



helping today. building hope for tomorrow

**Friends of
South End Community Outreach Ministries (SECOM)
Newsletter**

June 14, 2010

Dear Friends

Sometimes these messages have information to share with you. Other times there are people to thank. And then there are the times when there are requests. This is one of those request messages.

As you may know six years ago SECOM purchased its current home at 1545 Buchanan. Until then we had been housed at Olivet UMC, a short distance up the street. After over 30 years of feeding the neighborhood from the church's basement it became necessary to find a larger and more efficient facility. The needs of the neighborhood had grown and SECOM needed to keep pace. So a search began for something larger.

The building that we found was a vacant warehouse. While the structure needed remodeling and repair, it had much going for it. Still, making a \$1.2 million commitment was a difficult decision for the Board to make. As it turned out, it was the right decision.

To purchase, repair and remodel the building we held a capital campaign. Donors large and small committed to the campaign. Some did so with one-time gifts and others pledged amounts over five years. What we couldn't cover with donations to the capital campaign, we financed with a mortgage.

After a great deal of effort we were able to move in and call it home. Like everything it still needs maintenance, but it has the features and layout that are perfect for our operation.

Evidence of the buildings usefulness is its ability to house a variety of pantry services, the supporting pantry warehouse, family education classes, daycare and preschool lessons, and aerobics classes all under one roof. In addition, we are able to section off a large portion that generates rental income. And we think there are more ways to wring efficiency out of it.

No doubt 1545 Buchanan St. SW is one of our more important assets and certainly our most valuable financial asset. More importantly, though is that the building is located in the heart of the neighborhood that needs SECOM's assistance and is a house of refuge and hope for the community.

Our biggest issue now is the financing costs which reduce the amount we can spend on services to those in need. For that reason we have made it a priority to pay down the mortgage. Our efforts have been successful. However, we still are looking at being required to refinance in three years. The balloon payment on the mortgage will be due in mid 2013. At that time we expect to owe \$109,000.

Rather than take out a new mortgage in three years, our goal is to pay off the balance. The reason is simple: the interest cost on the mortgage will be over \$7,000 annually at that time. Purchasing food at Feeding America for \$0.17 per pound means we can feed a lot of people with that kind of money. Add in the amount we pay monthly in principal payments and our cash flow improves immensely.

To accomplish our goal we are looking for individuals, families or organizations to commit to a new capital campaign. We're calling it the "Housing the Future" campaign. It consists of commitments to 109 units of \$1,000 from donors. With that, over the next three years we can be free of a mortgage when the current one comes due. That's only \$333 per year for each unit.

My two requests in this week's message are:

1. that you consider being one of those 109 individuals, families or organizations that helps us to eliminate our debt over the next 3 years.
2. that you will pass this email along to anyone else you think might be able to help us.

I realize this is a big request to ask in these difficult times, but the compounded value of your participation in the campaign is much greater than the gift itself.

Please call me at 616.452.7684 if you would like to help or want more information. Thank you in advance for your consideration.

Best Regards,

Robert Heys
Development Director

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Please feel free to forward this email to anyone you think might be interested.

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