

CASE STUDY

FINANCING FOR RELIGIOUS ORGANIZATIONS

NOVEMBER 4, 2019

KEYSTONE CHURCH

Client Profile

Keystone Church was founded in 2004 by current Senior Pastor Brandon Thomas and his wife, Susan. The church initially met in the Thomases' home, but quickly outgrew that environment. The church relocated its services to a school auditorium at the end of 2004. The church outgrew that facility and relocated its services to its current leased site on Keller Parkway in 2006.

In 2012, the church began to approach the capacity of the leased site and began investigating long-term facility strategy options. The leased site contains an auditorium with seating capacity for 445 people, and a children's ministry capacity of 200. The leased site contains parking for only 76 vehicles, which is supplemented by a trolley service to offsite parking. The church tested a second campus that initially provided some capacity relief on the main campus but determined that maintaining its lay leadership in a single location would be more beneficial to its longer-term growth. The second location was consolidated back into the main campus, and additional service times were added to provide some capacity relief while a new, main campus could be developed.

Average weekly worship attendance was 1,442, as of July 31, 2019. The church currently offers four primary weekend (Saturday/Sunday) service times during the fall through spring, and three service times during the summer. The church's youth ministry meets midweek.



\$17,000,000 | NEW CONSTRUCTION

Keystone Church | Keller, Texas

In 2016, the church completed the purchase of 13.4 acres of land located less than one mile down the road from its leased site, on which to build its new church campus. In January 2019, the church began the preliminary site development work for the anticipated construction of a ministry facility consisting of 59,556 square feet on the main floor and a 900-square-foot mezzanine, for a total building area of approximately 60,456 square feet. The construction plans for the new church campus include an adult auditorium with a 1,015-person seating capacity, an adult community space, a preschool ministry space with a 200-child capacity, classrooms, and a theater, an elementary ministry space with a 200-child capacity, theaters, community space, and an extended session classroom, church offices, support space, and paved parking for 527 vehicles.

The Stifel Team

In November 2019, the church closed on a 25-year fixed-rate financing package to be used to finance the construction of the new church campus. Church leadership considered different lenders but ultimately chose to work with the Stifel religion finance team, recognizing the value of a long-term financing structure and Stifel's expertise with religious organizations. The financing structure offered a true fixed interest rate, with no prepayment penalties, which church leadership strongly valued. The financing structure additionally avoids any large balloon payments during the life of the loan, which simplifies budgeting for future years. As a growing church with the possibility of future financing needs, the open-ended mortgage feature is another advantage of this financing program.

CONTACT

Religion Finance Practice | ReligionFinancing@stifel.com

Corporate Headquarters | 501 North Broadway | St. Louis, Missouri 63102

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