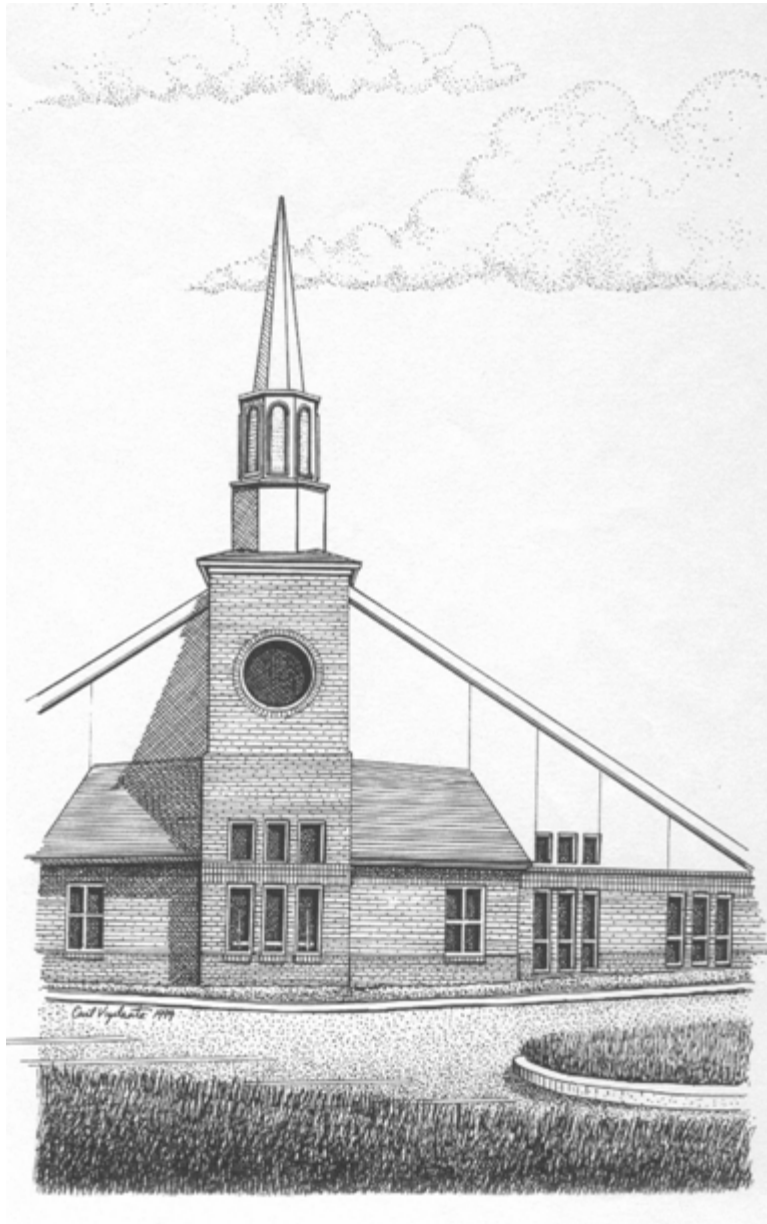


**GRACE UNITED METHODIST CHURCH
BUILDING EXPANSION INFORMATION**

APRIL 2006

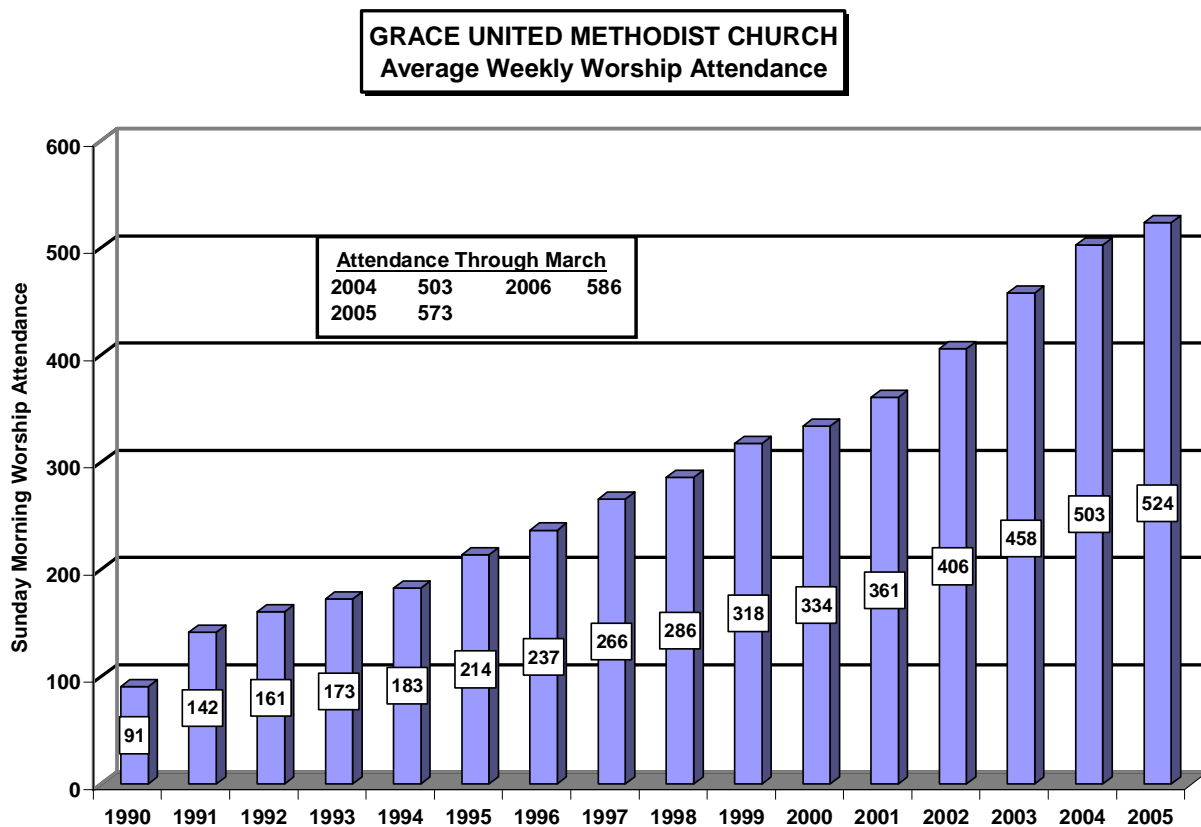


GRACE UNITED METHODIST CHURCH – BUILDING COMMITTEE Q & A

1. Why is another building program at Grace necessary?

Grace is a growing and dynamic church as can be seen by the facts shown in Attachment 1. Additional space and/or renovations of our existing space are necessary to meet the church's present ministries and to provide the space that will be needed in the future. Grace's membership grew from about 285 to over 870 between 1990 and today - **over a 200% increase!**

As shown in the chart below, worship attendance has grown steadily from 1990 through 2005.



Grace is ideally located to serve Hershey and Hummelstown, both rapidly growing areas.

The number and variety of Church programs is also dramatically increasing as can be seen by the list of ministries and programs that are new in the last ten years (see Attachment 2).

2. What are the most important building needs, and how were they determined?

The building needs include classrooms to support our growing Sunday School and Youth ministries, a wider hallway connecting the sanctuary area to the All Purpose Room (APR), office space, expanded parking, additional storage space, facilities to support our dynamic, growing music program, adequately-sized restrooms in close proximity to the APR, and other facilities such as a “crying room” for infants and their parents and a sanctuary overflow space. The priorities were established by the Church leadership and the Building Committee on the basis of input received at church workshops and through discussions with Church members. See Attachment 3 for a more detailed listing of the building needs.

3. How has the Building Committee and the architect addressed these needs?

The Building Committee met over the past six months to discuss the various needs and consider alternative plans prepared by Mr. Jack Althouse, our architect. A master plan has been developed that addresses the building needs of the Church. The master plan incorporates flexible-size classrooms that can be used for a variety of ministries including Sunday School, youth groups, small groups, etc. The plan includes a new, wide hallway linking the Sanctuary and the All Purpose Room (APR) and a larger narthex adjacent to the APR. This expanded narthex has two large restrooms and storage space for the APR. Space is provided for a dedicated music room adjacent to the sanctuary, a “crying room” for infants and their parents, and a sanctuary overflow space. Also, there is a provision for more office and storage space for the Church staff and expanded parking. This master plan is shown in Attachment 4.

The Building Committee and the architect attempted to retain green space around the building while maximizing the effective use of the property. They also kept in mind the aesthetic appearance of the Church.

The Building Committee also worked closely with representatives of Arthur Funk and Sons, our construction manager, to obtain detailed cost estimates for the construction. Therefore, the cost estimates the Committee is using are current and accurate (+/- 15%). The construction cost for the entire master plan is estimated to be about \$4.8 million. The Committee realizes that it is improbable that the Church can undertake the construction of the entire master plan at this time, so the plan was broken up into three “bid packages” – smaller segments of the master plan that could be constructed in phases starting in the very near future. The extent of construction will be based upon the consensus of the Church and the financial support for the building campaign. The estimated cost of each of these bid packages is shown in Appendix 5.

4. What about a dedicated Music / Choir room?

The overall master plan for the building includes a first floor dedicated music / choir room in the immediate vicinity of the sanctuary. This room is not in the portion of the building that would be built first. As an early phase measure a shared space that would be used for music is envisioned on the second floor of the educational space. After the dedicated space is completed, the shared space would continue to be used as a classroom.

5. Are we going to expand the parking lot?

Yes, the intent would be to expand the parking lot. However, it is difficult to find suitable area for parking expansion without sacrificing all of the grass area adjacent to the building. We may have to build parking “over” the existing drainage basin. This is expensive and will impact our handling of storm water, but will be considered in the expansion proposal.

6. Can we afford to undertake a building program?

The short answer is yes, a building program is “do-able.” The Building Committee considered both the number of “giving units” in the church and the success of the previous building project. A “giving unit” is defined as a married couple, a single adult, or a confirmed youth who has used envelopes to contribute to the Church.

Based on Grace’s 300 giving units, only \$12 to \$15 additional for each giving unit per week over a three year period would be adequate to support a total \$2.6 to \$3.1 million building project. In our previous Capital funds campaign, we had pledged almost \$500,000 over a three-year period based upon about 120 giving units. This was sufficient to support a \$2.1 million building project that gave us the new sanctuary, the all purpose room, the kitchen, and other renovations.

The building project has been phased so that it can be undertaken over time, based on the commitments that are made in the Capital Funds Campaign, to be undertaken this fall. See Appendix 5 for a more detailed budget.

7. What additional opportunities will church members have for input to the Building Program?

During April and early May, members of the Church staff, the Building Committee and others will be making presentations at the church services, meeting with SS classes and other small groups to discuss the building project proposal. We will

be posting the drawings of the proposed building master plan and seeking everyone's input and comments on the proposal.

In the near future, there will be a Church-wide opportunity to meet with the Building Committee and the architect to discuss the proposal. In addition, any interested person is invited to provide comments to Bob Watkins (home phone 566-5804 or e-mail (<mailto:rewatkinsjr@msn.com>), Chairman of the Building Committee, or to other members of the Committee.

8. How will construction impact our daily programming and Grace Christian Child Care (GCCC)?

Safety considerations and scheduling conflicts with our Child Care program are foremost concerns. Construction projects significantly disrupt the operations of any organization. At the same time, if we pay attention to the needs of the Church and GCCC, the impact can be minimized through the project design and coordination of the construction time line. Our contractor, Arthur Funk and Sons, has worked with numerous church and day care organizations and has managed to keep the daily programs running uninterrupted through construction. This will take a concerted effort, from everyone, to have a successful construction project.

9. How long will the construction last?

The length of the construction will depend upon the final design and how the project will need to be phased to keep the church in operation. Our previous major building expansion, the sanctuary addition and APR renovation lasted 15 months. The projects that we are considering could be completed in about 12 months.

10. During construction will the Church Family do any of the work to cut costs?

As with prior building projects, the Church Family will be able to complete some of the work in order to reduce the construction cost. This work will be coordinated with the contractor and there will be lots of opportunities to be involved. If you let us know where your talents and interests lie, these can be considered during the design phase to allow for smoother coordination during construction.

11. Will the Church continue to have the three Sunday morning Worship Services?

YES, at least three worship services will continue to be conducted. In the future, if we have the facilities, we may even add worship services perhaps with different formats. We never know in what direction God may lead us.

12. What if Rev. John leaves Grace?...and are there any guarantees that he will stay? What if the conference moves him? Many people say that they attend Grace because of John, and if he were not here, might consider another place.

John Schaefer has a long-term commitment to Grace. The Conference leadership and the Bishop know and understand this commitment. While there are no guarantees in life or the Methodist Church, we believe that John will be here for a long time to come. One certain way to keep John here is for the Church to continue to exhibit the growth and success that we have shown over the past ten years. One sure way to impede that growth and success is to fail to provide the facilities to effectively support the ministries of the Church.

13. When will a final decision be made about the Building Program?

A congregation vote on the master plan and the preliminary budget for the building program will take place at all three worship services sometime in the near future after everyone has an opportunity to review the plans and have their questions answered. A positive vote to go forward is not the final decision however. A final decision will be made only after we have conducted the Capital Funds Campaign in the fall and have determined the financial support available for the building expansion. A positive vote would enable the Church to go forward with the next steps of the undertaking including a Capital Funds Campaign, submitting a development plan to Derry Township, and getting final estimates for the construction.

Attachment 1

DID YOU KNOW...?

- ❖ In 1990, our average Sunday worship attendance was 91 people; in 2005 the average was 524 – over a 475% increase! We have grown from one service to three!
- ❖ In 1991, our average Sunday School attendance was 74 people; in 2005 the average was 164. In March 2006, the average attendance was over 200 children, youth and adults!
- ❖ By one estimate, we have started or expanded over 33 different ministries or programs in the past ten years that are still going and growing. Many of these are community outreach or small group ministries.
- ❖ In 1990, we had an almost non-existent ministry with youth; today we have an alive, growing ministry with Sunday morning and evening programs reaching in excess of 70 youth.
- ❖ In 1990 our membership was 287 and now it is 871 –over a 200% increase.
- ❖ In 1990, our Church budget was \$84,000 and now it is over \$600,000 – OVER a 600% INCREASE!
- ❖ In 1990, our church building consisted of less than 13,000 square feet. Now it consists of almost 27,000 square feet. Much of the existing building is either new or renovated space completed within the past eight years.
- ❖ Between 2002 and the present, the need for additional classrooms, youth rooms, storage space, parking, and other building improvements / expansion has been identified by our Church leaders, staff, and various groups of Church members as the highest priority need of Grace.

Attachment 2

Ministries That Grace Has Today That We Did Not Have 10 Years Ago:

Men's and Women's Bible Studies

Grace-ful Moms (Two Groups)

Disciple Bible Studies (Multiple Classes)

GUMY (Grace United Methodist Youth)

TY Kids (Transitional Youth)

Serendipity SS Class

FOCUS – Multiple Classes

ALPHA (Two Groups)

Women of Grace

Widow and Friends Support Group

GUTTS (Grace United Twenty and Thirty Somethings)

POSNK (Parents of Special Needs Kids)

Various Community Programs

- Banquets
- Wedding Receptions
- Community Meetings
- Sports Practices

Adult Volleyball

Basketball

Kendo Classes

Jump for Joy Class

Ballroom Dance Class

Hummelstown Women's Club

Golden Age Club

Hummelstown Flower Club

Two Girl Scout Troops

Cub Scout Troop

Music Programs

- Youth Praise Choir
- Junior Praise Team
- Angel Choir
- Men's Ensemble
- Women's Ensemble
- Instrumental Ensemble
- Handbell Ensembles (4)

Attachment 3

NEEDS IDENTIFIED AND ADDRESSED IN BUILDING PROPOSAL

A. Additional, Multi-functional Classrooms

1. Small Groups, Sunday School, Youth Derry Pre-School (needs minimum of 8 classrooms), Adults, Music Room (practice space, storage), Bride's Room, Café / Game Room, Bookstore
2. Different and flexible sizes – Some larger rooms needed
3. No “pre-assigned” rooms at this time

B. Second, Wider Corridor

1. Safety issue - eliminate between service traffic jams
2. Can isolate Daycare during week-days

C. Larger Narthex Adjacent to All Purpose Room

1. Larger bathrooms near APR
2. Enables additional storage space adjacent to APR
3. Includes showers for overnight activities

D. Storage – Near APR and Offices

E. Additional Office Space

1. Growing Part-time staff has no place to call their own
2. Convert current conference room into office space
3. Relocate conference room into current ABC classroom

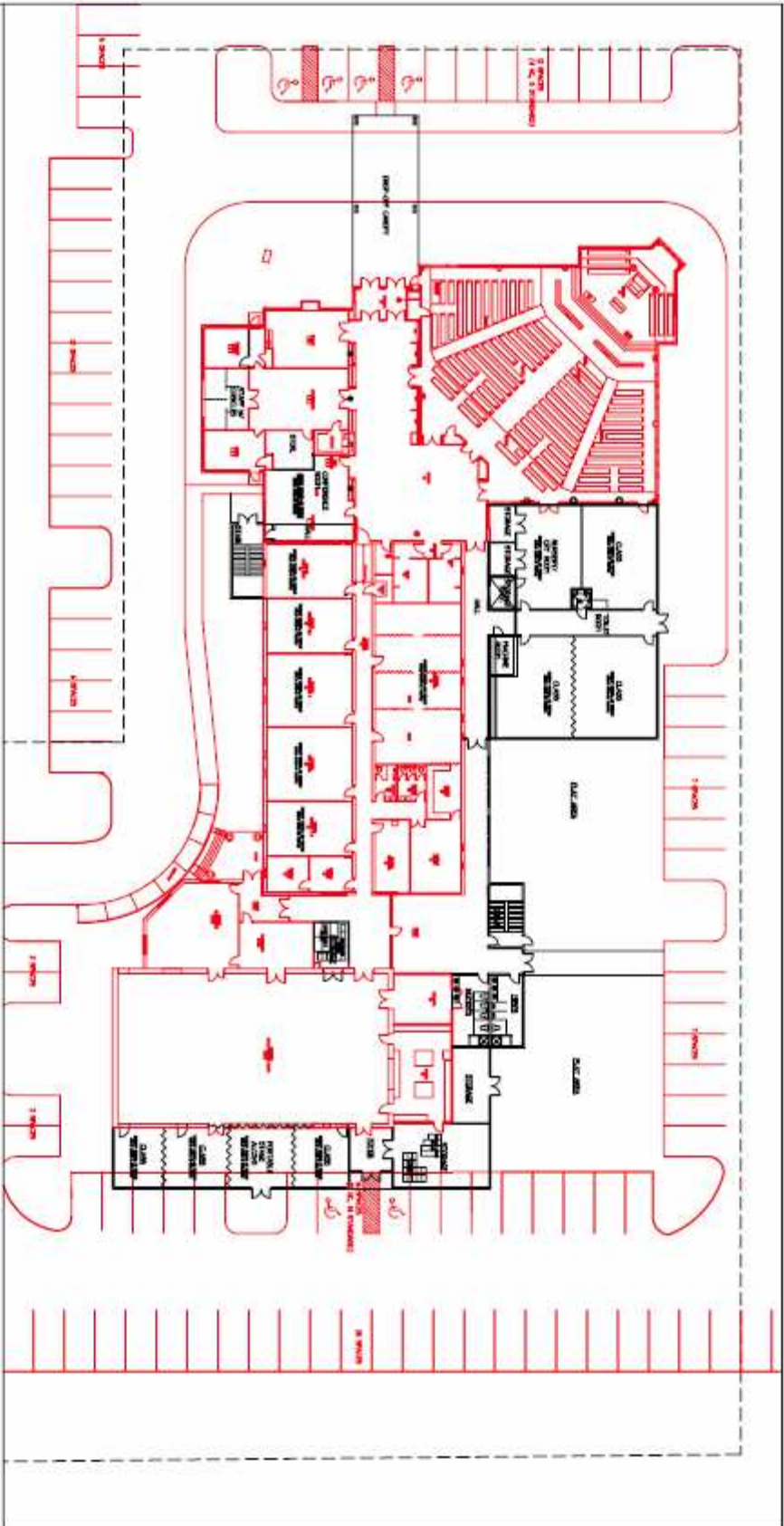
F. Music Room – See above

G. Nursery / Cry Room / Overflow Area for Sanctuary

1. Provide child care area for use during weekdays

H. Separate Youth Room with Stage Alcove in APR

I. Parking

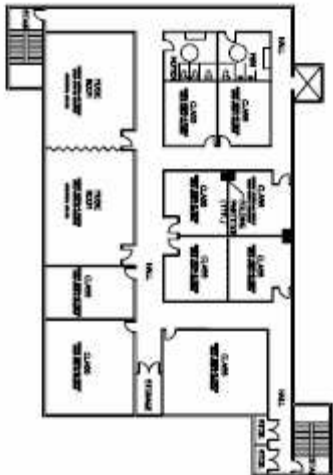


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Proposed Addition & Alterations
 Grace United Methodist Church
 Hummelstown, PA

MASTER PLAN
 Main Floor
 SCALE: 1" = 30'-0"
 DATE: 12 April 2006
 AIA PROJECT #: 0339

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Proposed Addition & Alterations
 Grace United Methodist Church
 Hummelstown, PA

MASTER PLAN
 Second Floor
 SCALE: 1" = 30'-0"
 DATE: 12 April 2006
 AIA PROJECT #: 0339

Attachment 5

GRACE UNITED METHODIST CHURCH BUILDING PROPOSAL - PRELIMINARY ESTIMATE						
Bid Package I	\$ 2,090,000	(Includes architect's fee and 15% allowance for additional costs)				
Bid Package II	\$ 885,000					
Bid Package III	\$ 793,000					
Sprinkler System	\$ 478,000					
Additional Parking	\$ 553,000					
Total – Master Plan	\$ 4,799,000					
Interest Rate	8.00 %					
Amortization Period	20 years					
Giving Units	300					
Total Cost assumes the payoff of the existing mortgage balance of \$500,000 (Expected value at time of construction)						
Package (All Incl. Sprinklers)	Total Cost	Annual Mortgage Payment	Current Mortgage Budget	Additional Income Needed	3-Year Campaign	Additional Weekly Giving per Unit
Master Plan	\$ 5,299,000	\$ 531,825	\$ 136,404	\$ 395,421	\$ 1,186,263	\$ 25.35
I	\$ 3,068,000	\$ 307,944	\$ 136,404	\$ 171,540	\$ 514,619	\$ 11.00
II	\$ 1,863,000	\$ 186,995	\$ 136,404	\$ 50,591	\$ 151,772	\$ 3.24
III	\$ 1,771,000	\$ 177,760	\$ 136,404	\$ 41,356	\$ 124,069	\$ 2.65
I with Parking	\$3,621,000	\$363,400	\$136,404	\$226,996	\$ 680,987	\$ 14.55