

Proposal to Sell the San Felipe Office located at 1105 San Jacinto St, Rosenberg, TX 77471

Purpose of the Sale

The purpose of selling the San Felipe Baptist Association office building is to **align our physical assets with our mission**, improve stewardship, and reposition the Association for effective ministry in a rapidly changing and expanding context.

The current facility no longer supports the operational, relational, or ministry needs of the Association. Maintaining an underutilized, aging building diverts financial and leadership resources away from churches and gospel work. Selling the building allows the Association to transition from a “**come and see**” model to a more effective “**go and tell**” approach that better serves pastors, churches, and future ministry opportunities.

Key Challenges with the Current Building

- The office is **too small** to host meaningful meetings or gatherings.
- **Parking is limited and difficult**, creating barriers for visitors and meetings.
- The **distance** combined with traffic and construction has become a **barrier** for some to come to the office.
- Due to current staffing, **2 of the 3 offices remain unused** most of the time.
- The **age of the building is a growing liability**, with potentially significant repair costs.
- Insurance costs have risen to **nearly \$12,000 annually** due to the building’s age and designation as a commercial property.
- Annual operating costs are approximately **\$15,000 per year**, excluding repairs and insurance.
- Continued investment in an aging facility is **not good stewardship** and there is no foreseeable change that might justify the expenses need for repairs, remodeling, and updating.

Benefits of Selling the Building

1. Financial Stewardship & Sustainability

- Eliminates ongoing building expenses (insurance, utilities, maintenance).
- Reduces long-term financial risk tied to aging infrastructure.
- Allows proceeds to be **invested at minimal risk** while remaining liquid for ministry needs.
- Mirrors proven models used successfully by other Associations.- Austin, San Diego, Ellis

2. Increased Ministry Resources

- Reduced overhead and staff restructuring will free funds for:
 - Church strengthening
 - Leadership development
 - Church planting
 - Ministry support across the Association
- No additional financial burden is placed on churches.

3. A More Effective Operating Model

- Advances an **agile, mobile and relational ministry approach**.
- Allows the Executive Director to serve churches on-site with less disruption.
- Recognizes that a pastors' time is valuable and ministry happens best locally and in person.
- Better accommodates a **1,900-square-mile** ministry area with increasing traffic and distance challenges. Likewise, positions Associational leadership and structure to respond to population growth, increased traffic and construction, and other factors we are anticipating.

4. Improved Responsiveness to Growth

- The Association currently serves **1.2 million people** in our current geographic footprint.
- Population is projected to reach **2.5–3 million by 2050** with projections placing Katy as the geographic center of Houston. This rapid growth will create new jobs, neighborhoods, infrastructure and a need for more churches. Our geographic footprint will need to expand to respond to these realities.
- A mobile, flexible model positions the Association to respond quickly to new ministry opportunities and church plants as we **continue** to minister to our current member churches.

Future Use of Sale Proceeds

- Proceeds will be placed into a **dedicated investment fund for future ministry**.
- A financial plan is already in development to:
 - Minimize risk
 - Maintain liquidity
 - Generate additional ministry resources through investment and interest.
- Funds will be used strategically for:
 - Church planting
 - Church revitalization
 - Leadership training
 - Ministry innovation as population and needs expand

Incorporating Reduced Costs into the Business Model

Operational Changes

- Transition from a fixed office to a **mobile work environment**.
- Leverage existing technology (email, cell phones, accounting software, video meeting capabilities).
- Increase use of **online meetings** and a more regional approach to gathering and ministry collaboration.

Staffing & Administration

- Current assistant cost: **\$37,000 annually**.
- Explore outsourcing financial administration to a **third-party provider**:
 - Estimated savings of **2/3 the cost** of an in-house assistant
 - Improves expertise, transparency, accountability, and real-time reporting

- Maintains compliance while increasing trust and clarity in financial reporting.
- Provides room for internships, contract consultants, and other temporary services that fulfill a specific need and a lower longterm cost.

Mileage & Transportation

- Some increase in mileage is expected.
- Overall cost remains **significantly lower** than building ownership and insurance.
- Future options (e.g., company vehicle) may further reduce expenses.

Desired Outcomes

- Greater ministry impact with fewer fixed operational costs associated with physical plant and property liabilities
- Improved relationships with pastors and churches
- Increased flexibility and responsiveness to ministry needs
- Stronger long-term financial health
- Clear alignment between resources and mission
- Increased understanding of local ministry context, which is one of the greatest strengths of the Association

Administrative & Constitutional Process

Approval Pathway

1. **Administrative Team** has already met and has approved the selling of the building and the exploration of investment revenues to fund and sustain growth. Our current governance already allows for this :
 - Trustees (Moderator, Vice-Moderator, Treasurer) act under Article VIII, Section Two, Paragraph F.
2. **Executive Board** is consulted and engaged for wisdom and accountability. (This meeting today.)
3. A **called business meeting** (quarterly, annual, or special) is scheduled. (TBD)
4. A **simple majority vote** is sufficient unless otherwise specified, which it is not according to our current Constitution.
5. Approval to:
 - Contract with a real estate professional.
 - Empower the Executive Director for day-to-day process oversight (not authority to sell) including liquidating physical assets and required minimum repairs.
6. Upon receiving an offer:
 - Trustees and Administrative Team approve and execute the sale.
7. Sale proceeds deposited immediately into the Association's bank account.

Frequently Asked Questions (FAQs)

Why sell now?

Because costs are increasing, utilization is decreasing, and ministry demands are expanding. Likewise, the value of the property has decreased in the past year.

Will the Association still have a place to meet?

Yes. Meetings can be hosted at churches, online, or in rented spaces as needed, which is basically what we are doing now.

Does this reduce accountability or transparency?

No. Outsourced financial administration increases transparency and real-time reporting while simultaneously reducing cost and reallocating funds from administration to ministry.

Will churches lose access to staff?

No. Access improves as leadership becomes more mobile and relational. This actually increases access by allowing the Executive Director more latitude and mobility to meet churches in their physical location.

Is this financially risky?

No. Funds will be invested conservatively and remain accessible. In fact, as the building ages and insurance cost increase, the property is in greater danger of losing value or needing expensive repairs that take away from ministry.

Is this permanent?

This is a strategic shift, not a limitation. Future facility needs can be revisited if ministry demands require it. This is actually a goal to strive for which is why we want to invest the funds to make sure they are available if we need to utilize them in the future.

Is this decision driven by financial concern?

Yes and No. **Yes**, in that repairs to an aging building that is and will likely continue to be underutilized is not good stewardship. As the building ages, it is a matter of “when” not “if” a repair will be needed. **No**, because the Association is in a strong financial position both in our normal operating and generous income from our member churches and in our reserves that we intend to invest to better secure the ministry of the Association while positioning us for changing economic times and future growth. This is a proactive decision that supports an updated operational model that is currently deployed by several associations to provide greater agility in ministry with reduced cost.

Summary Statement

By selling the San Felipe office building, reallocating resources, and embracing a mobile ministry model, the Association is choosing **faithful stewardship, greater flexibility, and stronger ministry impact**—not just for today, but for the rapidly growing mission field of tomorrow.