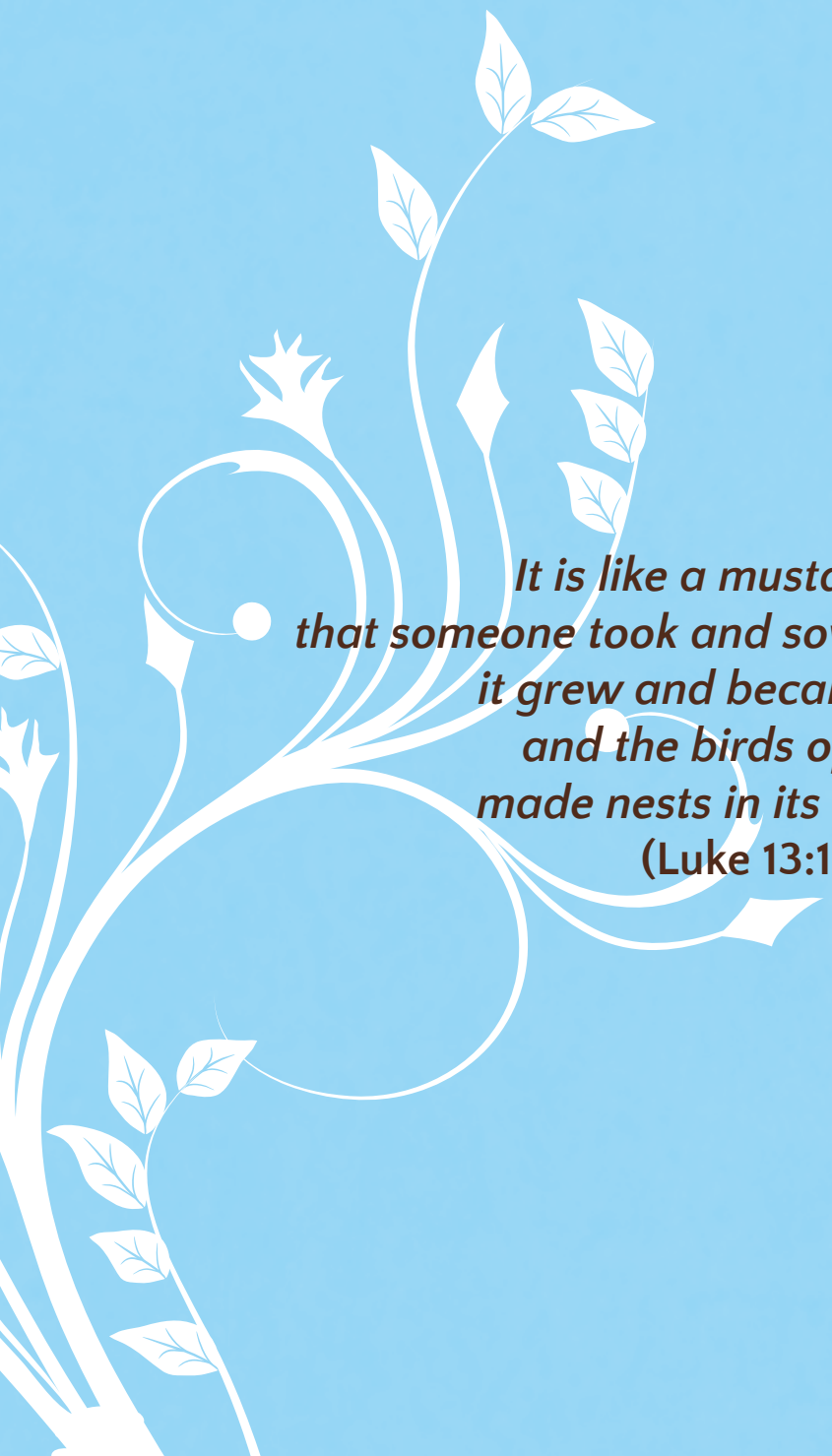




Mortgage Reduction Campaign | 2012-2015

First Church
First United Methodist Church of Seattle
firstchurchseattle.org/seedstobranches

A white line-art illustration of a vine with several leaves and a small flower-like shape, positioned on the left side of the page. The vine curves upwards and then downwards, with leaves of varying sizes and shapes. The background is a solid light blue color.

*It is like a mustard seed
that someone took and sowed in the garden;
it grew and became a tree,
and the birds of the air
made nests in its branches.*

(Luke 13:19)



Planting seeds that will branch out and grow fruit

Dear First Church,

Please take a moment to read through this booklet. I think you'll be impressed with the thought and preparation that has gone into this effort.

The Seeds to Branches campaign has two clear purposes: to reduce the church's mortgage payments and to extend our international outreach into a setting where we can change people's lives for the better.

As our mortgage payments are reduced, it will become much easier to fund the truly important work of the church. Everything that matters most to you and me about First Church will become easier to do – and to grow – when the mortgage is not in our way.

Also as a result of this campaign hundreds, perhaps thousands, of people will have what you and I take for granted: simple, life-changing medical and dental care.

This campaign is about planting seeds that will branch out and bear fruit, now and in the future. We're only doing what our faithful forebears did: trusting God, following Jesus, and passing on what we've been given.

I intend to generously support this campaign and I ask you to join me.

Faithfully,

The Rev. Dr. Sandy Brown
Pastor

...seek the welfare of the city where I have sent you,
...and pray to the LORD on its behalf, for in its welfare
you will find your welfare. -Jeremiah 29:7

The Call to Urban Ministry

Urban ministry is the core calling of this congregation, and we are making a difference in the lives of this city's people. Yet this calling brings challenges as well as opportunities. One challenge lies in "pitching our tent" in a setting with very high property and building costs. Yet if we are to "seek the welfare of the city where God has sent us" we need to inhabit the city. Our new church building, homeless shelter and parking garage allow us to serve the city; but serving here is costly.

This building was to be built using money from the sale of our old property and from a capital campaign. However, implementation of the project was complicated by an economic downturn in 2008 that fell close on the heels of the sale of our former property. Because of the downturn, a \$1 million pledge from the sale of our former property will not be available until after a new skyscraper is built on that site, which likely will occur only after an economic turnaround. We also experienced, because of the economic climate, a \$400,000 shortfall in the realization of our original campaign pledges.

Therefore, the First Church congregation found it necessary to "front fund" the project to complete the new church. As we built, church leaders carefully explained to the congregation that if we chose to build the entire building, it would be necessary to have a mortgage. In two separate Charge Conference meetings, the congregation unanimously approved the mortgage plan and gave a green light to move ahead with the building as planned. A \$1.8 million mortgage was secured through the United Methodist Development Fund. In order to cover our monthly mortgage payments, the Building Advisory Board wisely set aside approximately \$400,000 from our initial capital fund drive in a separate account.



Pride Parade, 2011

The church has been using these funds to make the mortgage payments since the end of construction. Once the reserved capital campaign funds are depleted, mortgage payments will have to be made from our annual operating budget.

Already, steps have been taken to reduce the \$1.8 million amount. On March 7, 2012 the Church Council allocated \$500,000 of the \$763,000 in the church's savings to immediately reduce the outstanding mortgage principal. This reduced the outstanding principal from \$1.773 million to \$1.273 million and reduced the annual mortgage payments from \$165,216 to \$117,600.

The next step is to reduce the mortgage further and therefore secure the urban mission and ministry of First Church into the future.

The Blaine Center, as far as the services go, their showers, meals, it's very clean, very sanitary the staff is excellent. And so it's an entirely different situation than, say, the situation a lot of street-level homeless people go through. The men who stay there are so lucky it's unbelievable. It's an amazing opportunity. I think it's wonderful what you're doing.

—Blaine Center resident, 2012



Worship Arts dancers

Campaign Summary

Mortgage Reduction & International Mission

During April and May of 2012, each household in the congregation will be asked to support a mortgage reduction effort by making a three-year financial commitment – over and above ongoing financial support of First Church.

Our challenge goal is to raise \$500,000 over the next three years.

Every dollar raised in this campaign has nearly double the value because each dollar that pays down the principal on our outstanding \$1.273 million mortgage saves the church nearly 80 cents in interest. If we raise \$500,000 to pay down our mortgage, we will also save nearly \$400,000 in interest over the life of the loan!

Each dollar that reduces our mortgage principal preserves money to support our ministry and mission. Our mortgage payment of \$13,768 will soon come from our operating budget. A \$500,000 mortgage principal

I think what's so great about First Church is that you can find a community that's shared between everyone but there's no dogma or anything that is thrust onto you. You're able to really find what you're looking for.

—Katie Panhorst, member, 2011

reduction reduces that payment to \$9,500, preserving \$5,000 per month for our work of worship, outreach, education and fellowship.

Ten percent of all capital campaign proceeds will be put to work on behalf of people in deep need. The Seeds to Branches Capital Campaign includes a mission project in Guatemala. After attending to our own building needs for many years, we believe God is calling us beyond our walls to our larger mission in the world.

For more details and for answers to most of your questions, see Frequently Asked Questions at the end of this brochure, and pick up a copy of the Campaign Case Statement in the church narthex.

You can also find both documents on the campaign website, firstchurchseattle.org/seedstobranches

About two years ago, I felt God strongly calling again. I missed church; I missed worship, singing and being involved in community, so I began my search to continue my journey to find a church home. I visited many churches but never felt like I was home. I visited First Church in the late summer of 2010, and liked it, but was still unsure if this is where I was meant to belong. Did I have to hide who I was; would I feel welcomed, would I fit in? So I did some research, went to other churches, but I found myself driving across Lake Washington every Sunday to come to First Church more and more. And the more I realized that I was home, the more I was at peace. Helping others was also a key reason why I came here. The church is living the mission of Christ by opening its doors to all and helping those in need.

—Robert Holm, member 2011



Welcoming Pride Parade participants



Children at Salud y Paz

The Call Beyond Our City Salud y Paz Project in Guatemala

International engagement is an important fresh initiative for First Church. There are places in the world where human suffering is so great that we simply must follow the Gospel call to respond.

So as a companion project to this capital campaign, First Church leadership chose Salud y Paz, a mission project near Chichicastenango, Guatemala as the place where we will reach out with a tithe (10%) of our campaign income.

Salud y Paz (“Health and Peace”) is a mission program of the United Methodist Church in partnership with the Indigenous Methodist church of Guatemala. Salud y Paz volunteers provide medical and dental services to impoverished people, as well as

preschool and feeding programs for indigent families.

In January, 2012, Rev. Sandy Brown, Dave Williams, and lay leader Jackie Putt made an on-site visit to Salud y Paz and determined that the project has a clearly defined mission design and excellent roots among its local partners. Its struggling people would benefit greatly from an infusion of support from our congregation.

Following the conclusion of the Seeds to Branches Campaign a Mission Team will be formed to guide the use and timing of our investment at Salud y Paz.

How You Can Help

Pray Daily

Prayer is the foundation undergirding our efforts as the church to make God's love real. The leaders of the Capital Campaign have gathered together a prayer team to bolster our work. You are welcome to join them in daily meditations. To sign up, go to the First Church website, firstchurchseattle.org/seedstobranches and click on "sign up here" or call the church office. Through our individual prayers, we can reflect in our hearts about our contributions to this campaign, and also pray to help others respond with generosity and vision.

Attend a Special Event on Sunday, May 6

Plan to attend a Grand Banquet in Fellowship Hall after the second service on May 6th. You'll meet the Director of Salud y Paz, enjoy special music, receive additional information about the Seeds to Branches campaign, and hear a summary of our leadership commitments.

Welcome a Simple Conversation

Between May 6 and May 19 we hope to connect with each family in the church for a brief review of the campaign and an equally important check-in regarding suggestions, concerns, and hopes you have for First Church.

Attend Celebration Sunday, May 20

At both services, we will bring Seeds to Branches to a lively conclusion and celebrate the results of the campaign.

Give to Seeds to Branches

To accomplish this, we will need shared sacrifice. This

does not mean equal gifts, but it does mean equal sacrifice.

The range of gifts that we will need are leadership gifts from \$10,000 to \$50,000 over three years, and general campaign gifts of \$200 to \$5,000 over three years.

To give some perspective, when we reach our challenge goal, the average gift will have been about \$3,300 over three years.

Again, we ask that people give in proportion to their financial situation.

If each of us sacrifices, our goal will be met. Here are some surprisingly simple ways to make your gifts:

- A monthly or weekly contribution during the three years of the campaign. Even a small weekly gift adds up; Givers will have the ability to pay by debit card, and by automatic deduction from checking accounts.
- A non-cash gift. Perhaps you have a stock investment or money market fund you are willing to contribute, and can donate it directly;
- Sell something of value (an antique you don't really enjoy anymore, old jewelry you rarely wear) and donate the money to the campaign.

Every gift, no matter how small or large, is received with great thanksgiving. And every gift is put to work for future generations. It is important to remember that our gifts are in proportion to our means. If you're struggling financially and cannot make a gift of income or assets, please know the church understands. If you are secure financially and have an extra margin, please respond in proportion to what you have received.

Making Your Commitment to the Campaign

Our shared challenge is to meet one or more of the following financial goals:

Victory Goal: \$350,000 in pledges

Challenge Goal: \$500,000 in pledges

Hallelujah Goal: \$650,000 in pledges

In the middle of downtown Seattle, First Church actually goes out and supports the community and gets involved in what's going on. I've experienced an openness that I haven't experienced before in the accepting of individuals no matter what their families are, no matter what their race, no matter what their beliefs...here is a place for them to come if they want to work out their spirituality. The congregation is very open to talking to people and communicating with them and making them feel at home even coming here for the first time.

—Lorri Salmon, member 2011



First Church choir

Sample Giving Guide

Your daily gift for
three years (1,095 days):

\$0.50 per day = \$547.50
\$1.01 per day = \$1,095
\$2 per day = \$2,190
\$5 per day = \$5,475
\$10 per day = \$10,950

Your weekly gift for
three years (156 weeks):

\$5 per week = \$780
\$10 per week = \$1,560
\$20 per week = \$3,120
\$30 per week = \$4,680
\$50 per week = \$7,800
\$70 per week = \$10,920

Your monthly gift for
three years (36 months):

\$25 per month = \$900
\$40 per month = \$1,440
\$75 per month = \$2,700
\$100 per month = \$3,600
\$150 per month = \$5,400
\$250 per month = \$9,000
\$300 per month = \$10,800



Our Decisions Today Will Determine the First Church of Tomorrow

Our decisions today significantly impact the First Church of tomorrow. The four congregants who, in 1853, planted the first seeds of First Church, and those kept the congregation alive and vibrant throughout our long history, faced challenges of their own. Yet they trusted in God with steadfast hope, planted seeds, and prayed they would grow. Those who have gone before us could not have imagined First Church's challenges and opportunities in Seattle of the 21st century, yet they put their faith in the hope God's love would thrive in downtown Seattle. First Church today is the

incarnation of that hope: its roots run deep, and its branches continue to grow. All the world is God's creation. May the seeds we plant in this capital campaign be fed by the earth, nourished by water and light, and flourish for generations to come.

For more details and for answers to most of your questions, see Frequently Asked Questions at the end of this brochure, and pick up a copy of the Campaign Case Statement in the church narthex.

You can also find both documents on the church website, firstchurchseattle.org/seedstobranches

I had a hole in my life and knew some people that were in the church involved in music and, I guess through an act of God, Glenn invited me to the choir. I really, really enjoy the fellowship and activities with fellow Christians, and also the things that the church does, so I've started to get as involved as I can in a way that's enriching and brings me closer to God. —Mike Glauner, member and recent United Methodist Volunteer-In-Mission to Haiti

Frequently Asked Questions

These are the questions that have occurred to us. If you have others please feel free to contact the capital campaign leadership.

Why are we having this capital campaign?

In order to complete the construction of our new church, it was necessary to take out a mortgage totaling \$1.8 million. The purpose of this campaign is to raise funds to pay down the outstanding principal in order to reduce the monthly payments we are required to make, preserving resources for our mission and ministry. We believe that this capital campaign will provide another important, common goal for our congregation. In addition, we believe the international mission project that accompanies this effort will strengthen the congregation as it shares the satisfaction and joy of helping people in great need.

How long is the campaign and for what period of time will the pledges run?

The campaign launched on March 19, 2012 and concludes on May 20, 2012. People are invited to pledge

for a period of three years—from July 1, 2012 to June 30, 2015.

What were the costs for the new building and how was it paid for?

The total costs for the new church building and land were \$35,700,000. The funds to pay these costs came from a variety of sources:

- Sale of the 5th and Marion property
\$30,200,000
- 2009-2011 Capital Campaign
\$1,200,000
- First Church Investment
\$1,500,000
- Grants from King County and the City of Seattle
\$1,000,000
- Loan from United Methodist Development Fund
\$1,800,000

Why was it necessary to take out a mortgage of this size?

The new church building, homeless shelter and parking garage were carefully planned to meet our congregation's long-term ministry and outreach needs. This plan was based on matching the costs of the new building with money from the sale of our old property and from the 2009-2011 capital campaign. However, the recession that started soon after the sale of our former church property negatively impacted the implementation of this plan. First, a \$1 million pledge from the sale of our former property is dependent on redevelopment of that property. Second, there was a shortfall in the campaign pledges of approximately \$400,000 due to the significantly reduced financial



Construction of church at 180 Denny Way

resources of so many in our congregation.

Once these impacts became clear, church leaders carefully explained to the congregation that if we chose to complete the construction of the building as originally planned, it would be necessary to borrow money. In two separate Charge Conference meetings, the congregation unanimously approved the plan to take out a mortgage to complete the church building. The \$1.8 million mortgage was secured through the United Methodist Development Fund.

What is our mortgage payment amount?

The terms of the mortgage are repayment over 20 years with an interest rate of 6.49%. The monthly payment required is \$13,768 for an annual cost of \$165,216. There is no pre-payment penalty. And we can refinance the loan but there is a fee of 1.5% of the outstanding loan balance. If we were to refinance, the current rate available from the United Methodist Development Fund is 5.5%. We started making payments on the mortgage in April, 2010. As of March 1st, the remaining principal on the loan is \$1.773 million. A decision by the Church Council on March 7, 2012, allocated church savings to



Sanctuary in new building

reduce the mortgage to \$1.273 million. The new monthly mortgage payment will be \$9,800 for an annual cost of \$117,600.

What funds are we using to pay the monthly mortgage?

When it became clear that a mortgage was going to be required, the church team responsible for the building project, the Building Advisory Board, wisely set aside approximately \$400,000 from the previous capital campaign proceeds in a separate account to pay the mortgage. These funds have been used since the first payment on the mortgage was required in March, 2010. As of March 1st, 2012, there is \$214,000 remaining in this account. With the new monthly mortgage payment of \$9800, there are sufficient funds to pay the mortgage through November, 2013.

What is the plan for paying down the mortgage?

A team of church members has been working for the



Beds at Blaine Center

past 16 months to develop a plan for paying down the mortgage. At the current interest rate of 6.49%, every dollar of principal will require an additional 80 cents in interest payments over the life of the mortgage. As such, the team's focus has been to reduce the outstanding principal of the mortgage as fast as possible in order to save the greatest amount of money. The proposed mortgage reduction plan is:

- a) On March 7 the Church Council allocated \$500,000 of the \$763,000 in the church's savings to immediately reduce the outstanding mortgage principal. This reduced the outstanding principal from \$1.773 million to \$1.273 million and reduced the annual mortgage payments from \$165,216 to \$117,600.
- b) Use funds from the 2012-2014 Capital Campaign to pay down the mortgage as they are received. Assuming that a total of \$500,000 (\$450,000 net following the 10% contribution or \$50,000 to the companion project) is raised in this capital campaign effort, and that one third of those funds (\$150,000) are received at the end of each year of the 3 year campaign, the principal would be further reduced from \$1.273 million to \$823,000 which would reduce the annual mortgage payments from \$117,600 to \$74,676 per year by the end of 2014. This results in a savings of approximately \$43,000 per year. This plan would leave sufficient funds in the Unrestricted Fund account to pay the monthly mortgage through the middle of 2015.
- c) Beginning in 2015 the mortgage payment for the remaining balance would become part of our operating budget. Our income from pledges and special offerings as well as the garage will need to cover our mortgage costs as well as our church program. About \$100,000 will be left in the Unrestricted Fund as a cushion to handle any unforeseen expenses.

These actions would clearly have a major impact on the church's financial reserves. After careful and prayerful consideration, the church's Finance Team and the Church Council believe that this is best overall plan for managing the church's finances.

Can we give donations other than cash (stocks, bonds, etc.) to this campaign?

The Capital Campaign Steering Committee welcomes gifts of stocks and bonds. However, the church is not able to handle gifts of assets such as cars, boats, etc.

What is an Advance Leadership Gift?

As part of the campaign, we have invited our consistent and larger donors to the church to make a significant financial commitment to the campaign. By inviting these individuals to put their support behind the campaign early, we hope to build momentum and excitement, and inspire everyone to seriously consider making a financial commitment to the church's efforts to significantly pay down the church's mortgage.

What is the status of the \$1 million promised to FUMC from the National Historic Trust?

Daniels Development, the entity which purchased the old church property at 5th and Marion for \$30 million, as part of the purchase and sale agreement, also promised to transfer to First Church the \$1,000,000 in tax credits it had been granted from the National Historic Trust. Unfortunately, these tax credits, which are renewed every year by Congress, are tied to the development of the site at 5th and Marion. First Church just recently learned that Daniels Development will begin construction of the proposed tower at the old church site this spring, with an estimated completion date of the summer 2015. While this is good news, until the development is complete, and until Daniels Development receives the tax credits, which are likely to

Background: "Old First Church" on 5th and Marion • 1908 – 2008



Photo: David Williams

School children at Salud y Paz

be dispersed over several years, this source of funding remains uncertain.

How does this mortgage reduction effort affect our operating budget and the drive to get to a balanced budget?

We've made outstanding progress toward our goal of a balanced budget and are on track to achieve a balanced budget with fiscal year 2013. With the addition of the mortgage payment to our operating budget in 2015 we estimate that our revenue/expenditure picture will need a 10% improvement to maintain a balanced budget in that and following years.

Why allocate 10% of the capital campaign proceeds to an international mission project?

First Church has faced many challenges in the last thirty years in dealing with an aging worship facility, and subsequent new building project. As a result, church leaders feel called to look beyond our immediate needs and experience the joy of mission work to benefit someone else. The Capital Campaign Steering Committee recognized that a 10% allocation of our

campaign proceeds could make an enormous difference for people living in a developing country and that the joy of making a big difference for people would add an inspiring element to our mortgage retirement efforts.

Why was this particular mission chosen and who made that choice?

Our Capital Campaign Team aimed at three priorities: a) an international location that was easily accessible from Seattle, b) a medical mission directed at the needs of vulnerable women, children, and families, and c) a potential for a "bricks and mortar" contribution that would leave a lasting legacy.

With these guidelines in hand, a subcommittee of the Capital Campaign Team contacted the United Methodist General Board of Global Ministries (GBGM) to inquire about qualifying missions in Central America. GBGM leaders recommended four projects, and Rev. Dave Williams of our congregation, a retired UMC minister and missionary, and Rev. Sandy determined the Salud y Paz mission to be the most appropriate choice. In January, 2012, the two led a team to Guatemala to review the project and confirm its choice. On February 21, the Capital



Campaign Team affirmed the choice.

Salud y Paz was established by a United Methodist dentist from Texas and provides medical, dental and educational services to hundreds of underserved, indigenous people living in the Guatemalan Highlands. It has a clearly defined mission design, has excellent roots among its indigenous partners, and its struggling people would greatly benefit from an infusion of support from our congregation.

How will the funds raised for this mission be used and when will these funds be sent to that mission? Who will oversee expenditure of these funds to ensure they are used for the intended purpose?

Following the conclusion of our campaign, a Mission Team will be formed to guide the use and timing of our investment at Salud y Paz. As a United Methodist mission, we will partner with the General Board of Global Ministries to oversee our investment in the program and ensure that funds are expended for the uses intended.

A clear need articulated by Salud y Paz is for additional doctors and nurses to provide direct services to local residents. As an example, our funds could be put

to use to provide an extra doctor, dentist or nurse during the three years of our campaign. An additional staff member like this could help hundreds of people during our three-year commitment.

During the three years of the capital campaign pledge period, we may also be invited to participate in putting the funds to use. For example, our church could:

- Send Volunteer in Mission (VIM) teams to Salud y Paz to provide building improvements and help with care of participants;
- Recruit members of the Salud y Paz board to assist in program development and fundraising;
- Join surgical teams that provide a week of low-cost surgeries to Salud y Paz clients;
- Sponsor individual children and families to help in their educational goals;

What are the future expectations for financial contributions from the First Church congregation to this mission once this capital campaign is completed?

No commitment has been made to Salud y Paz beyond our three-year pledge period. If we find our work to be rewarding and helpful we may continue our commitment for any period of time.



Young people on Palm Sunday

Important Campaign Dates

Sunday, April 15 & April 22 | Advance Commitment Dinners 5:30–7:30 p.m.

Held at the homes of Tom and Linda Allen, and Greg Wallace and Craig Sheppard. To make a reservation for one of these dinners, please call the church office at 206-622-7278.

Sunday, May 6 | Consecration Banquet 12:30 p.m

Plan to attend a Grand Banquet in Fellowship Hall after the second service on May 6th. You'll meet the Director of Salud y Paz, enjoy special music, receive additional information about the Seeds to Branches campaign, and hear a summary of our leadership commitments.

May 6–May 19 | Welcome the Conversation

Between May 6 and May 19 we hope to connect with each family in the church for a brief review of the campaign and an equally important time to check-in on suggestions, concerns, and hopes you have First Church.

May 20 | Celebration Sunday

At both services, we will bring Seeds to Branches to a lively conclusion and celebrate the results of the campaign.

CAPITAL CAMPAIGN STEERING COMMITTEE



Dave Williams



Debra and John Locker



Jim Schone



Tom Allen



Joe Frost



Claire Gebben



Barbara Moreland



Judy McNeal



Jim McClaine



Kay McClaine



Lisa McDonnell
Bart Klingler



Mike and Judy Waring



Joyce Frost



Gregory Wallace



Dave McNeal



Rev. Sandy Brown



Eric Liljegen



Sophia Agtarap



Chelsea Fiske



Dan Rounds





First Church

First United Methodist Church of Seattle
firstchurchseattle.org/seedstobranches