

# Shepherd at 50 Master Plan Overview

Shepherd at 50 is a long-range plan for Shepherd of the Hills Lutheran Church, School, and Child Care. The plan is built around the biblical concepts of stewardship and evangelism. Our main effort of stewardship involves a building project and renovations to our campus at 6914 Wurzbach Road. Our main effort of evangelism involves starting a new congregation in the outer west/northwest side of San Antonio. Both efforts require prayer, hard work, and funding.

The Shepherd at 50 planning team was tasked with 1) identifying and evaluating multiple options for achieving these outcomes, 2) determining the optimal path(s) to pursue, and 3) presenting their recommended master plan for the congregation's consideration and approval. To summarize, the Shepherd at 50 planning team has developed the following proposed master plan:

## **I. Main Campus Improvements at 6914 Wurzbach Road**

LPA architects developed a facilities master plan which suggests the following components/phases (to be more fully developed once actual detailed design work commences):

### Phase 1 - Life Safety Renovations and New Gymnasium (May 2018 to Aug 2019)

- Life safety renovations to exterior exit and interior corridors
- Demolish old school administration/library building
- Build new gymnasium and administration building
- Adjust parking and site utilities
- LPA's cost estimate: \$7.9 million

### Phase 2 - Renovations and Addition (May 2026 to Aug 2027)

- Renovations to academic building (east wing, gym, kitchen, cafeteria)
- Build library addition between academic building and gymnasium
- LPA's cost estimate: \$6.6 million

### Phase 3 - Renovations (May 2034 to Sep 2035)

- Renovations to academic building (west wing and second level)
- Landscape restoration of athletic field
- LPA's cost estimate: \$4.7 million

LPA's estimated total cost for the above is \$19.2 million over 17 years. LPA did also develop a scenario of constructing all-new school facilities, cited elsewhere on our campus and phased over time from 2018-2045. Their estimated cost for doing so is \$34 million. The Shepherd at 50 committee, church and school governing boards, and staff all concluded that going with the \$34 million scenario is not operationally or financially feasible.

## **II. Mission Plant in Outer West/Northwest San Antonio**

### Phase 1 - Plan and Prepare (Jul 2017 to Jul 2018)

- Core group meets and begins "being a church" together
- Lead planter is brought on board
- Pastor Aaron serves as associate pastor and music leader

- Financial partnership: Grant of \$3,500 per month from Texas District

#### Phase 2 - Establish, Integrate, and Cultivate (Aug 2018 to Oct 2021)

- Begin worship services in leased space
- Financial partnership: Loan of \$5,000 per month from Texas District (0% interest, payable over 20 years at \$125/month initially, increasing annually)

#### Phase 3 - Sustain and Grow (Nov 2021 onward)

- Explore adding child care and/or day school
- Explore land and permanent building options

### **III. Funding Plan**

#### Component 1 - Capital Campaign

- Facilitated by LCEF Capital Funding Services (for a fee of \$54,000)
- Campaign design/leadership training (Jul-Sep 2017)
- Congregation and school families stewardship activities (Oct-Dec 2017)
- Pledge commitments made/payments begin (Jan 2018)
- Campaign goal is 2-2.5 times annual giving (that is, a goal of \$2.4-\$3.0 million)
- Use pledge monies to fund about 10% of the project—remainder goes into an account used to subsidize future loan payments

#### Component 2 - Additional Mortgage Debt (with current lender, Texas CEF)

- For Phase 1 of the building project, add \$7-\$7.5 million to existing \$1.5 million debt (for a new 30-year mortgage)
- Monthly loan payments would increase to about \$40,000 per month from the current \$9,400 (which is split between the church and school)
- Monthly payments would be subsidized with funds from the capital campaign account, with the monthly subsidy reduced by around \$2,500 per year (with the subsidy, the church/school payment only jumps to about \$12,000/mo the first year, then to \$14,500/mo the next year, and so on)
- Mortgage payments continue to be split between the church and school budgets
- The expectation is that revenues from church membership and school enrollment will continue to grow as we ease into the full monthly loan payment over a period of years

#### Component 3 - Investments Campaign (with current lender, Texas CEF)

- Texas CEF has a program to rebate loan interest back to borrowers, based on the level of supporting investments placed with CEF that are designated to support that borrower (for example, if supporting investments equal 50% of the loan balance, then CEF will do a 0.50% interest rebate, effectively lowering the loan rate by a half point)
- Beyond any funds donated to the capital campaign, congregation members would be encouraged to move some of their personal investment funds to CEF (to earn competitive interest rates for them while also lowering our effective cost of borrowing)
- Investments can be moved from a different entity (bank, financial organization, IRA, endowment, etc.)