

# CASE STUDY

## FINANCING FOR RELIGIOUS ORGANIZATIONS

JUNE 6, 2023

### LIFE FELLOWSHIP MINISTRIES

#### Client Profile

Life Fellowship began in 1994 as a church plant in Allen, Texas, sponsored by the Assemblies of God. After several years of limited success, in 2010, Rev. Chris Lindberg became the Senior Pastor, and the church began to experience rapid congregational growth. In 2015, the church purchased its current site in McKinney, Texas, and began construction on an 18,000-square-foot facility with a 650-seat sanctuary, which opened in December 2016. Since that time, attendance has continued to grow, reaching more than 1,150 on Sundays by March 2020.

In February 2019, Stifel began conversations with the church about its plans to break ground on a major expansion to its existing campus. The plans called for the church to construct a two-story, approximately 26,500-square-foot building with classrooms, a 1,700-square-foot large group class area, staff offices, a 1,500-square-foot open office space, a conference room, an audio/visual studio, an indoor play space, a kitchen, and a large indoor common space. Project plans also included features designed to accommodate a contemplated 280-student, state-of-the-art daycare.

The plan also included additional parking spaces, outdoor seating, a covered outdoor patio with outdoor kitchen, two playgrounds, and sports courts. Planned changes to the existing facility included the repurposing of classrooms and construction of a volunteer lounge.

In early 2021, the church began to consider financing options for its expansion project. Changing economic conditions had placed interest rates at historical lows, and the church viewed the current interest rate environment as an opportunity to finance the project at attractive levels.



**\$11,332,500 | LOAN ADVISOR – REFINANCING AND PROJECT FINANCING**

Life Fellowship Ministries | McKinney, Texas

#### The Stifel Difference

After discussions between the church leadership and Bill Dodson, a Managing Director in Stifel's Religion Finance Practice, regarding the possible financing instruments, relative costs, and possible risks and advantages of each alternative, the church engaged Stifel as Loan Advisor to assist in identifying a banking partner and arranging a credit facility to finance the project.

Bill Dodson led the Stifel team as it developed a detailed request for proposals, researched local, regional, and national banks for inclusion on a targeted distribution list, distributed the request and fielded inquiries from banks, and managed the negotiation of term sheets from interested lenders. The best proposals were subjected to analysis and presented to the church. The church selected a lender, and the Stifel team assisted all parties in moving the transaction to the successful closing of a ten-year, fixed-rate loan. Proceeds of the credit facility were used to refinance an existing loan and to pay the costs of the construction project.

Stifel's role as Loan Advisor provided church leadership with the benefit of our bankers' decades of experience and knowledge in the highly specialized church lending arena. Stifel's team created a competitive process that resulted in the church receiving loan offers at rates and on terms superior to the indications the church had received before engaging Stifel. In addition,

by engaging Stifel to manage that process, a buffer was established between the church and potential lenders that allowed church leadership to focus on managing the ministry and completing project plans and not be distracted by multiple simultaneous negotiations with lending institutions.

Founded in 1890, in St. Louis, Missouri, and still located there, Stifel is a diversified wealth management and investment banking firm, operating through a number of brands, subsidiaries, and broker-dealers. We serve a broad spectrum of clients – individuals, institutions, municipalities, and corporations – providing a wide array of services, ranging from investment advice, securities brokerage, lending and trust services, debt and equity capital raising, strategic advice, and restructuring, across North America, Europe, and Israel.

Bill Dodson is a Managing Director with 20 years of church and nonprofit financing experience. In that time, he has directly managed the origination, distribution, or funding of over one billion dollars in church financing instruments for religious institutions nationwide, including taxable church bonds, direct loans, and loan participations. He serves as a banker for most of Stifel's Religion Finance Practice transactions in the western United States, underwriting and structuring taxable bonds issued by churches, schools, and nonprofit organizations, and providing loan advisory services.

## CONTACT

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