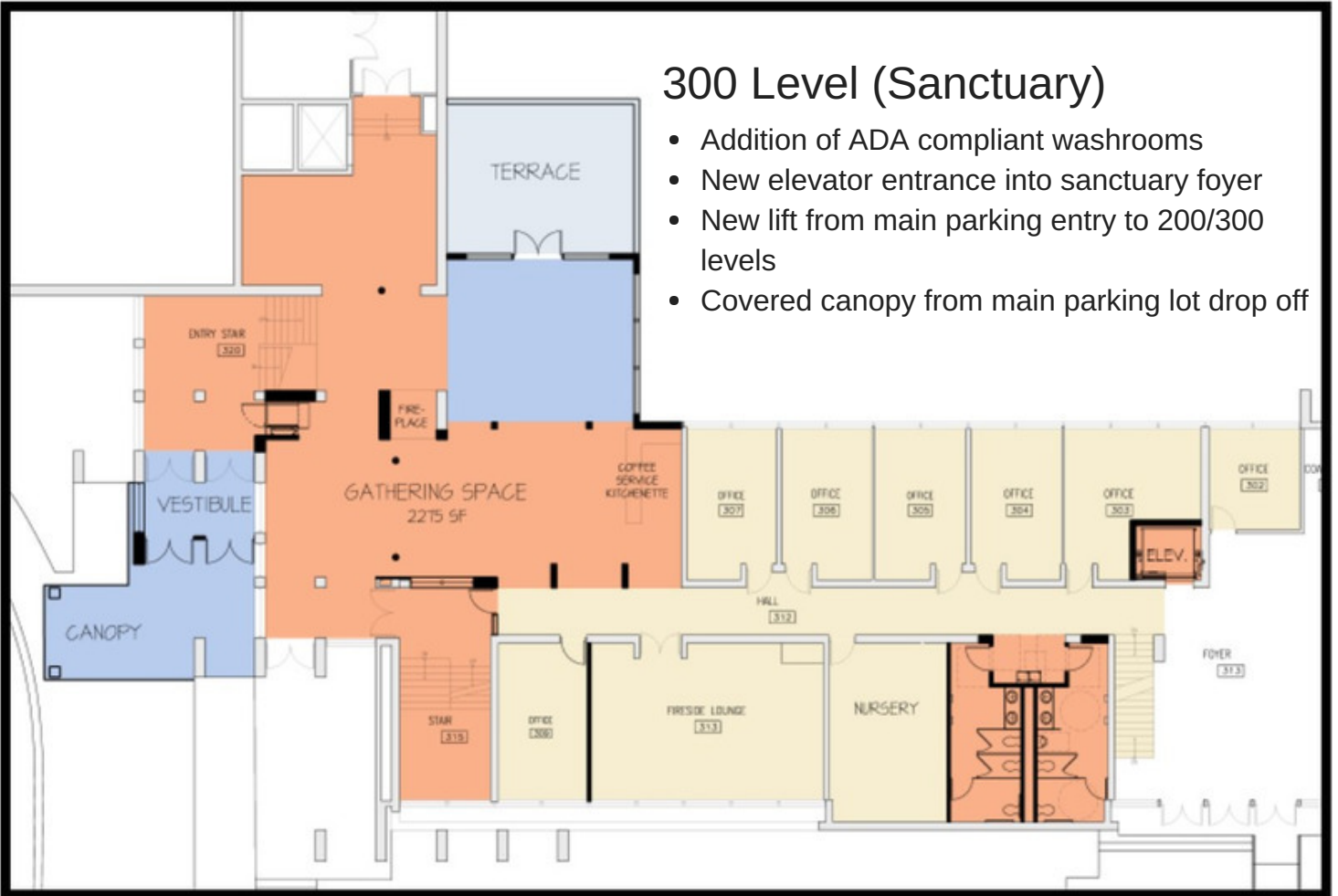
BUILDING CAMPAIGN | GOAL 1

Accessibility

to make sure all are welcome without exception

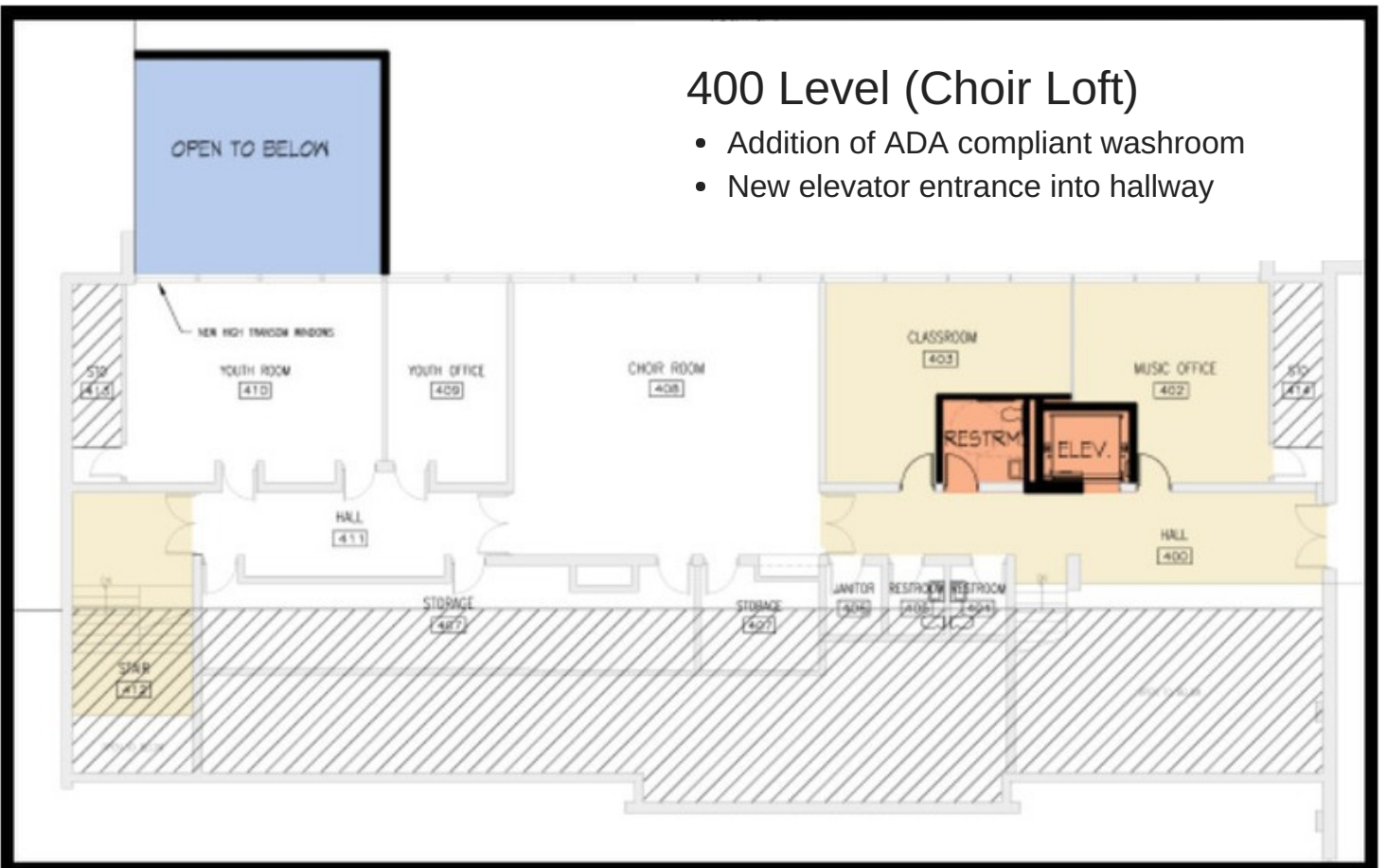
300 Level (Sanctuary)

- Addition of ADA compliant washrooms
- New elevator entrance into sanctuary foyer
- New lift from main parking entry to 200/300 levels
- Covered canopy from main parking lot drop off



400 Level (Choir Loft)

- Addition of ADA compliant washroom
- New elevator entrance into hallway



Why do we need another elevator and lifts?

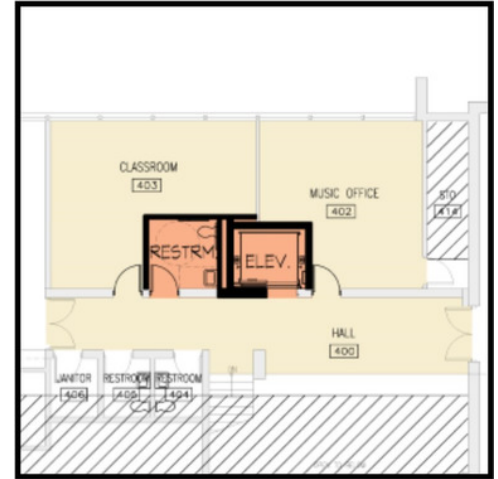
- No elevator access to the 4th floor.
- Those who use wheelchairs, walkers, mobility scooters, and strollers cannot move between certain floors.
- A long walk from the current elevator to the sanctuary.



Foyer (300 level)
elevator- concept



Preschool entrance (200 Level)
elevator -concept

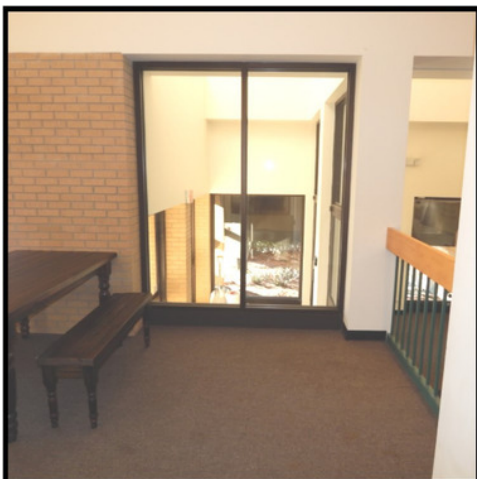


400 Level elevator- concept

PLEASE NOTE: The images presented here are for visualization only. The final details have not been decided. The final product may appear different then the images presented.

Lift Locations

- Allow easier access between floors where elevators are not practical.



Main entrance- proposed



Main entrance- concept



Ekstrom stairs

Washrooms-additions and improvements

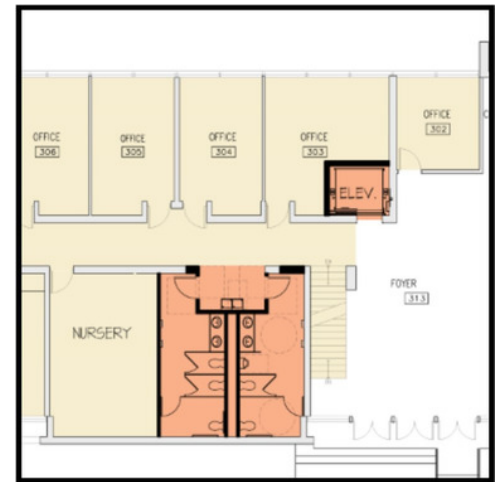
- 100 Level- Minor renovations and maintenance (not pictured)
- 200 Level- Renovation of pre-school hallway washrooms
- 200 Level- Addition of new ADA compliant washrooms
- 300 Level- Addition of new ADA compliant washrooms
- 400 Level- Addition of ADA compliant washrooms (not pictured)



200 Level



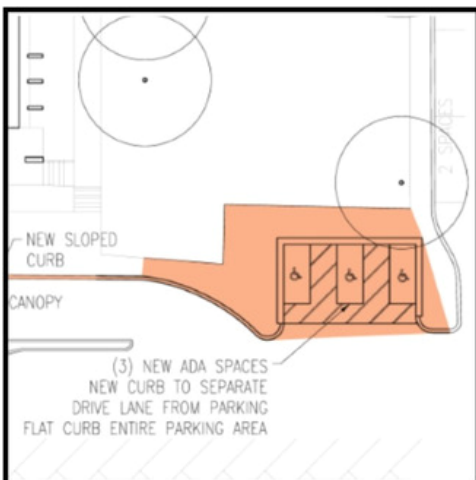
200 Level



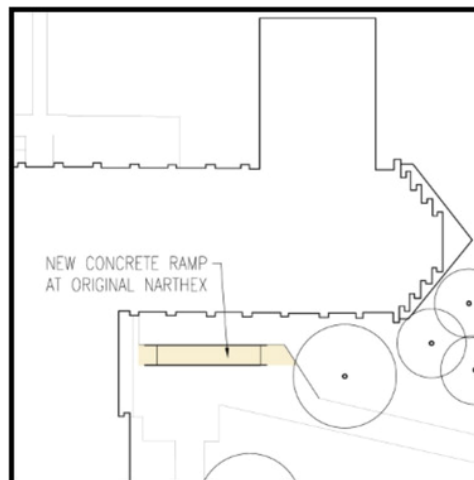
300 Level

Exterior Improvements

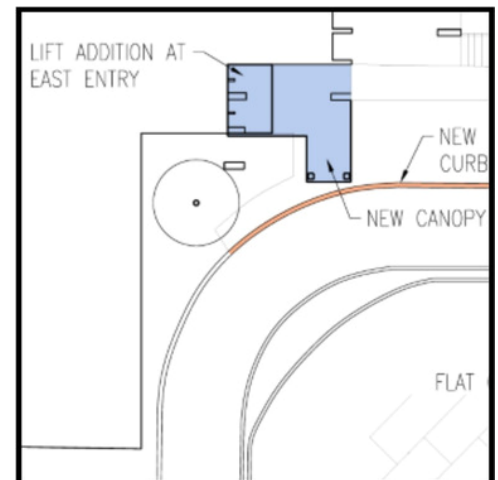
- New ADA parking spaces
- New concrete ramp at sanctuary entrance
- New canopy, entry, and remove curb at main entrance from parking lot



ADA parking spaces



ADA Ramp



Canopy



Main Entrance Improvements

- New ADA parking spaces
- No curb
- Automatic doors
- New covered canopy for safer drop off/pick up
- New vertical wheelchair lift between entry and 200/300 levels



BUILDING CAMPAIGN | GOAL 2

Maintenance

to ensure the safety and soundness of the building

Window Replacement

- Original windows from 1958
- Single pane
- Metal frames
- Difficult to maintain internal air temperature



Original metal frames



Original single pane glass



West Elevation windows

Add Central Air

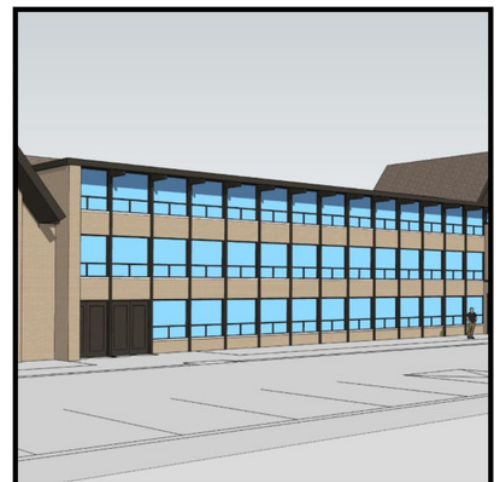
- Remove 19 window air conditioning units
- Install new central air conditioning on all levels
- More energy efficient



Remove AC window units



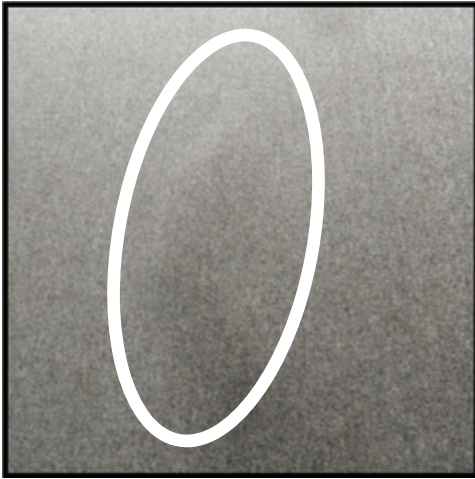
Inefficient installation



West elevation- concept

Replace Carpeting- All levels

- Well past needing replacement
- Safety/trip hazard
- Stains



Carpet bubbles-tripping hazard



Stains- Fellowship Hall



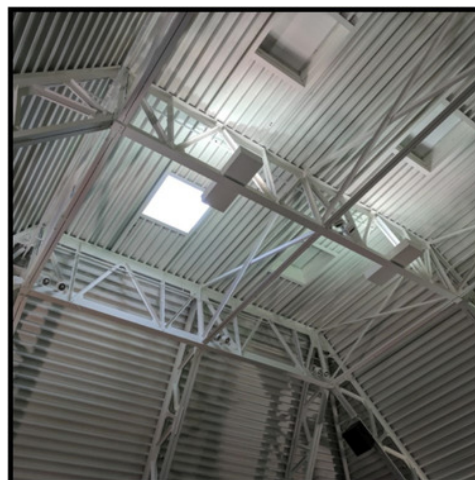
Stain- Hallway

Lighting Upgrades

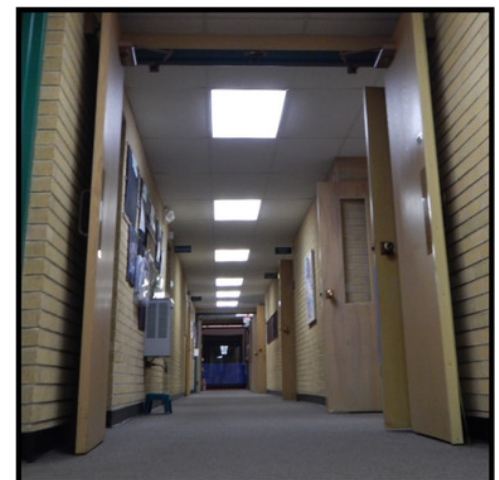
- Higher efficiency lighting
- Less long-term maintenance



Current sanctuary lighting



Fellowship Hall lighting



300 Level lighting

6-8
MONTHS

FINALIZE DESIGN

- Final design
- Bids
- City review
- Permitting
- Approval

OCTOBER 2018

12-13
MONTHS

CONSTRUCTION TIME

- Build
- Remodel
- Renew

NOVEMBER 2019

2
MONTHS

THE MORTGAGE

- Paperwork submitted
- Construction loan rolled into mortgage
- Use funds from capital campaign

DECEMBER 2019



BUILDING CAMPAIGN | GOAL 3

Community

to better live into our interconnection as a church community



- New, open gathering space
- Easier wayfinding
- A welcoming environment
- Outdoor terrace (proposed)
- New kitchenette/coffee station area (proposed)
- More natural lighting

Q: Why are we proposing to create a new gathering space?

The Congregational Assessment from 2012 determined our congregation saw a need for a more updated and sufficient gathering space. Subsequent congregational surveys and forums have been consistent in affirming this as a priority. Ultimately, we believe God calls us as a church to be community with and to each other. A space like this, right by our main entrance, communicates this as an essential part of who we understand ourselves to be.

Q: Is this plan final?

This plan is a master plan and is not final. Master Plans are conceptual plans that define a direction we can pursue. While a certain level of detail is provided, every component is not final nor are all details fully determined. Once a master plan is approved, another series of architectural design meetings and review sessions take place in order to work out all details.

Q: How long will it take to build this?

Our architect suggests that another 6-8 months of design work, city approval, permitting and contractor selection, would be needed before construction could begin. Buildout of the plan could take approximately 12-14 months. Assuming our Bethlehem community approves this plan, construction could begin somewhere around the end of 2018.

Q: Can we do this in phases?

These type of projects can be done in phases. That approach may seem beneficial on the surface but certain downsides come with it. The starting and stopping of construction generally adds both time and cost. Crews set up and crews clean up. Crews return, set up and clean up. Permits are initiated more than once. Construction time is prolonged. Construction costs escalate each year. Added costs accumulate in each phase.

Q: How would construction impact the regular use of our building?

The proposed plan has major work occurring in the current Welcome Center and Fellowship Hall zone. That area would be closed off when work there is underway but the Narthex Entrance will remain open. The West Entrance on the 200 Level might have periodic closures while elevator work is underway. The main hallways on 200/300/400 levels would be interrupted periodically for bathroom and new elevator work. The Sanctuary would be used for all services. Leadership and staff would work with contractors to arrive at the safest arrangements for all who need to use our facilities.

Q: How much is this going to cost?

There are a couple of large pieces that make up the total cost of this proposed project.

The Estimated Construction cost (constructions and fees)	\$3,484,000
Deferred Maintenance and Improvements Estimates	\$1,646,000
Estimated total for construction and maintenance/improvement items	\$5,130,000

PLEASE NOTE: More detail is available near the end of this packet.

Q: When might this impact our operational budget?

Considering that the 2016 Capital Campaign pledges will carry us through the initial phase of getting this project underway, there will be a need for additional Debt Reduction Campaigns to help offset construction costs and cover mortgage payments. It is estimated that, once these funds are depleted, mortgage payments will impact our operations budget around 2025.



BUILDING CAMPAIGN

Costs & Financing

using God's blessings with faithful stewardship

Construction	
Construction	\$2,440,000
Fire Alarm	\$62,822
Sprinkler	\$135,148
Contingency (10% Construction Cost)	\$263,797
Total	\$2,901,767
Soft Costs	
Architect fees, Engineering, Testing, Survey, Utilities, Permits, FFE	\$529,135
10% Contingency	\$52,913
Total	\$582,048
Total Estimated Project Cost	\$3,483,815
Rounding	\$185
Grand Total	\$3,484,000
For escalation include 3 to 5 % per year	
Maintenance- Reduced Scope	
Replace windows	\$500,000
Select Tuckpointing	\$18,000
Exterior Metal Painting	\$33,000
Repair Storm Sewer Catch Basin @ Garage	\$10,000
Sub-Total	\$561,000
Maintenance/Improvements Priority	
New AC System for areas without	\$817,000
Lighting Upgrade-Sanctuary & Fellowship Hall	\$30,000
Security Card Reader & Intercom	\$11,972
Automatic Doors & Lighting (6 pair of doors)	\$10,000
Replace flooring (all levels)	\$180,000
Paint Stairs & Door Frames	\$20,475
Interior Signage (Allowance)	\$15,000
Sub-Total	\$1,084,447
Rounding	\$553
Total for Maintenance and Improvements	\$1,646,000
Total for Construction and Maintenance Project	\$5,130,000

Our history with mortgages

1991 Family life Center Debt Reduction

- 1988 to 1995 – 3 Capital campaigns were completed and \$1,637,668 was pledged toward the Building Fund
- 1991 – 1992 Family Life Center – Groundbreaking April 1991 – Completed May 1992 at a total cost of \$1,949,685
- 1992 - Original Mortgage of \$1,271,443 in September 1992 – 15 year term at 8% interest rate and monthly mortgage payment of \$12,234. Loan to mature in September 2007.
- 1996 - Additional funds secured in 1996 (\$250,000) for maintenance to 1958 building. This increased the mortgage to \$1,310,824 and monthly mortgage payment to \$15,186.
- 1999 - Berkhout Property purchased (August 1999). A \$220,000 mortgage was secured with BMO Harris Bank at a 7.64% interest rate.
- 2004 - Both mortgages refinanced with Mission Investment Fund (MIF) in January 2004 at a 5% interest rate and a 2024 maturity date.
- 2008 - Annual Congregational Meeting in January 2008 held a ceremonial mortgage burning.
- 2012 – A new mortgage with MIF of \$154,000 to cover remaining \$54,000 Berkhout debt and \$100,000 for Family Life Center roof repairs and other maintenance items. 4.625% interest rate with a 2037 maturity date. As of December 2017 the mortgage balance is \$103,069.

Mortgage Finance Assumptions				
Estimated Mission Investment Fund (MIF) Interest Rate: 4.375%		Loan Maturity Options: 15 to 25 years		
Two Variables				
	Options: Loan Maturity	A 15 years	B 20 years	C 25 years
Construction Costs				
Renovation Estimated Costs (JNKA Estimate)		\$3,484,000	\$3,484,000	\$3,484,000
Estimated Deferred Maintenance and Improvements		\$1,646,000	\$1,646,000	\$1,646,000
Total Estimated Project Costs		<u>\$5,130,000</u>	<u>\$5,130,000</u>	<u>\$5,130,000</u>
Project Financing				
2017 Capital Campaign Pledges		\$1,600,000	\$1,600,000	\$1,600,000
Less 10% Shrinkage Adjustment		\$1,440,000	\$1,440,000	\$1,440,000
Estimated Proceeds from Marion Ave. properties		\$645,000	\$645,000	\$645,000
New Mortgage Required to Finance Project		<u>\$3,045,000</u>	<u>\$3,045,000</u>	<u>\$3,045,000</u>
Annual Mortgage Payment (Principle & Interest)		\$277,200	\$228,712	\$200,517
Zero Budget Impact				
Annual additional funding needed from 400 Giving Units		\$693.00	\$571.78	\$501.29
Weekly Additional funding needed from 400 Giving Units		\$13.33	\$11.00	\$9.64
Total Mortgage Financing Costs		<u>\$4,157,998</u>	<u>\$4,574,237</u>	<u>\$5,012,934</u>

About the Mission Investment Fund (MIF)

- For more than 100 years, the Mission Investment Fund and its predecessors have been financing church-related building projects and land purchases. Currently, they have over 800 loans totaling more than \$500 million at work in ELCA congregations and ELCA-related ministries across the country.
- Specializes in church building projects. This includes helping churches plan and finance building projects and land purchases, as well as creating a mission-focused financing plan that meets the unique needs of church's ministry. MIF can also refinance loans with other lenders.
- Can finance the construction phase of the congregation's project.
- Offer competitive terms and rates. Unlike many commercial lending institutions, the MIF does not charge points or loan origination fees. MIF has only one fee: a document preparation charge for long-term loans.
- Offers project expertise. Their Church Building Consultants provide counsel to congregations on building and renovation projects. The consultants and their Regional Managers can also provide information about loans and investments.
- Can assist with fundraising appeals.
- The faithful stewardship of Lutheran ministries funds our loans. When churches finance building projects through MIF, they reinvest the interest payments in loans for other church building projects and land purchases throughout the ELCA.

To Make Your Pledge



Option 1 **Online**

go to www.bethlehemluth.org and click the "Online Giving" image.



Option 2 **Paper Pledge Card**

They can be found at the front desk.

Payment Options



YOUR BANK'S BILL PAY SYSTEM

Most banks now offer an automatic bill payment feature through their online banking site. Check with your bank for details.



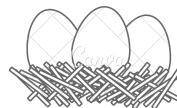
TRANSFER STOCK

Transferring ownership of appreciated stock to BLC is a great option for maximizing your giving while minimizing your tax burden by avoiding capital gains. The process is simple.



BLC's ONLINE PAYMENT SYSTEM

We can automatically debit your checking account. Check the box on the Pledge Card for info about automatic payments to get started. Note: BLC loses a small % of your payment in fees.



IRA ACCOUNTS

Distributions paid directly from your IRA to BLC can reduce your taxable income. Consult your tax consultant for more information.
(must be at least 70 1/2 years old)



CHECKS

Regular paper checks are just fine too. Make sure your checks say "Building Fund" in the memo line. Please don't combine Building and Annual Giving payments on the same check.



CASH

Yes, the old standby is great too. Make sure to request envelopes on your Pledge Card.