

LAMB OF GOD LUTHERAN CHURCH

• Missouri Synod •

1401 Cross Timbers Road • Flower Mound, TX 75028 • (972) 539-5200 • [ww.log.org](http://www.log.org)

January 26, 2009

Dear Brothers and Sisters in Christ:

On December 7, 2008, the congregation of Lamb of God Lutheran Church voted to defer decisions on three options for the fulfillment of the Building Vision of "That Grace May Abound" to a Special Voters Meeting on Sunday, February 22, 2009 after late service. The following pages will provide you, as a member of our congregation, with information related to the options that the Church Ministry Council (CMC) recommends as a course of action for our next phase of TGMA. Please take note as you read these pages that the proposals outlined in these pages represent the first step towards the complete build out of our Master plan for facilities expansion and remodeling. While we believe that all aspects of the Master plan are essential to the mission and ministry of Lamb of God, it is the recommendation of CMC that, considering current economic realities, we move step by step towards the completion of that Master plan rather than trying to build the complete plan all at once.

These options, presented here for your consideration, were developed by our Building Committee which has devoted much time and effort over the last two years working with the congregation and our design build firm GL Barron. Please note that the costs and prices are estimated as of January 15, 2009 and because of the market dynamics may change between now and the February meetings. We will continually monitor these prices and provide you with revised updates, if available, at the forums and voters meeting. The three options for consideration and vote are as follows:

- Option 1 - Construction of classrooms and sanctuary upgrades and improvements. This is the option being recommended for congregational approval by the CMC.
- Option 2 - "Economy Hold" - "Wait to Build Option" – Move forward with sanctuary upgrades and improvements while we wait to see if Construction pricing improves.
- Option 3 – Construction of a Fellowship Hall only with sanctuary upgrades and improvements.

Please prayerfully consider each option and what it means to you and our congregation with a mission and vision of being a Community of Missionaries that is one body Loving, Outreaching and Growing Together in Christ.

Key dates to remember as you consider this important step for our congregation:

Question and Answer Forums:

Sunday, February 8, after Late Service, Classroom A
Tuesday, February 10, 7:00 PM Chapel
Sunday, February 15, after Late Service, Classroom A

Special Congregational Meeting:

Sunday, February 22, 2009 after Late Service

The CMC and building committee look forward to your consideration and attendance at the forums. This is an exciting time for us at Lamb of God Lutheran Church.

God Bless, Bob Pangrac



Congregation President



Overview of Process

In April 2006, Lamb of God Lutheran Church launched the “That Grace May Abound Program” (TGMA) with RSI, a consulting firm that specializes in capital fund campaigns with Churches throughout the United States and Canada. The launch of this program was approved by the congregation during the Voter’s meetings in November, 2005; January, 2006; and April, 2006.

That Grace May Abound is a capital fund raising program as defined in the Church’s Vision 2010 plan. The Vision 2010 initiative is the mission growth plan developed and approved by our congregation between 2002 and 2004. The Vision 2010 plan set the following goals for the improvement of our campus - expanded parking, a community life center, and expansion of educational and office space. Vision 2010 gave the following statements as the reasons why these improvements to our campus are needed:

“Facilities expansion...

- Is mandatory for the mission of Lamb of God
- Will accommodate growing numbers of worshipers and attendees of Lamb of God & community events
- Will allow growth and expansion of weekend worship
- Provide expanded classroom and activity space for children, youth and adult ministries
- Provide expanded office space
- Expand our opportunities to connect with the community
- Will allow us to grow as a teaching Church – discipling Christians from our congregation and the surrounding area in the Word of God
- Will enlarge every phase of ministry opportunity through out the next decade”

As plans were made for TGMA capital campaign, the plans for improvements to our campus were refined to include six “critical areas of high priority” and seven “secondary expansion targets” which were approved by the congregation...

Critical Areas of High Priority

- Parking lot expansion (complete)
- Additional classrooms
- Additional offices, conference rooms and storage
- Community Life (Fellowship) Center with kitchen
- Youth Center
- Atrium expansion

Secondary Expansion Targets

- Enlarge the master plan footprint
- Revise/expand the choir practice area
- Outdoor worship area
- Covered walkways
- Signage
- New bride’s room
- Upgrade cry room

Our Lord truly blessed the TGMA capital stewardship process and the congregation received over \$ 3.8 million in pledges.

A building committee was formed and tasked with guiding the congregation towards the accomplishment of these priorities and targets. The building committee consists of members of our congregation with business talents including training in accounting/finance, engineering, real estate, construction and architecture. The committee spent approximately two years working with GL Barron and the congregation exploring ministry needs and member needs to optimize space allowing our congregation to meet current and future ministry growth. The depth of the undertaking required the committee to define selection criteria at an early stage of design to use in each stage of investigation. These criteria continue to be utilized today by both the building committee and CMC and are the basis of the five options developed for review and selection by the congregation. Selection criteria are as follows:

- Select the option that helps the congregation move clearly in the direction of fulfilling its mission and vision of being a Community of Missionaries that is Loving, Outreaching and Growing Together in Christ
- The Option should most clearly reflect the ministry values approved by the congregation...inspiring worship, Biblical Gospel focused preaching and teaching, prayer centered, outreach focused, family values, loving relationships, empowering servant leaders, courageous faith and passionate spirituality
- The Option should not burden the congregation with debt that would become a hindrance or obstacle to perform the significant Gospel ministry to which God has called us as a congregation
- Offers the most mission and ministry benefit to the congregation and community we are called to serve
- Follow the footprint outlined in Vision 2010

Since the advent of TGMA in 2006, the building committee has been confronted with economic changes that have impacted the viability of the various build options available to the congregation. For instance, increases in the costs of labor and building materials (concrete, steel, etc.) have ranged from 10% to 28% since the start of the design process. In developing the various build options presented in this document, the CMC and the building committee have taken into account the ongoing volatility in the economy, the funds available from TGMA, the levels of giving by members to the Church budget and the mission and ministry goals of our congregation.

Consultation with congregation members, committees, staff and ministries resulted in the following “features” list that was utilized as a base design platform for the Building Committee and GL Barron to develop the new master plan for our facilities.

- Fellowship Hall
- Classroom building
- 2 story addition for Youth Ministry, new offices and nursery facilities
- Rebuild of Atrium
- Music building expansion
- Remodel of office area for children’s classrooms
- Entry Canopy and drop off
- Front tower
- Replace current Sanctuary tile and carpet, repair Baptismal font
- Audio/visual/lighting and electrical support
- New monument sign at Cross Timbers
- New telephone system

Utilizing the “features” listed above the application of the selection criteria and economic factors resulted in five (5) options to be presented for review by the congregation. As indicated, Options 1 through 3 are being submitted to the congregation for consideration and vote while options A and B are submitted for reference and “no vote” options.

As mentioned, Options A and B are submitted as “no vote” options. Both options were investigated by both the building committee and CMC and compared with our goals as a congregation and our financial capability over the next several years. It was decided that these options would be attained with the continuance of TGMA. Economic factors and our capability as a congregation to maintain a budget supporting the potential mortgage and associated operating costs in the short term resulted in this conclusion. Both these options with a continued TGMA program will allow the fulfillment of our 2010 plans over an extended period of time.

Exhibit A reviews each of the scenarios with added infrastructure costs for your consideration.

TGMA Recommended Build Options Overview

Feature Description	Option 1 Classrooms and Sanctuary ONLY	Option 2 No Building - ONLY items of deferred maintenance or needed for operations	Option 3 Fellowship and Sanctuary ONLY (no Classrooms, Atrium or Admin/Youth)	Option A Everything (GMP)	Option B Fellowship, Classrooms and Sanctuary (no Atrium expansion or Admin/Youth)
Base Bid (incl. Fellowship Hall, Classrooms, Atrium, Admin, Youth/Sanctuary)				\$ 5,445,256 included	\$ 3,150,000
Fellowship Hall only (no Atrium expansion, Admin/Youth)			\$ 3,150,000		\$ 485,144
Classroom building	\$ 562,400			\$ 367,212	
Choir building/expansion				\$ 250,674	
Remodel of office area for Children's Classrooms				\$ 380,248	
Entry Canopy and Drop off				\$ 129,875	
Front Tower				n/a	\$ 220,000
Other Design Fees (to separate buildings from current plans)		n/a	\$ 220,000		\$ 20,000
Extend water line and add fire hydrant	\$ 120,000	not required	\$ 20,000	\$ 20,000	\$ 20,000
New Electrical Transformer and power improvements	\$ 75,000	\$ 75,000	\$ 70,000	\$ 60,000	\$ 70,000
Replace Sanctuary tile & carpet, repair baptism font	\$ 60,000	\$ 60,000	\$ 80,000	\$ 60,000	\$ 80,000
Audio/Visual/Lighting (and electrical support)	\$ 200,000	\$ 200,000	\$ 330,000	\$ 330,000	\$ 330,000
New Monument Sign at Cross Timbers	\$ 60,000	\$ 75,000	\$ 50,000	included	\$ 50,000
New telephone system	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Technology, Network hardware, Data & Phone cabling	\$ 30,000	\$ 20,000	\$ 35,000	\$ 70,000	\$ 45,000
Security/Access system (cameras and electronic locks)	\$ 35,000	\$ 25,000	\$ 45,000	\$ 50,000	\$ 50,000
Furniture, Fixtures & Equipment	\$ 25,000	\$ 10,000	\$ 30,000	\$ 70,000	\$ 40,000
Financing fees	no loan required	no loan required	\$ 275,000	\$ 400,000	\$ 300,000
Contingency (3% on above)	\$ 50,000	\$ 20,000	\$ 125,000	included	\$ 150,000
Total Construction Costs	\$ 1,237,400	\$ 505,000	\$ 4,450,000	\$ 8,138,409	\$ 5,010,144
	Option 1	Option 2	Option 3	Option A	Option B
Loan Amount	Submitted for Vote	Submitted for Vote	Submitted for Vote	No Vote	No Vote
Length of Loan			30 Years/ 25 Years		
Monthly Debt Obligation			\$16,105 / \$17,538		

Exhibit A

Options 1 – 3 are being presented by the CMC to the Voters for consideration

Option 1 Review – Adult Classroom Addition with Sanctuary and Other Campus Improvements

Option 1 includes the recommendation to proceed with the following projects as our first step towards completion of the Master Plan for facilities expansion:

- Adult Education Classroom addition consisting of seven rooms, to be added to the east side of our facility
- The following improvements to our Sanctuary
 - New tile and carpeting
 - Repair of the Baptismal font
 - Installation of audio/Visual system
- Other improvements to our present campus
 - lighting modifications,
 - new monument sign,
 - new telephone system,
 - technology upgrades,
 - security system upgrades
 - Associated furniture and fixtures.
 - New fire hydrant as required by the City of Flower Mound

The current cost for Option 1 is projected to be \$1,237,400. Implementation of Option 1 can be accomplished from current TGMA funds on deposit. No increase in the mortgage is required.

The Church Ministry Council (CMC) endorses Option 1 for approval by the Congregation.

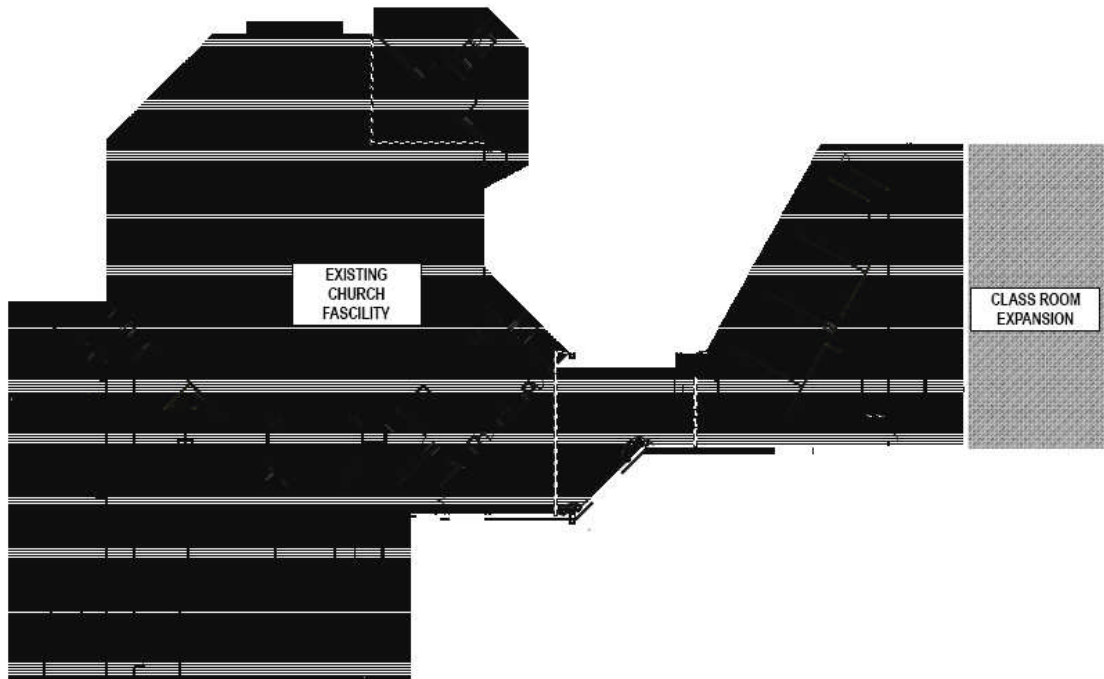
Mission and Ministry Benefits of Option 1

- Allows Lamb of God to expand our outreach ministry and mission by adding needed classroom space for the study of God's Word.
- Expands the classroom space available for Adult Bible Classes from 1 classroom to seven – allowing us to expand the Sunday morning and weekday education activities of our congregation.
- Provides needed space for our growing week day ministry activities (meetings, youth etc.)
- Moveable walls would allow us to open this area up for larger ministry activities.
- A New Monument sign will increase community awareness of the ministry opportunities available at Lamb of God.
- Put in place many infrastructure improvements that are necessary for the future completion of the Master plan for our ministry campus.
- No mortgage is required. Funds are currently available for payment of the construction costs.
- Improved audio in our sanctuary.
- Will allow us to establish a base for continuing TGMA allowing us to fulfill our goals in the future.
- Provides needed sanctuary repairs and upgrades.

Disadvantages of Option 1

- Additional operating expense of \$1,000 per month to the Church budget.
- Delays into the future the construction of various aspects of the Master Plan such as new offices, a new kitchen and large multi purpose Fellowship facility, new classrooms for Sunday School, additional rooms for youth, children's, nursery, and music ministry.

Diagram of Option 1



Option 2 Review - "Economy Hold" - "Wait to Build Option"

Option 2 includes the recommendation to proceed with the sanctuary and other improvements outlined as part of option 1 while delaying the start of facilities expansion while we wait for economic conditions and building costs to improve as some analysts are projecting, but not guarantying.

The selection of this option would authorize the CMC and building committee to monitor economic conditions with the hope that the costs related to construction will improve in the next three to six months. Reports would be made to the congregation at three to six month intervals with options and actions that need to be implemented.

Mission and Ministry Benefits of Option 2

- Provide a mechanism for monitoring a possible reduction in construction costs benefiting the value of a "build option".
- A New Monument sign will increase community awareness of the ministry opportunities available at Lamb of God.
- Put in place many infrastructure improvements that are necessary for the future completion of the Master plan for our ministry campus.
- No mortgage is required. Funds are currently available for payment of the construction costs.
- Improved audio system in our Sanctuary.

Disadvantages of Option 2

- Delay the potential for an immediate impact on our mission values and outreach goals.
 - Delays into the future the construction of various aspects of the Master Plan such as new offices, a new kitchen and large multi purpose fellowship facility new classrooms adult education and Sunday School, additional rooms for youth, children's, nursery, and music ministry.
- The economic market pressures may keep various costs inflated over time.

Option 3 Review – Construction of New Fellowship Hall with Sanctuary and other Campus Improvements

Option 3 includes the recommendation to proceed with the following projects as our first step towards completion of the Master Plan for facilities expansion:

- Proceed with construction of a fellowship hall
- Improvements to our Sanctuary and other aspects of our campus (as outlined under Option 1)

This option does not include classrooms, atrium expansion or administrative or youth areas. The primary purpose of Option 3 is to provide the congregation with a fellowship hall, which has consistently been named by congregation members as a very high priority (This is reflected in the Vision 2010 strategic plan, in the materials produced for TGMA and in the survey of congregation ministry needs undertaken by the building committee at the beginning of the design phase.)

The implementation of this option is within the financial parameters of our TGMA budget and will add less than \$100,000 operating expenses to our annual Church operating budget. Also, this option will combine the current mortgage that the Church has (\$1.3 million, 8 year term) with a new mortgage for the new fellowship facility (\$3.0 million). The new mortgage would be contracted with The Lutheran Church Extension Fund. Two term options are available 25 years and 30 years, both term limits have a current interest rate of 5%. As of January 18, the combination of our current loan with the new construction loan would result in monthly payments of 30 years @ \$16,105 and 25 years @ \$17,538. Both of the amounts are less than our current monthly payment of \$18,088. A detailed financial review of Option 3 is presented in Exhibit B.

Mission and Ministry Benefits of Option 3

- Provide needed large space for worship, youth, ministries, youth and children's groups, special programs.
- New Kitchen to accommodate larger fellowship activities.
- Provide space for congregation fellowship, sporting events and plays.
- Provide an outreach facility for the community.
- At the new interest rate quoted by LCEF this option would actually decrease our monthly mortgage payment to \$ 17,538 a month on a 25 year mortgage or to \$16,105 a month on a 30 year mortgage. Both less than our current payment of \$18,088 per month.
- A New Monument sign will increase community awareness of the ministry opportunities available at Lamb of God.
- Put in place many infrastructure improvements that are necessary for the future completion of the Master plan for our ministry campus.
- Improved audio in the Sanctuary.

Option 3 Disadvantages

- Engineering modifications required to the master plan will effect future building plans since the fellowship hall will be built as an independent structure.
- Engineering plan modifications will add an estimated \$220,000 to the project.
- Twenty-five (25) or Thirty (30) year mortgage burden.
- Additional operating expenses estimated to be approximately \$100,000 to annual Church budget for utilities, etc.
- Delays into the future the construction of various aspects of the Master Plan such as new offices, new classrooms adult education and Sunday School, additional rooms for youth, children's, nursery, and music ministry.

**Fellowship and Sanctuary Build Option 3
Financial Review Exhibit B**

Obligations

Construction Costs	\$ 4,450,000
Current Loan Balance	1,332,979
Total Obligations	\$ 5,782,979

Contributions

TGMA Funds (85% of \$3,848,127 + \$500,000)	\$ 3,341,658
Original Building Fund	195,000
Memorials	7,583
Interest Income	150,000
Total Contributions	\$ 3,694,241

Expenses

Parking Lot (Paid in Full)	\$ 363,710
RSI Campaign	128,027
GL Barron Design Fees	446,381
Other	5,327
Total Expenses	\$ 943,445

Net Proceeds

\$ 2,750,796

Loan Needs (Current Mortgage Roll in and Construction of Option 3)

\$ 3,032,183

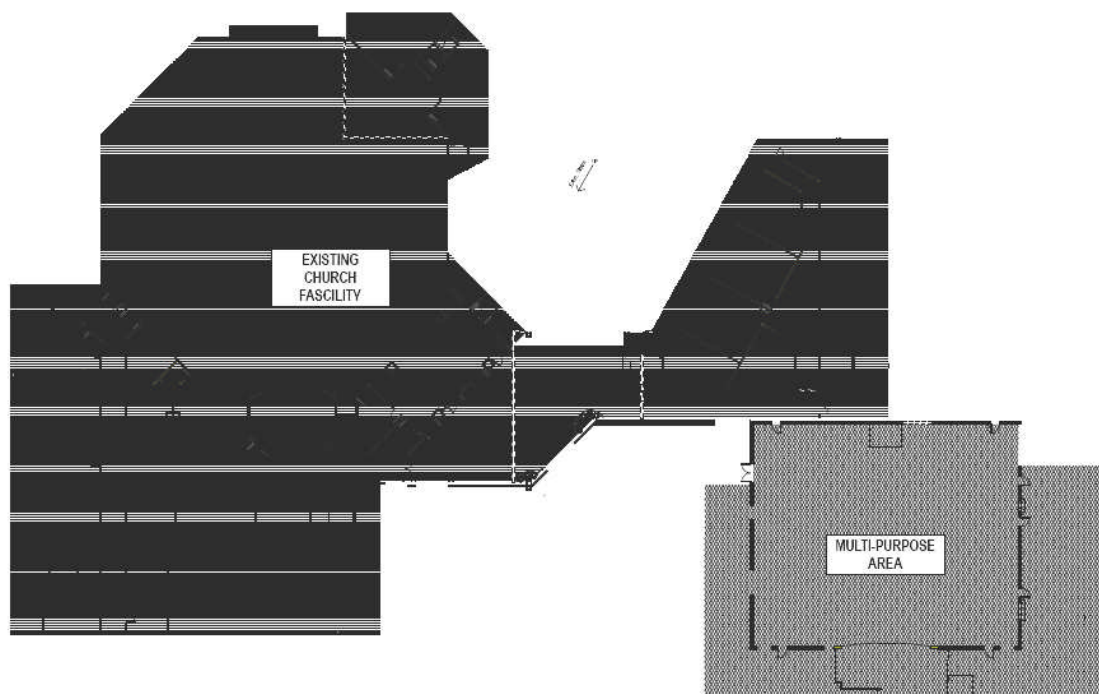
Loan:

30 years monthly payment = \$16,105

25 years monthly payment = \$17,538

Note: Loan was calculated @ 5% rate as of 1-18-2009

Diagram of Option 3



Church Ministry Council

President – Robert Pangrac (972) 650-0524 pangrac@verizon.net
Vice-President – Greg Johnson
Secretary – Janice Poole
Treasurer – Rob Klein
ECM – Maria Hughes
Education – Owen Davis
Elders – Bob Meyer
Facilities – Rick Pfeil (972) 492-3204 rpfeil@pmrg.com
Fellowship – Susan Trentham
Outreach – Morris Roberts
Servanthood – Becky Meeks
Youth – Steve Harlass

Building Committee

Pastor Braun
Robert Pangrac
Rick Pfeil
Gail DeBenedictis
Derrell Bulls
Rick Childress
Diann Covington
Dean Davis
Amanda Fischer
Christina Knox
Brian Radican
Bob Schjerven

A copy of this letter and detailed color floor plans are available
on the Lamb of God website: www.log.org.

Your comments are welcome and appreciated.
Please send comments to TGMA@log.org.