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The background of the cover features a silhouette of a church under construction against a warm, orange-to-yellow gradient. A large crane is positioned on the right side, with its arm extending over the building. Several workers are visible on different levels of the structure, and a truck is on the left. The overall scene is one of active construction.

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The Church as

Real Estate Developer

By Buddy Siebenlist

While it may be difficult to believe, this extraordinary economy is also a time of extraordinary opportunity, both in business and also for churches. So, if extraordinary is the operative word in this environment, the concept of the church as real estate developer may be more appropriate than it initially sounds.

The Bible clarifies that God is the owner of all things, and that individual holdings are a sacred trust. The blessings of property represent God's love and generosity to us, and they communicate these characteristics of God. All forms of property are to be held in solemn trust and used responsibly for human good under the sovereignty of God. That means the church is the largest corporate fiduciary in the world, which may not be "new" news, but applying that responsibility to property appreciation is a new concept for most churches. Of course, it is consistent with the parable of the talents, but the active role of enhancing and appreciating property with the goal of increasing assets is not one generally associated with the church.

What opportunities are available to a church in its unique definition as land owner? Are the laws and regulations governing real estate development different for churches? Because each parcel and property is truly unique, these questions must be answered on a case-by-case basis, but clearly there are untapped opportunities for most land-owning churches. These opportunities can also include indirect benefits to the donors and financial contributors of churches.

Consider the cycle and goals of the growth of an individual church. Obviously, churches seek to control their buildings and surroundings to provide the best environment for its church members, as well as support for the various church ministries and programs. So, the goal is not only to achieve a safe, wholesome environment, but also a means of outreach to new, potential members. Controlling its environment, the church can also control its image and the various ways it is perceived by prospective members. A more diverse, versatile image appeals to a larger, more diverse group of prospective members.

Most churches seek to minister to as


many areas of daily life as possible. Ideally, the church would like to have a ministry for every aspect of life. If it is something its members encounter, the church would like to have a ministry or program for it.

This is how the phenomenon of the church campus came into existence. As the church added ministries and operations, additional buildings, land, parking, etc. were needed. Schools, daycare operations, multi-ministry staff, and diverse ministry programs all require facilities and resources. As the market share grows, so does the church.

This phenomenon explains why churches seem to always have more needs (ministry ambition) than money. The congregation is often weary of fundraisers and capital campaigns that are in addition to the regular tithes and offerings. As a result, an alternate source of revenue is very attractive to pastors and church leaders.

The financial opportunities of real estate development for churches are indisputable, but there are many other benefits and incentives that are unique to churches.

Development enables the church to absolutely control its environment. If, for example, a church decides to develop a master



plan as a development plan, allowing for the financial opportunities of retail and commercial tenant sales and/or leases, the church controls the types of tenants and businesses that it will allow. Even in land sales, these elements can be controlled through deed restrictions or the definitions of the development ordinances. The issues of image, products, services, hours of operation, etc., are all subject to church approval.

Development, as an alternate source of revenue, can also provide for common functions needed by the church. Rather than petitioning the congregation for resources to build and provide for support for these church functions, tenants and businesses can be screened and coordinated for win-win operations. Many businesses and retailers share the vision and agenda of the church. Ultimately, the church receives income for something that has been a huge, traditional expense. This enables church campuses and satellite locations to emerge and expand very quickly.

Tenants or property users of the development can also supply secondary church needs and amenities. To be associated with image of a church is ideal for many businesses. Questions about identity, reliability, integrity, etc., are already answered. Since the church has final approval over all tenants and products, there are many exciting synergies and amenities that can enhance the ultimate goals of the church.

Some additional, miscellaneous benefits of development could include shared parking, utilities, and infrastructure (site development). Cities and municipal jurisdictions are typically eager to assist church development projects because they are mutually beneficial and usually result in increased sales and ad valorem taxes, expanded infrastructure, etc.

As an alternate source of revenue:

- Development allows young pastors and leaders to advance their vision quicker.
- New sources of revenue and image control enable a church to grow very quickly.
- It could generate cash/equity to get over the hump of initial financing.
- It is an investment opportunity to traditional development investors.
- Sale-Lease Back applied to church property could generate huge amounts of immediate cash without requiring or changing anything from the church.

Ultimately, the benefits of development may be among the most extraordinary of God's opportunities. **RPN**

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