

first united methodist church of austin

SANCTUARY BUILDING

CONSTRUCTION UPDATE



RESTORING OUR SANCTUARY

for generations

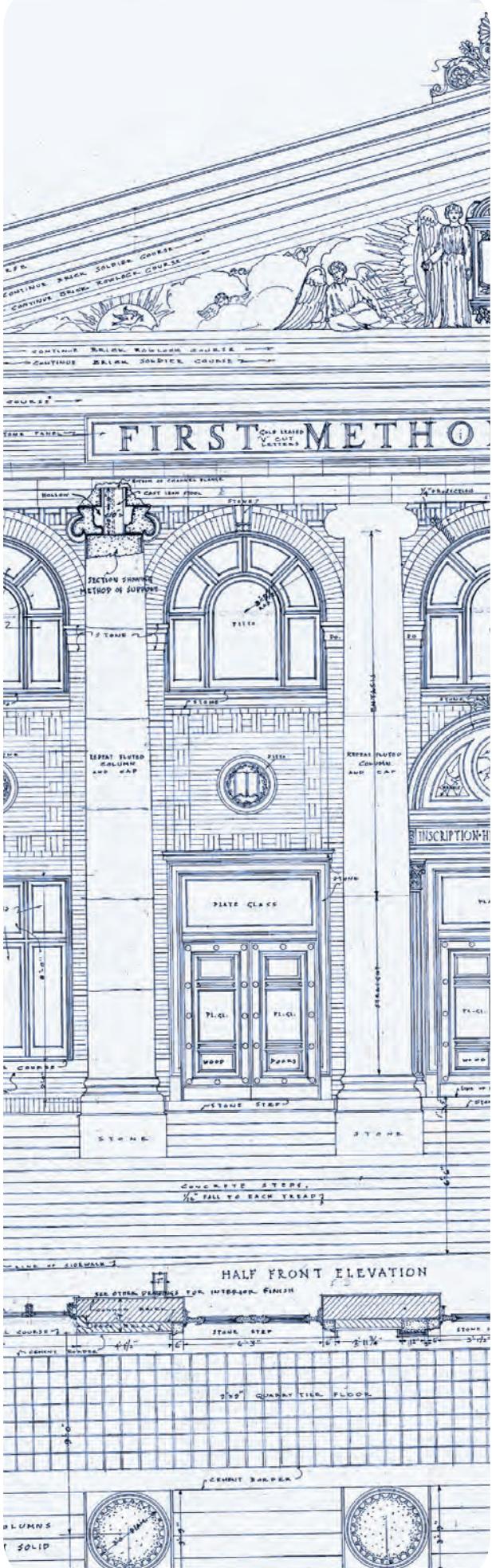
Dear FUMC Community,

The Sanctuary Building has been at the heart of First Church's ministry—and at the heart of our city—for a century. We know that buildings are more than bricks and mortar; they are containers in which lives are changed. For this reason, we imagine all that is possible in this unique location and hope to see the Sanctuary Building fully renovated and made ready to serve as a spiritual home for generations, a hub of innovative mission and ministry in Austin for another hundred years.

Still, we are facing a new challenge to the restoration of the Sanctuary Building in that the total cost of the project is far more than the original estimate. To take on the entire first phase of the Sanctuary restoration and renovation as originally defined will require significant additional funding.

As a result, we believe it is wise to reconsider the scope of this phase of the project. In the pages that follow, you will see several possible construction packages presented in detail. Most offer an alternative to the initial scope, though the options before us range from completing only the work that addresses our current safety issues to undertaking all the work we had initially planned. Each package includes an outline of the pros and cons and a summary of the financial impact. Please take time to review and consider them.

As a Building Committee, we have already begun to wrestle with these options. After careful consideration and vigorous debate, we are currently recommending that the church approve the "Exterior Add-On" package, which will address all current safety concerns, prevent future safety issues by repairing additional exterior masonry identified by our architects, replace the roof, and restore the dome and stained glass. This package will require approximately \$3.79 in additional funding beyond what we have raised to date through the Grace for Generations capital campaign and the sale of tax credits from the State of Texas because of our historic designation.



At this time, we believe the “Exterior Add-On” package strikes the best balance, completing all of the safety and restoration priorities that require exterior scaffolding while minimizing the additional funding we will need to borrow or raise to complete this phase of the project.

We realize that this package does not include any interior renovations to the Sanctuary and are committed to ensuring this happens in the future.

That said, we know that we are guided not only by our present circumstances, but by the spirit of God, which has a way of springing up and doing a new thing among us even in the midst of great challenges. For this reason, we invite you to bring your thoughts, questions, input, and ideas to the Q&A sessions in June and August. These conversations are a chance for us to share in discernment as we determine our next steps and literally build our future together. We know there are no limits to the grace God might yet reveal through this church!

Ultimately, we will make this decision together as a faith community, one that shares the hope and belief that First Church will continue to be a place where lives are transformed by the good news of God's love for generations to come. During this summer season of discernment, we offer ourselves as a resource as we all seek God's guidance and trust in God's goodness.

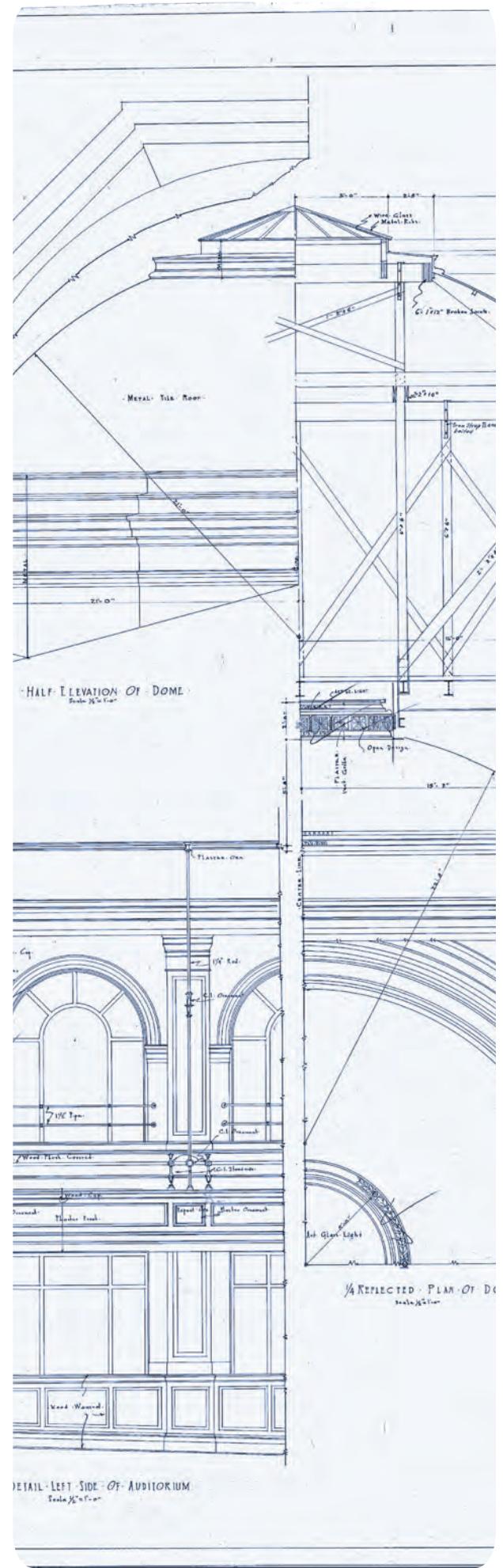
In Christ,
FUMC Building Committee

Building Committee Members

Jennifer Bevel, Administrative Board Chair
Ed Berger, Trustees Chair
Bergan Casey, Administrative Board Vice-Chair
Will Gresham
John Grimshaw
Karen Janes
Doise Miers
Charlie Roth, Finance Chair

Consultant Staff

Taylor Fuerst, Senior Pastor
Emily Buchanan, Senior Director of Operations
Brenda Burrell, Director of Finance
Mark Steves, Director of Special Projects
Rachel Wright, Senior Director of Strategy



PROJECT *Timeline*



FALL 2021

Heimsath Architects were hired to complete a conditions assessment and master plan for the FUMC Austin campus. Preservation Central was engaged to consult on applying for historical designation.



AUGUST 2022

More stones fell from the Sanctuary Building cornice after heavy rainfall. In consultation with Heimsath Architects, we paused conversation on a campus master plan and fast-tracked scaffolding around the building because of immediate safety concerns.



DECEMBER 2022

Our initial application for historical designation was approved. Horizons Stewardship completed the financial feasibility study and, with a First Look event, plans for a capital campaign in the spring of 2023 were made. Braun & Butler was selected as the General Contractor.



FEBRUARY 2021

Following a significant freeze, the first two pieces of cast stone fell from column capitals.



SPRING 2022

FUMC received a permit from the City of Austin for a lift in order to complete forensic testing of the Sanctuary Building cast stone work. Heimsath Architects shared first master plan concepts. FUMC officially engaged Preservation Central.



FALL 2022

Masons removed loose cast stone elements from all three buildings on campus. At the same time, we engaged with Horizons Stewardship to do a feasibility study for a capital campaign. Scaffolding began to wrap the building by November when the first conceptual budget for the project was presented.



WINTER 2023

In January, masons began to create a safe work space platform in the Sanctuary Building attic so that they could safely access the back side of the corner stones. In doing that, part of the Sanctuary ceiling which had already begun to sag, was further loosened and became an immediate safety concern. The Sanctuary was closed for five weeks in February and March so that interior scaffolding could be erected to create a platform to support that quadrant of the ceiling. The rest of the ceiling was fully inspected and cleared for use.



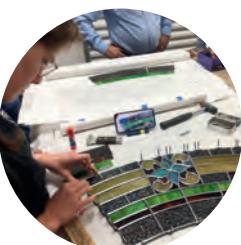
MAY 2023

We completed the Grace for Generations capital campaign, which has raised \$6.2 million in gifts and commitments toward the completion of the project. This exceeded the initial \$5 million goal.



DECEMBER 2023

FUMC signed a contract for what is called the “Green Light Package.” This covered the priorities that could be easily pulled out and agreed upon. It included dome rebuild, glass skylight repair, restoration of stained glass windows, repair of the highest priority masonry at the cornice, and replacement of breezeway guardrails and handrails. Materials were ordered and work began on January 8, 2024.



SPRING 2024

Our application for historical designation is nearing final approval. Contractors have replaced the glass in the skylight and re-shingled and waterproofed the dome. Masons have cut off the damaged stones on the lower cornice of the building and attached dutchmen, repairing the damage for the next century. Five stained glass windows have been taken for restoration. The first was reinstalled last week. In May, we received final pricing for all aspects of the proposed project to include safety repairs, exterior and interior restoration, and interior renovation of the Sanctuary.

MARCH 2023

We signed the Discovery contract and began the extensive exploratory work of fully testing the Sanctuary Building masonry, windows, and roof and developing methods of safe removal of masonry elements.



FALL 2023

More complete estimates of the costs associated with the full restoration of the stained glass windows, masonry, and roofing came in at significantly higher cost than had been anticipated. Negotiations began and priorities began to emerge.



WINTER 2024

The initial Sanctuary interior renovation estimate was received. Because the financial scope of the project kept growing and difficult decisions would be needed, a building committee was formed. The size of the project would come to require us to follow a process outlined in the United Methodist Book of Discipline.



WHAT'S NEXT?

Q&A Sessions

Sunday, June 23 | 10:00AM | Sanctuary
Tuesday, June 25 | 7:00PM | Zoom
Sunday, August 4 | 10:00AM | Sanctuary
Thursday, August 15 | 7:00PM | Zoom

Charge Conference - Administrative Board Vote
Sunday, July 14 | 12:15PM | FLC Great Hall

Church Conference - Church Vote
Sunday, August 25 | 12:15PM | Sanctuary

CAMPAIGN & CONSTRUCTION

accomplishments



Grace for Generations Capital Campaign

The goal of the Grace for Generations capital campaign, a three year campaign launched in May 2023, was \$5 million. To date, we have commitments for \$6.2 million, far exceeding that initial goal, with an estimated \$4,035,832 in gifts already received.



Dome, Skylight, and Stained Glass Restoration

Contractors have replaced the glass in the skylight and re-shingled and waterproofed the Sanctuary Building's iconic dome. The first five windows on the balcony level have been sent for repair and restoration, with the first of them reinstalled in May 2024.



Safety and Repair of Exterior Masonry

After ten months of forensic architectural discovery, we have learned a great deal about the original construction of our building, created a plan for repairing the extensive damage to the original cast stone, and masons have repaired the lower cornice of the building, making it safe for the next century.



National Register of Historic Places Designation

Our application for designation on the National Register of Historic Places is nearing final approval from the National Parks Service. Receiving this designation avails us of a State of Texas franchise tax credit on all restoration expenses that can be sold to businesses, providing a reimbursement of approximately 22 percent of those restoration expenses.

CURRENT COMMITMENTS

The following work has already been completed or FUMC Austin has already committed to complete it:

DISCOVERY PACKAGE

Initial phase of construction, mostly extensive exploration of masonry and general set-up costs.

\$494,953

GREEN LIGHT PACKAGE

Current package includes repairing and replacing the highest priority damage to masonry at the cornice, restoration of 51 stained glass windows, dome rebuild and glass skylight repair, as well as the replacement of breezeway guardrails and handrails.

\$3,522,855

FIRE ALARM SYSTEM

Fire alarm system for the Sanctuary Building and Attic.

\$261,246

ROOF REPLACEMENT

Replace original Sanctuary Building roof.

\$372,744

OFF-CONTRACT COSTS*

Architectural fees, scaffolding rental, professional engineer, historical designation application process, capital campaign costs, FUMC staff project manager, pre-contract work done by masons, general contractor, and architects on a time-and-materials basis.

\$2,177,960

TOTAL :

\$6.83 MILLION

REVENUE

CAPITAL CAMPAIGN

Gifts and commitments made through the Grace for Generations Capital Campaign.

\$6.20 MILLION

ENDOWMENT GIFT

Contribution made by FUMC Austin Endowment Fund.

\$210,000

TAX CREDITS

Because of our historical designation, we can sell tax credits and recapture an estimated 22% of the cost of the construction project.

SAFETY PACKAGE

OBJECTIVE

Completes the work needed to address all immediate safety issues by restoring affected masonry.

CURRENT COMMITMENTS

Everything outlined in the Current Commitments is included in the Safety Package.

\$6.83 M

PHASE ONE MASONRY PACKAGE

Additional masonry to replace damaged cornice stones and decorative elements—the finials, clamshells, and apex stones—currently at risk of failure. Also includes cleaning and sealing cast stonework.

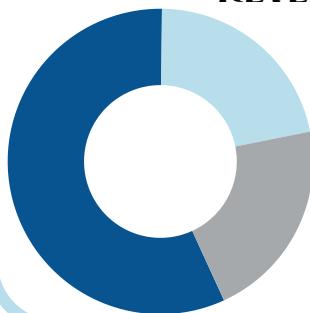
\$4.40 M

TOTAL

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\$11.23 MILLION

REVENUE SOURCES



ANALYSIS

- All immediate safety concerns addressed.
- Most masonry restoration needs met for the next 100 years.
- Least amount of additional revenue required to complete the project.
- Off-Contract Costs savings.*

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- Does not take advantage of economy of scale with regard to scaffolding rental.
- No improvement to accessibility, flexibility, or missional use of Sanctuary.

ALTERNATIVE FOR COST SAVINGS:

Only complete the work on the stained glass windows located on the Sanctuary's balcony level—estimated cost savings: \$318,930.

*Off-Contract Costs are estimated on a not-to-exceed basis, contingent on completing the full scope of the project, as delineated here, including all safety, restoration, and renovation goals. If the church opts to complete only a portion of the full scope of the project, the Off-Contract Costs will decrease accordingly, but we are not able to fully estimate the savings for each option at this time.

EXTERIOR ADD-ON

OBJECTIVE

Completes work to meet all immediate safety issues and prevents future safety concerns by restoring all exterior masonry for another century.

CURRENT COMMITMENTS

Everything outlined in the Current Commitments is included in the Exterior Add-On. **\$6.83 M**

PHASE ONE MASONRY PACKAGE

All elements of the Phase One Masonry Package are included in the Exterior Add-On. **\$4.40 M**

EXTERIOR ADD-ON

Replaces all column capitals and cast stone keystones, repairs cast stone sills for 34 large windows and all cast stone columns.

\$1.79 M

TOTAL

\$13.02 MILLION

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REVENUE SOURCES



- CAPITAL CAMPAIGN
\$6.41 M – 49.2%
- TAX CREDITS
\$2.83 M – 21.8%
- ADDITIONAL
REVENUE NEEDED
\$3.79 M – 29.1%

ANALYSIS

- All immediate safety concerns addressed.
- All masonry restoration needs addressed for the next 100 years.
- Takes advantage of economy of scale with regard to the scaffolding rental.
- Off-Contract Costs savings.*

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- No improvement to accessibility, flexibility, or missional use of Sanctuary space.

ALTERNATIVE FOR COST SAVINGS:

The highest priority in the scope of the Exterior Add-On is the replacement of the column capitals, which could be completed for approximately \$778,600, as a stand-alone addition to the Safety Package.

INTERIOR ADD-ON

OBJECTIVE

Completes work to meet all immediate safety issues and restores and renovates the Sanctuary interior and Foyer.

CURRENT COMMITMENTS

Everything outlined in the Current Commitments is included in the Interior Add-On. **\$6.83 M**

PHASE ONE MASONRY PACKAGE

All elements of the Phase One Masonry Package are included in the Interior Add-On. **\$4.40 M**

INTERIOR ADD-ON

Repairs and renovates the Sanctuary ceiling, upgrades lighting and audio visual systems, renovates the Chancel, repairs and refinishes the Sanctuary floor, renovates and expands the Sanctuary Foyer, repairs and refinishes the pews, and restores the organ chamber.

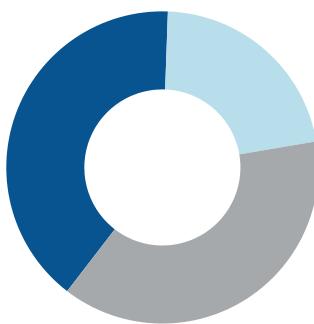
\$4.70 M

TOTAL

\$15.93 MILLION

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REVENUE SOURCES



- CAPITAL CAMPAIGN
\$6.41 M – 40.2%
- TAX CREDITS
\$3.47 M – 21.8%
- ADDITIONAL
REVENUE NEEDED
\$6.06 M – 38.0%

ANALYSIS

- All immediate safety concerns addressed.
- Increased accessibility to Chancel and for those who are visually and hearing impaired.
- Interior more welcoming and flexible.
- Off-Contract Costs savings.*

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- Does not take advantage of economy of scale with regard to scaffolding rental.
- Does not address masonry restoration needs.

ALTERNATIVES FOR COST SAVINGS:

The following priorities of the Interior Add-On could be completed together without completing the full scope:

- Ceiling repair
- Lighting upgrade
- Repair and refinishing of pews and Sanctuary floor

Other priorities of this Add-On could be completed independently of each other.

* Off-Contract Costs are estimated on a not-to-exceed basis, contingent on completing the full scope of the project, as delineated here, including all safety, restoration, and renovation goals. If the church opts to complete only a portion of the full scope of the project, the Off-Contract Costs will decrease accordingly, but we are not able to fully estimate the savings for each option at this time.

FULL SCOPE PACKAGE

OBJECTIVE

Completes all safety and restoration work to the exterior of the Sanctuary Building. Completes interior restoration and renovation of the Sanctuary interior and Foyer.

SAFETY

CURRENT COMMITMENTS

Everything outlined in the Current Commitments is included in the Full Scope Package.

\$6.83 M

PHASE ONE MASONRY PACKAGE

All elements of the Phase One Masonry Package are included in the Full Scope Package.

\$4.40 M

EXTERIOR ADD-ON

All elements of the Exterior Add-On are included in the Full Scope Package.

\$1.79 M

INTERIOR ADD-ON

All elements of the Interior Add-On are included in the Full Scope Package.

\$4.70 M

FULL SCOPE TOTAL \$17.72 MILLION

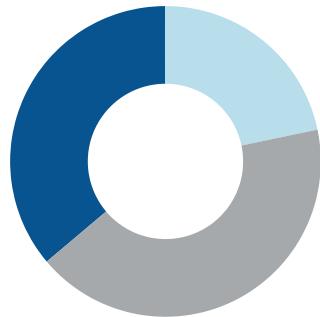
ANALYSIS

- All immediate safety concerns addressed.
- All masonry restoration needs addressed for the next 100 years.
- Takes advantage of economy of scale with regard to the scaffolding rental.
- Increased accessibility to the Chancel and for those who are visually and hearing impaired.
- Interior more welcoming and flexible.

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- Requires most additional revenue to complete the project.

REVENUE SOURCES



- CAPITAL CAMPAIGN
\$6.41 M – 36.2%
- TAX CREDITS
\$3.86 M – 24.8%
- ADDITIONAL REVENUE NEEDED
\$7.45 M – 42.0%

F R E Q U E N T L Y *asked questions*

What happened—why was the initial cost estimate so far off?

There are always unknowns in any construction project, particularly in a renovation/restoration project on an older building. While we anticipated that some discoveries could increase construction costs, these increases have been far more significant than we had envisioned. Several factors contributed to this, including the limited number of specialists who have the skill and experience to work on a building this age.

In addition, the full scope and complexity of the project were not fully knowable before the initial cost projections were made. They were based on visual assessments with limited access from the ground, a lift, and the roof. The full assessment was only fully ascertained after 10 months of exploratory work from the scaffolding, erected at the same time as the initial cost estimates were made. This discovery work identified issues with the cast stone, windows, and roof that were characterized as “worst case scenario.”

Supply chain shortfalls and inflation for labor costs and materials also contributed to the increase, but the scope of the damage, and hence, the restoration needed, is ultimately the largest driving factor in the cost increase.

How trustworthy are the new numbers?

The extensive Discovery phase ultimately provided all the information required to provide a final cost of work with much more precision. We know far more about what the project requires, now that our architects, engineers, and contractor have been working on the building for months, and have had the chance to test and implement processes for removal and replacement of stones and stained glass windows. In addition, once we decide the full scope of work we can undertake, the contract will include language of the full not-to-exceed cost.

Why did we need a Discovery phase?

When the initial conditions assessments were conducted from the ground, there were limits to the ability of the architects and masons to detect the severity of damage to the masonry. The masons tested what stones they could reach from the roof. After heavy rains in August 2022 caused more decorative stones to fall, our level of concern increased dramatically. There had been no visual predictor that the stones that fell were a safety concern. This type of failure could have only been predicted by sounding with a mason’s hammer.

We reexamined the cast stone perimeter (cornice) of the roof. The masons resounded several stones and noticed a change. As a safety precaution, we proceeded with the designing, permitting, and erection of a scaffolding wrap around the entire Sanctuary Building over the next several months. The goal was to fully identify problems and develop appropriate replacements and fixes.

What we discovered has been critically important in developing a complete understanding of the original installation of the masonry and we have identified the weaknesses in many of the elements that likely caused the deterioration. Through this exploration, we were able to determine exact sizes (which were all different), how to remove and reattach each piece, how to perform necessary repairs, and begin a plan to get pieces fabricated and installed.

Is the current “Green Light Package” within budget and timeline?

The documentation of the exploration left little room for surprises in the scope of this package. The dome and masonry pieces are nearing completion, which leaves the stained glass windows, glazing, and the handrails. These are all within budget and on schedule, with the windows taking the longest. Expected completion of the total package is early 2026.

Anticipated completion date—is the project on schedule?

The current contract is on schedule, with the stained glass restoration requiring the longest time for completion. If we take on the full scope (Safety, Exterior, and Interior), we still anticipate completion by early 2026. If we reduce the scope, some of the work may be finished sooner. The scaffolding will remain in place until the windows are done, but could come down progressively as work at the roof line and balcony levels is complete.

If we pursue the interior portion of the project, when will we be unable to use the Sanctuary?

Our hope is to begin worshiping in the Great Hall of the Family Life Center in January 2025, and to be back in the Sanctuary by Christmas Eve 2025.

What was the goal and how much did we raise during the Grace for Generations capital campaign?

The Grace for Generations Campaign set a goal of raising \$5 million. We have received pledges and unpledged gifts totaling \$6.2 million. As of April 30, 2024, we have received \$4,024,927, or 65 percent, of that total.

Why didn't we set the goal higher?

We hired Horizons Stewardship in the fall of 2022 to conduct a feasibility study, based on our membership and giving base. They determined that we could successfully raise \$5 million but it was on the high end of what we could expect to raise. If we had set a higher goal, we likely still would have raised about the same amount. We selected projects that matched our safety and renovation priorities and fit within this budget.

Have we received a historical designation? What difference will that make?

We have made application to be listed on the National Register for Historic Places. The application process is extensive and time consuming. Our consultant completed and submitted the final pieces of that application in May 2024, and we anticipate receiving final comments and questions from the Texas Historical Commission (THC) in the next few weeks. Once finalized from THC, the application will need to be officially certified by the National Parks Service. We do not anticipate any issues that would prevent us from receiving the designation. This designation will allow us to qualify for the State of Texas tax exemption program for restoration of historic buildings. This program offers a franchise tax credit of 25 percent on all restoration work completed. While the church does not pay franchise tax, there is a market to sell tax credits to businesses at a reduced rate (approximately 22 percent).

When will we receive funds to support the project as a result of the historical designation?

In order to receive tax credit, we must send a total package with a designated scope of work to the THC for approval. All work in the package must be audited and certified complete before we are granted the credit. We will likely segment our overall project into smaller packages in order to receive credits and reimbursements that can facilitate cash flow while construction is still in process.

How will we address the increased cost of the project?

The FUMC Finance Committee has been exploring financing options for cash flow while pledges are still being fulfilled and for a longer term loan if the project cost exceeds total campaign gifts. We are currently beginning the 90-day loan application process, so that it will be expedited once a decision is made. The committee is also considering a follow-up capital campaign in 2026 or 2027 to reduce the amount of ongoing debt the church will carry. The Finance Committee plans to make a recommendation on the amount to finance following their June 18 meeting.

What's next?

We will hold Q&A sessions on Sunday, June 23, at 10:00AM in the Sanctuary and Tuesday, June 25, at 7:00PM on Zoom before voting on the recommendation of the Administrative Board at a Charge Conference on Sunday, July 14, at 12:15PM in the Family Life Center. There will be a second opportunity to participate in Q&A sessions on Sunday, August 4, at 10:00AM in the Sanctuary and Thursday, August 15, at 7:00PM on Zoom. We will take a final vote at a Church Conference on Sunday, August 25, at 12:15PM in the Sanctuary.

estimated cost of **FINANCING**

AMOUNT BORROWED	INTEREST RATE	ANNUAL PAYMENT FOR 30 YEARS
\$2,000,000	7%	\$159,672
\$3,000,000	7%	\$239,508
\$4,000,000	7%	\$319,344
\$5,000,000	7%	\$399,180
\$6,000,000	7%	\$479,016
\$7,000,000	7%	\$558,852
\$8,000,000	7%	\$638,688

MINISTRY PLAN *our current annual budget*

This year, we passed a budget with planned expenses of \$2,410,713.48 to support our ministry plan. In order to reach a balanced budget, we have allocated the majority of the annual distribution from the FUMC Endowment to offset costs and do not plan to pay our apportionments in full this year.