

# CASE STUDY

## FINANCING FOR RELIGIOUS ORGANIZATIONS

DECEMBER 10, 2021



**\$11,225,000 | NEW CONSTRUCTION** | Faith Bible Church | Wildomar, California

## FAITH BIBLE CHURCH

### Client Profile

Faith Bible Church began in September 2003 as a small gathering of 40 adults in Murrieta, California. After four weeks of meeting in a house, the church secured a Sunday-only facility in Temecula, California, a neighboring community to Murrieta. Shortly thereafter, the church launched mid-week small groups in homes across the Murrieta-Temecula Valley for Bible study, fellowship, and prayer.

By the beginning of 2004, the church had more than doubled in size and begun expanding its worship, teaching, and service opportunities. In 2006, Rev. Chris Mueller joined the staff as Teaching Pastor and, not long after, a second worship service was added.

With growth and expansion continuing, in August 2010, the church purchased an approximately 25.58-acre parcel of vacant land located at the corner of Glazebrook Road and Depasquale Road in Wildomar (the “Project Site”) with intentions to construct its first owned facility. In August 2014, the church sent out a team of over 50 people to launch a second campus, known as Faith Bible Church Menifee, approximately 13 miles north of Murrieta. As of December 2021, the church saw average weekly in-person attendance of 910, with an estimated online viewership of 570.

### The Project

The church’s long-term plan (the “Master Plan”) to develop the Project Site includes construction of approximately 27,000 square feet of facility space comprising a 16,000 square foot Sanctuary Building that will ultimately seat 1,084 people, a 11,000 square foot Children and Youth Ministry Building, and a parking lot that will ultimately accommodate 611 vehicles. As of December 2021, the first phase of construction was under way.

Phase 1A of the Master Plan will complete grading and clearing of the site, installation of utility services, landscaping, pouring of the concrete foundation for the anticipated Sanctuary Building, and paving of asphalt surface for the initial 220 parking spaces. Phase 1A also includes the installation of a 7,500 square foot Sprung building in which the church will hold worship services and other ministry activities until the completion of the Sanctuary Building.

Phase 1B will begin immediately upon completion of Phase 1A, and consist of constructing the first portion of the Sanctuary Building and paving an additional 313 parking spaces. The Sanctuary Building will initially seat 584 people and include 8,868 square feet of finished space in a 16,000 square foot building.

### The Stifel Difference

Initial conversations between Bill Dodson and the church took place in 2016, and continued regularly as the church methodically developed its plans, incorporating insights provided by Bill and the Stifel banking team. After considering various funding solutions and lenders, in April 2021, the church engaged Stifel to underwrite \$11,225,000 in First Mortgage Bonds to complete the funding of Phases 1A and 1B, completing the transaction in December 2021.

Bond financing provided the church with a 25-year, fixed-rate, fully amortized financing structure that insulates the ministry from interest rate risk and eliminates the need to refinance future balloon payments. In addition, the terms included no prepayment penalties, allowing the church to accelerate principal retirement without expensive constraints. Lastly, the terms of the financing allow the church to issue additional bonds in the future to fund later phases of the Master Plan, a key consideration for a growing church.

## CONTACT

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