

CASE STUDY

FINANCING FOR RELIGIOUS ORGANIZATIONS

SEPTEMBER 21, 2022

NEW LIFE CHAPEL

Client Profile

New Life Chapel was incorporated in August 2009, and formally launched in January 2010, by Pastors Lonnie and Ruth Snell. The church has experienced continuous growth since its founding. The church held its first public services in leased space at Lakota West High School in West Chester, Ohio. By 2012, the church had an average weekly attendance of 300. In 2014, the church added a second weekend worship service to accommodate its attendance growth. By 2015, the church reached 500 in average weekly worship attendance. Over time, the church added ministries in order to better serve its growing congregation, including “Sisterhood” women’s ministry, “Fight Club” men’s ministry, and weekly youth ministry meetings. In 2016, the church reached average weekly worship attendance of 600 and launched a capital campaign for the construction of its first owned facility.

In 2017, the church purchased 16.2 acres of vacant land on Cincinnati Dayton Road in West Chester for future development and the building of new worship facilities. The church had reached 750 in average weekly worship attendance and added more ministries such as the men’s Annual Warrior Conference and “Love the 513” community outreach ministry. The church had over 100 student-age children attend the Central Youth Conference at The University of Cincinnati.

The church first began offering worship services online in February 2017. Church worship services are posted weekly to its



\$5,800,000 | NEW CONSTRUCTION & REFINANCING

New Life Chapel | West Chester, Ohio

social media platforms, website, and app, in addition to other ministry videos and engagements. The church also offers web-based small groups seasonally. In 2019, the church officially launched its “online campus,” with multiple service experiences offered online during the week. Over 1,800 people were “in attendance” online for Easter weekend services that year. The church currently holds two in-person Sunday worship services in temporarily leased space located at the Boys & Girls Club of West Chester/Liberty.

The church has a phased plan for development of the new church site. The fixed price contract for the first phase includes a 23,134-square-foot main building with a 550-seat worship auditorium, lobby, elementary classrooms, preschool classrooms, offices, related support spaces, and 328 paved parking spaces. The project also includes soft costs outside of the fixed price contract, including but not limited to, professional fees, permitting, audio, visual, and lighting equipment, and furnishings. The church had incurred a bank note in 2017 to purchase the land, with a variable interest rate that matured in 2021.

The church elected to refinance the bank note to consolidate its outstanding debt with the financing of the construction project and to obtain a fixed interest rate.

The Stifel Team

In November 2020, the church closed on a 25-year, fixed-rate financing package to be used to refinance existing debt and finance the construction project at the new church site. Church leadership considered different lenders but ultimately chose to work with Stifel’s Religion Finance team, recognizing the value of a long-term financing structure and the team’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 financing, 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

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