

# MONEY & BUILDINGS



A Practical Guide for Church Building Projects

Ben Harder & David Parker



PARKER SEMINOFF ARCHITECTS

# **MONEY & BUILDINGS**



**A practical guide for church building projects**

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## OVERVIEW

The purpose of this book is to assist churches that are contemplating launching a building project on two fronts, raising sufficient money to fund the project in question and to give the Building Committee that is responsible for design and construction practical help in developing a process which will lead to a successful project. On both fronts there is no point in reinventing the wheel. Thousands of churches have done successful projects and have learned basic things about what needs to be done and what needs to be avoided.

The two Authors of this book have worked with hundreds of churches in the design and implementation of successful capital projects. In this book they share that experience with other churches that are contemplating similar projects.

**Ben Harder**, President of Harder & Associates, has over forty years of fundraising experience in either an institutional or church setting. Since founding Harder & Associates in 1986, Ben has worked with over 200 churches from all the major denominations in the design and implementation of successful budget and capital fundraising programs.

In addition to consulting with individual churches, Ben has conducted his seminar, Growing Financially Healthy Churches, in over 130 centers across Canada and the United States with representatives from over 3000 churches attending. Ben, in partnership with David Parker, the co-author of this book, has also conducted a second seminar, Money & Buildings, in over 80 centers across Canada.

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**David Parker**, President of Parker Architects, Inc. has, over a 30 year period worked with hundreds of churches and is widely known across Canada for his innovative and cost effective designs.

This book is written in two parts.

In **Part One, Fundraising for Church Capital Projects**, written by Ben Harder, Ben deals with basic issues related to effective campaigns including campaign readiness, establishing potential, principles that impact successful campaign design, fundraising models, effective campaign follow-up and frequently asked questions about capital fund campaigns.

In **Part Two, Issues Impacting Building Design**, written by David Parker, David deals with basic issues of general design, land purchase, formulas for space allocation, structural factors that affect the overall construction cost and the creation of global budgets.

Our hope is that this book will give you practical guidance to help your church do solid planning, both on the facility and the financial side, and therefore avoid some of the common pitfalls churches encounter.

If you are planning on building and are looking to benefit from the experience of other churches... read on.

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**PART ONE**

**Fundraising for Church Capital Projects**



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### INTRODUCTION

Fundraising has a long history in the Christian church. In fact fundraising goes back to the very beginning, not only of the early church but to the very beginning of God's work with people of faith, to Abraham, to Moses and to the nation of Israel. In the Old Testament God constantly challenged people to give, to tithe the first fruits of their labor and exhorted them if they were not faithful in doing so.

In the New Testament, Jesus in the Gospels spoke about money issues and about giving more than any other single topic. The Apostle Paul in all of his epistles challenged his readers on the topic of giving. Throughout Christian history church leaders from the Patristic Fathers, to Martin Luther, to John Wesley all encouraged people of faith to give.

The reasons of course were obvious. Church ministry costs and Christians have the responsibility to provide the resources to further the cause of Christ. The other reason of course is that giving has always been tied to discipleship which is sometimes described as the 'need of the giver to give'.

Today fundraising is one of the great needs in the church. It is a paradox that in our day of great affluence, the church is struggling with giving more than at any time in recent history. The giving indicators in almost all denominations are declining, with many churches having to close or merge because of declining members and the consequent inability to pay the cost of ministry. Mainline churches receive only an average of three-quarters to one and a half percent of household income to support church ministry with evangelical churches receiving from two to three percent. At that level of income, and

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most churches struggle even to maintain that level, churches can do little more than maintenance ministry. The tragedy of this of course is that dreams and vision for ministry are dying on the 'order table' because of the perception that there is no money to do anything so why waste time on dreaming!

This perception of lack of funds unfortunately impacts decisions when churches are in the position where they need to address the facilities issue because of growth. If a church has been struggling with budget support but needs to expand, someone on the Board will always ask the question, "How can we consider building when we often struggle to balance the budget?" The response to that is that the two are unrelated, for two reasons:

### **LATENT POTENTIAL**

All churches have significant latent potential that is not tapped for budget support. Budgets are probably one of the lowest motivational things to give to, particularly if churches have a unified budget. Unified budgets make good accounting sense but in terms of fundraising motivation are faceless documents that do not generate any excitement about giving.

The other problem is that most churches do not need more than minimal levels of giving because most are in the maintenance mode. Christians therefore tend not to give beyond the church's stated need.

In addition, most Ministers have great difficulty dealing with stewardship issues in the preaching ministry of the church. This means that most people do not understand basic Biblical principles of stewardship and how those principles impact value systems. The result is of course that since Christians give out of their value systems, and if in fact those value systems are not Christian focused, they tend to give but at minimal, 'charitable' levels.

The church therefore seldom receives giving at the true levels of potential and constantly gives the impression that they are always struggling with money. This struggle is reinforced when throughout the year the word 'shortfall' always appears in the financial reporting in the bulletin. It is little wonder therefore that Christians struggle with believing that there is any more money available for new significant things such as building programs.

### **Church Example**

I received a call from the Pastor of a growing church, that because they were proactive in their budgeting, they were always some \$30,000 behind in budget annually. Growth meant they were really cramped for space and needed desperately to build, a project that they estimated would be in the five million dollar range. The question I was asked a number of times in meeting with

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them was “How can we think of building when we can’t even balance our budget?” Leaders had been so conditioned as to the regular ‘shortfall’ that they simply assumed they had little potential left.

The other factor of course which relates specifically to tapping latent potential is that people have particular giving interests, sometimes referred to as the ‘six pockets of giving’. The interesting thing about those pockets is that money does not transfer from one pocket to the other. If the church is not able to appeal to a particular capital ‘pocket’ for support that money will probably go elsewhere. Let me give you an example of this.

### **Church Example**

A friend of mine went to Pastor a church some years ago where one of the members who owned a construction company gave \$25,000 a year to budget support. He was very impressed with that until he found out that that same person gave over \$3,000,000 a year to support a mission organization. The church did not have a mission portfolio and so the money from that ‘pocket’ went to an organization that did.

If therefore the church’s appeal is only to budget, if churches never deal proactively with stewardship issues in the context of the church, if churches never appeal to people’s giving interests particularly in support of vision-driven projects, they will always struggle with the perception that extra money is available to support an expansion project.

### **NEW VARIABLES**

An additional way that latent potential can be tapped is by introducing new variables into the giving mix, a common factor in building projects, because most new projects are driven by growth and a clear sense of purpose.

Growth creates a wonderful environment for giving because it creates a dynamic in church life that is not achievable in any other way. When people come to faith, they bring an excitement to church life that is contagious. In that context, people get excited about giving because they can see the results of investing in ministry to accomplish the purposes of the church.

In addition to growth dynamic there is nothing which impacts giving more than a clear sense of purpose. The Old Testament prophet said, “Where there is no vision, people perish!” In building projects there are two questions that need to be answered, “What is the church doing and why?” ‘What’, is usually easy to understand. People can be shown a picture with a dollar number beside it. The most important question is the ‘why’ question. If people do not get a sense that what they are being asked to support is helping accomplish a

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sense of purpose, people will struggle with giving. On the other hand if purpose is clear and there is ownership of that in congregational life, it releases financial potential which is not released in any other way.

### **TAKE HEART**

If therefore the church is planning to build to meet their space needs, take heart. Every congregation has significant untapped financial potential. Tapping that potential is dependent upon the process that leaders use in educating, motivating and leading the congregation to the point of ownership of the project. When these three things happen, money can become a non-issue.

This first part of this book has been written to provide practical overall guidance to churches contemplating building projects that need to maximize their giving potential through capital fundraising.

**Chapter 1** deals with campaign readiness. Good decisions are dependent on the quality of the data generated.

It is important to **clarify the reasons** why the project needs to be done.

It is important to **establish the financial potential** of the congregation to support the project.

It is important to do a **thorough ‘needs’ assessment**, because that needs assessment and the resultant ministry priorities drive facility design.

It is important to set a **global budget** which includes all costs, not simply building costs.

It is important to get the **necessary approvals** before inviting the congregation to respond either congregationally, or from the District, Presbytery or Diocese.

It is essential to **establish a critical path** for building.

It is important therefore to recognize that successful building projects and the ability to raise sufficient funds depends on whether basic preparation has been done by leaders.

**Chapter 2** is intended to help churches establish their financial potential. One of the most important questions is, “What can we afford?” This chapter

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deals with funding formulas and the various factors that impact potential including the 'faith' factor.

**Chapter 3** deals with the various principles that impact campaign design. Directed fundraising campaigns have been a part of church life for over sixty years. Those working in the industry have, through numerous years of trial and error, reduced campaign design principles to things that work. There is no point therefore in reinventing the wheel. Incorporating proven fundraising principles is the basis of good campaign design.

**Chapter 4** deals with fundraising models and the necessity of customization. Each church has its own 'DNA' and the funding program designed needs to fit the church. This chapter presents four basic fundraising models and analyses each of them in terms of effectiveness.

**Chapter 5** deals with the necessity of campaign follow-up to ensure that what is committed actually comes in. A second issue in follow-up is to make sure that new people are given the opportunity to support the campaign over the balance of the giving period. New growth represents very significant potential, potential that is important not only to fund the project but to fund on-going growth as well.

**Chapter 6** deals with building a strong volunteer base to run the campaign. Broad involvement is crucial to campaign success.

If therefore your church is planning on building and is looking for some guidance as you lead the church through what can be a very exciting fundraising process ...read on!

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## CHAPTER ONE



### **Are You Ready for a Campaign?**

Fundraising cannot happen in a vacuum. Sometimes churches that are planning on building attempt to run a campaign to ‘test the waters’ to see how much money people will give to support what they say needs to be done. They do this because they do not want to spend money or time up-front until they have a sense that people are supportive.

This of course does not work. People do not support a ‘concept’ when there are no specifics as to the need and the rationale for doing it. People do respond financially when there is a sense that leaders have done solid planning and that what they are proposing is legitimate in terms of accomplishing their collective purpose.

There are at least five aspects of readiness that are very important in terms of eventual campaign success.

#### **CLARITY OF VISION**

The most important aspect of campaign readiness is clarity of vision. This is true for a number of reasons.



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### **Clarity of vision energizes leaders.**

When there is a commitment to a common cause it not only energizes leaders but draws other potential leaders into involvement. It also adds a dynamic to group involvement which becomes the foundation for overall commitment to the project.

### **Clarity of vision adds a dynamic to giving motivation.**

There is nothing that impacts giving more than a clear sense of purpose.

Lyle Schaller, one of the leading church consultants, suggests that when purpose becomes fuzzy, three things happen... and they're all bad. The first of these is that giving falls off. It is also true that when purpose is rediscovered in maintenance congregations, giving increases.

When people are asked to support a project, one of the first questions they usually have is, "Will this help accomplish anything?" If the perception is that it will not, giving will happen but only at minimal levels.

The reason for this power of vision is that a clear vision for God's church connects God's will to people's commitment to make God's will possible. Vision therefore becomes the 'fuel that drives the engine'. This is why clarity of vision is one of the keys to tapping the latent potential in congregations.

### **Clarity of vision adds a discipline to planning.**

It is important to set the priorities which in the end drive building project activity. This is sometimes referred to as the 'box'. What is in the 'box', churches do. What is not in the 'box' churches do not do. The priorities in the 'box' are set by the collective vision of the church. Once these are set and adhered to, they legitimize every decision made. This means that all the time, energy and money spent will in the end help accomplish the church's collective purpose.

## **FINANCIAL FEASIBILITY STUDY**

It is important at the outset to answer the question, "What can we afford?"

When churches go into building programs, many begin by engaging an architect to design a building that will meet their needs. This may of course be after they have decided on the needs through a needs assessment. The problem is however that the architect needs to be given a 'financial number' to work with. Churches need to set the financial box so that the architect knows the parameters of cost the church can afford. The architect then has the obligation to stay within those parameters in terms of design. If it is

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determined that the need is beyond the set financial parameters, it is the church that decides to enlarge the box, not the architect. Before therefore the architect puts ‘pen to paper’ in design, the affordability question needs to be answered.

Affordability may be one of three things.

**Affordability may be defined as cash on hand.**

This is a very conservative approach. Cash on hand may be simply what churches have in the bank at present to allocate to the project. This may consist of cash in the bank, assets that will be liquidated, such as the sale of property if relocation for instance is happening, in addition to what the church may have in endowments or investments. This conservative approach is usually accompanied by ‘opening the building fund’ with the hope that people will respond.

**Affordability may be defined as cash on hand plus what can be raised.**

This is a more aggressive approach where the church assumes that in addition to what they may already have received plus what they have by way of assets, there is additional latent potential in the congregation which can be tapped by running a proactive funding program. That potential, assuming churches run a directed fundraising program, is usually in the range of two to three times budget over three years in addition to current levels of budget support. This will be covered in detail in the next Chapter.

**Affordability may be defined as cash on hand plus what can be raised plus what can be borrowed.**

In addition to what churches have plus what they can raise, churches sometimes still have needs beyond their potential and need therefore to consider arranging some kind of financing. The question which then of course comes into play is, “What level of debt can we afford to carry?”

The formula many denominations use in setting debt limits is that churches should not indebt themselves beyond three times their annual budget long-term. The reason is that if the church’s debt is beyond ‘three times budget’, it means that the cost of servicing the debt will draw off from 20-25% of total income. At that level of cost, it will begin to limit the ability of the church to invest in ministry to generate growth, which is the very reason they built.

To illustrate how the affordability issues work out, consider the following example.

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Assume for instance that Church A is planning on building. It has a budget of \$250,000, cash on hand of \$300,000, and a building they are planning on selling appraised at \$500,000.

If this church **took the conservative approach** and defined affordability as ‘cash on hand’, their project would be in the 1M range. They would take the cash on hand, \$300,000, plus the proceeds of the sale of the existing building, \$500,000, and factor in funds raised by simply ‘opening the building fund’, hoping of course that people will respond. Simply ‘opening the building fund’ may generate some response, perhaps in the \$200,000 range, which for a church of their size would be response at a minimal level.

Cash on hand	\$ 300,000
Proceeds of sale	500,000
Funds raised	200,000
Total	\$1,000,000

If however this church was **prepared to raise money proactively** in the congregation to supplement the cash on hand for the project, they could possibly generate an additional \$550,000, three times budget minus what was suggested could be raised under the first formula (\$750,000-\$200,000). This would put affordability in the 1.55M range.

Cash on hand	\$300,000
Proceeds of sale	500,000
Funds raised	750,000
Total	\$1,550,000

If this church was **prepared, in addition, to borrow funds** and assume a maximum debt-load, this would add another \$750,000 (\$250,000x3) and put affordability in the 2.3M range.

Cash on hand	\$300,000
Proceeds of sale	500,000
Funds raised	750,000
Funds borrowed	750,000
Total	\$2,300,000

Church leaders need therefore to decide what formula they are comfortable with. Before an architect begins work, leaders need to answer the question, “What can we afford?” This sets the finance box for the architect’s work.

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The best way for churches to determine affordability is to conduct a Congregational Financial Assessment, sometimes called a Financial Feasibility Study. This assessment analyses the donor base, receives initial responses from key leaders and creates a five-year window of performance as to attendance, budget, giving to budget, the number of donors and congregational demographics. In addition to this analysis, churches need to affirm the assets available and whether or not they are comfortable with assuming a debt-load and if so, at what level.

**Setting the equation for ‘affordability’ early in the process is a key component to a successful building project.**

### **DEVELOPMENT FEASIBILITY STUDY**

The next step in campaign readiness is for the church to conduct a Development Feasibility Study which answers three basic questions: What do we need? What will it look like? What will it cost? Churches may not package it this way but these are questions that need to be answered before churches can launch a fundraising campaign or even gain congregational or denominational approval.

#### **What do we need? ...NEEDS ASSESSMENT**

Sometimes the need to build is obvious and the decision as to priorities is made by a very few people, sometimes in fact just by the Pastor. The best decisions as to needs however, are decisions that have broad input from the ministry leaders of the congregation.

In a needs assessment, two questions need to be answered.

The first question is, “**What are our current needs?**” It is important to solve the current space problems. Churches however do building programs only about once in a generation, meaning that leaders need to extrapolate needs ahead, so that what is built will serve the ministry needs for the next fifteen to twenty years, both as to function and size.

Additionally therefore there is a second question, “**Where is our current philosophy of ministry taking us?**” This unfortunately is not an exact science which means that this becomes somewhat of a ‘guestimate’. It is important to attempt to arrive at some conclusions as to where the current emphasis in ministry is taking the church to ensure that future space needs are also being met.

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Architects all have a process they use to lead churches through to the establishment of needs. Most often the process has three steps.

**Step one** is that leaders need to devise an initial needs list from what is obvious in church life. This is usually easy to do. If the church for instance is multi-level and multi-floor, there is an obvious need to address the accessibility issue. If the young side of the congregation is growing, there usually is a need to address the issue of Nursery and Sunday-School space. If the church's auditorium accommodates over 80% capacity, and the church does not want to move to two services, there is an obvious space need for worship. Leaders therefore need to set an initial needs list from what is obvious.

**Step two** is to invite input from ministry leaders as to their assessment of space needs in their ministry area. This input is usually received through a Survey Form which contains some of the following sample questions:

“What are your current space needs?”

“Where do you see your ministry going in terms of size?”

“Could you share space with other ministries if proper storage was provided?”

“If money was not an issue, what would you like to see happen in your ministry area in terms of facilities?”

“Does your ministry have to be on a certain time/day during the week or are you flexible on this?”

There are other questions of course that individual churches need to ask their leaders but what the church is trying to establish is space needs from people that are actually involved in those ministries. It is important to encourage leaders to ‘blue sky’, to dream as to what their potential is. This may be seen as a dangerous exercise but most understand that not all they dream will happen. What it does do is two very important things; it encourages them, and gives them the sense that their opinions are important. This eventually results in ultimate ownership of the overall design.

At the point that the Surveys are completed, it is important to interview those who have completed the Surveys, meetings usually conducted by the architect, to make sure that the survey forms are properly interpreted. The architect then summarizes the stated needs coming out of the Surveys and interviews and presents them to church leaders.

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**Step three** is that church leaders then need to take their initial priority list, compare that with the needs list developed from input from ministry leaders and begin the process of setting final priorities. This is always a difficult process because felt needs are almost always beyond financial potential. If at the beginning churches have answered the question, “What can we afford?” and have set the financial ‘box’, the list of priorities needs to be consistent with that potential. The second thing that impacts the decisions made as to priorities of course is the stated vision of the church.

The establishment of the needs priorities is an extremely important aspect of overall planning. This will drive architectural design and ensure that what is envisioned for ministry can actually happen.

### “What will it look like?” ...CONCEPTUAL DESIGN

At the point that the needs priorities are established, the next step is to develop a conceptual design. Developing the building concepts is **not an event but a process**. The architect will submit an initial concept which then needs to be critically examined by all who had input into the needs study. Such critical input means that the process of finalizing a concept may be a rather lengthy process but is very important to ensure that the building actually meets the stated needs.

It is also very important that the architect along with each concept submits a cost estimate. This means that people understand the cost implications of changes they request.

It also makes the process a lot easier if the architect chosen specializes in church design. The function of a church building is very different than that of other public buildings. If the architect does not have an understanding of how those functions happen and how churches operate, either from personal association or building experience, it is difficult to understand what the differences are.

People like to see architectural concepts of what the building will look like. This is very important for raising money. **Lack of a ‘picture’ usually is perceived as a lack of planning**. Most architects today can not only generate a picture but produce a 3D model and even a video ‘walk through’ of the proposed building which is a powerful communication tool.

To launch a funding campaign, the only thing needed on the architectural side is the conceptual design with accompanying cost estimates, not finished working drawings. Working drawings should not be done until it is apparent how much money is available. Depending on the money raised, it may be

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necessary to reduce what was planned. If extra money however is forthcoming beyond what was anticipated, it may be possible to include other priorities that initially were set aside for lack of funds. Changes are very inexpensive at the design stage but are very expensive once working drawings are done.

### **“What will it cost?” ...GLOBAL BUDGET**

It is important that the cost of the project announced to the congregation is a global budget cost, global in the sense that all anticipated costs are included. People tend to have minds ‘like elephants’ when it comes to remembering what was initially said in relation to cost.

Global budgets therefore need to include at least the following cost items:

- The physical cost of building
- All fees and permits including professional fees
- Contingency cost estimates for anticipated cost overruns
- Landscaping
- Furniture
- Technical equipment for the office and worship center
- Long-term development costs.

Usually in addition to the cost of physical construction there is an additional thirty to thirty-five percent ‘cost increase’ for the other items listed above. Most people understand and will accept that there may be small cost overruns due to inflation, but if that is more than the acceptable range of five to ten percent it will cause difficulty in terms of support.

### **Church Example**

A number of years ago I worked with a church that when I arrived, showed me a picture and said that the cost of doing the addition was \$660,000. On that basis we proceeded with a capital campaign that raised close to \$700,000.

A few months after the campaign finished and the planning for the building was being finalized, I received a call from the Pastor who said, “Ben, we have a problem.” The problem was that the cost was not \$660,000 but over one million dollars! When I asked how that happened, the Pastor said that the architect ‘forgot a few things’. Forgotten were professional fees, permit costs, landscaping, parking lot changes, and rather high development costs. He asked me, “What do we do?” I suggested that they should proceed with the building, since people had given generously to accomplish that, and then do a second campaign to deal with the residual debt.

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Developing a global budget therefore is very important. When all costs are anticipated and included it usually means that the project stays on budget.

The Development Feasibility Study outlined in this chapter therefore answers four questions:

**“What can we afford?” ...Financial Assessment**

**“What do we need?” ...Needs Assessment**

**“What will it look like?” ...Conceptual Design**

**“What will it cost?” ...Global Budget.**

This Study provides the data churches need for sound decision-making for their building project. It may not be packaged this way, but the information generated by the four questions is vital to project approval and fundraising success.

### **APPROVALS**

The level of approval needed to launch a building project depends on the ecclesiology of the church.

- Churches that are congregationally driven need of course to receive congregational approval.
- Churches that are elder-rule may need only elder approval.
- Churches that are more hierarchic need, in addition to congregational approval, District, Presbytery or Diocesan approval.

Whether ‘approval’ is defined as a formal process or simply an information-sharing process where congregational response is gauged, engaging the congregation is very important for a number of reasons.

It is important to engage the congregation to get **congregational ownership** of the project because the level of ownership directly impacts financial response. Ownership is best achieved when church leaders communicate regularly with members. In the final analysis, members are going to be asked to pay the bills. That is not likely to happen in a vacuum.



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It is important to engage the congregation because it will **force church leaders to do their homework**. People usually have some hard questions related to design and cost and if the leaders have not done their homework, it is difficult to get people enthused if they sense a lack of planning.

It is important to engage the congregation and receive the necessary approvals **because it is very difficult to raise money when those approvals have not been achieved**. The question asked many times is, “How can we proceed with even the preliminary planning for a campaign when we have not yet approved this?”

Approvals sometimes take time, particularly if those are needed from the upper levels of the denomination. The extra time however is insignificant if placed against the problems of not having received them in the first place.

### **ESTABLISHING A CRITICAL PATH**

In addition to the above, it is important to establish a critical path or timeline for the overall project, for a number of reasons.

- A critical path will force leaders to ‘stay with it’ until the project is done.
- Once the decision has been made to proceed, it is important to maintain the momentum that has occurred.
- It gives professionals that are engaged to assist the church a time-frame for their work to which they can be held accountable.
- In addition it raises the level of expectation and excitement of members when they see continuous progress being made.

The time-line or critical path many churches have used is as follows:

**Development Feasibility Study**  
(3-4 months)

**Capital Fund Campaign**  
(3-5 months)

**Tendering/Approvals**  
(3-6 months)

**Construction**  
(?)

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The four stages of this critical path are as follows:

### **Development Feasibility Study**

This study takes from three to four months to complete. It can of course take a lot more time but the time needed is usually dependent on how quickly churches can make decisions. If the building committee is committed to meeting only once a month, for instance, then this phase may well take a year or more. Architects I have worked with can usually work within the three to four month framework if church leaders can make the necessary decisions expeditiously.

The three to four month window assumes a relatively straight-forward project. If the project is more complicated involving difficult renovation, zoning applications to establish feasibility or environmental assessments for instance, then extra time may be needed. It is important at the point the Study is launched however, that church leaders commit to completing it as soon as possible. The Study provides all the information needed to launch the next step, the capital fundraising campaign.

### **Capital Fund Campaign**

Capital Fund Campaigns take from three to five months to complete. This time-frame is generally recommended by Consultants who assist churches in directed campaigns. Churches that design their own campaigns sometimes have shorter or even longer time-frames but from my experience, the three to five month period is needed. Chapter 4 deals with campaign models and the time-frames involved.

### **Tendering/Approvals**

When the capital fund campaign is completed, churches know the amount of money they have available for the building project. It is only at this point that they should finalize design and proceed with working drawings, not before. Working drawings are not needed to run the capital campaign, only concepts and costing. If working drawings are commissioned prior to the end of the funding campaign, they may need to be changed depending on the amount of money raised. If what is anticipated by way of funding is received however, this does not become an issue. If however the campaign does not generate the necessary money to do all that was proposed, it may be necessary to pull back the building in terms of cost. On the other hand if the campaign generates more than anticipated, it may be possible to include things not initially included. If either of these scenarios happen and working drawings have already been done it is very expensive to change the design. If however the drawings are still at the final design stage, it is relatively inexpensive to make the necessary adjustments.

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The nature and length of the tendering process varies with the type of construction option chosen. In fixed price contracts the process of qualifying those invited to tender, then receiving and evaluating them, is a simple process which can easily fall into the 3 to 6 month timeframe.

If the church chooses project management, this overall process falls under the purview of a project manager, and the length of time therefore can vary considerably.

A qualified tendering process should take no more than one to one-and-half months. Municipal approvals however for building permits are a rather slippery issue. The church here is at the mercy of bureaucratic decision-making.

### **Construction**

Construction time of course varies with the type of building, nature of the design, availability of trades and materials, among other things. Most churches however can be built within a one to one-and-a-half year timeframe.

This means that from the point of beginning to completion, the overall timeframe for project completion is usually eighteen months to two-and-a-half years.

### **CONCLUSION**

**Campaign readiness therefore is crucial to building project success. It is most crucial to the ability to raise money to fund the project. When members/adherents sense that leaders have done their homework, have been sensitive to God's leading, have planned within a vision context, and focused on meeting real needs both short-term and long-term, this builds broad ownership resulting in generous financial support.**

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**PART TWO**  
**Issues Impacting Building Design**

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### INTRODUCTION

Building programs are a very exciting time in church life. When the process is well-planned so that there is broad ownership in the congregation, so much more is accomplished than simply building a building. Many of those non-financial benefits are accomplished in the conducting of a well designed capital fund campaign as discussed in Part One. That however is only one phase of the process. The other phase is the design and construction of the facility itself.

When churches go through the process of design and construction, there usually are numerous questions congregants have.

What are our needs?

If we design a building to meet our needs, what will it look like?

What will be the complete cost?

What kind of a building do we want the community to see?

Do we stay or go?

Should we consider multi-purpose options?

How much land do we need?

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In Part One some of these issues were discussed under the topic of Campaign Readiness. It is extremely important for churches to establish their financial potential and ministry needs because these two things are the basis for decisions as to conceptual design and the parameters of cost. Once these two things are established however, other issues related to design and construction, need to be addressed. Part Two is an attempt to identify some of these critical issues.

## CHAPTER SEVEN



### Land Purchase

Most churches that are planning facility expansion are faced with difficult decisions in relation to current land size or adequate property for relocation. The following are some of the critical issues having to do with site area requirements if churches are planning on relocation.

#### WHAT LAND SHOULD BE BOUGHT?

Any piece of land to be purchased for church relocation should always be subject to **municipal building approval**. Do not assume any piece of land purchased can be built on.

It is important, particularly around urban areas, for churches to make their land purchase subject to an **environmental assessment**. In addition properties that have green belts adjacent to them or creeks or runoffs through the property or adjacent to the property often have easements in relation to those green belts which may restrict building.

Purchases should also be made subject to **soil testing**. Land may appear to be 'virgin' land but it is not always so. Even if it is 'virgin' land, there may be soil conditions that are difficult to build on, particularly if the building is



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multi-story. Also, there may not be a recent history as to what the land was used for previously, such as a ‘dump’ or other uses which involved toxic materials.

### **Church Examples**

A church not far from where I live purchased an adjacent property to expand their ministry. This land was the only piece available and was a perfect location in terms of visibility and accessibility.

During construction, as the basement excavation was taking place, three construction workers experienced gas poisoning. The property, they discovered, had been a gas station but after it closed, the toxic materials in the ground had never been removed. The church eventually was able to build on the site but only after the oil company that had owned it was forced to remove the toxic materials.

One other church thought they had found a particularly fine piece of property on a main thoroughfare just outside of the city limits for a very reasonable price. It was ‘reasonable’ they discovered because it had been a landfill. It reminded me of a cartoon which appeared in Leadership magazine a number of years ago where the Pastor and the custodian were engaged in conversation, with the Pastor asking the custodian, “What do you mean we have a problem with methane gas?”

As to property shape, **regular shaped properties** are more efficient than irregularly shaped properties. Also, flat sites are more efficient than **sloped sites** although sloped sites may offer the opportunity for at grade access for multiple levels and also enhance the visibility of the building. The efficiency of regular shaped properties is particularly true if there is a need to maximize parking. Also, the larger the site is, the more difficult it is to determine whether it is sloped or not. A topographical survey should be done as the topography needs of course to be determined before effective design can be done.

The other question which always surfaces in land purchase is whether the land needs to be **serviced**. The best land to purchase is of course land that is fully serviced with water, sewer, gas and electricity. The problem with such land however, is that it is usually very expensive.

Many churches therefore consider purchasing ‘**raw**’ **land** with no or limited services. The reason most often is that it is cheap, or that it is agricultural or unused land donated by a member. Churches need to remember however that cheap land up front does not necessarily mean that it will remain cheap

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throughout the project. If water and sewer are not available, there can be significant cost to provide a septic system and sufficient water to meet code requirements for fire-fighting for the property. The building code requirement costs for this in 'public use' buildings can be very high.

In addition to providing adequate water and sewer services, churches also need to provide for **storm water management** that is, the control of water run-off from buildings and pavement that is normally absorbed by the soil on underdeveloped land. In rural areas this may not be an issue but in urban areas it can add considerable cost to the overall project.

If the 'raw' land is on the edge of an urban area, churches need to be sure they know what the overall **development plan** for the area is. Does the plan allow for church use within it? If so are there additional development fees involved? In some cases this cost can be in the range of hundreds of thousands of dollars.

### **VISIBILITY AND ACCESSIBILITY**

Two very important components of land purchase are visibility and accessibility.

**Visibility** is extremely important. The church building represents the single most important image communicated to the community. Obviously therefore the best site for a church is one that is highly visible, probably on a main thoroughfare.

The other important issue is **accessibility**. Sometimes very visible churches are hard to get to especially in urban areas where traffic exits are limited.

The other rule of thumb is that churches should not locate on residential streets but on main or secondary streets. More and more the issue in residential communities, where churches are planning to locate 'inside' the community, is resistance from community associations who are concerned about the increased traffic. This is true also of existing churches that are planning on expanding in current residential neighborhoods.

For these churches it is very important to hold public meetings and be up-front and open about their plans. It is also very helpful if the church takes the initiative in contacting the community association so that there is no sense that the church is trying to get approval without their input. Most often the issue is that these associations do not really understand what actually is planned or the benefits churches bring to the community itself.

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### Size

The major problem older churches face is that they were initially thinking of themselves as ‘community’ churches with limited growth potential. This meant that most were built on a small lot, often land assigned by developers, where the assumed potential congregation of the church would be around 150 to 200 people. Parking was not an issue because in most towns/cities codes having to do with parking as per seats ratios did not yet exist. Also because it was a community church, the assumption was that most people would walk to church, which they did. For those who would drive and the numbers were usually very small, it was assumed they would simply park on the streets.

The size of land therefore needed was from .5 to 1.5 acres which was enough to build a basic building and do some basic landscaping. Even in large downtown cores, many 1000+ seat churches which were area ‘cathedrals’ were built on limited size sites because it was also assumed that parking could be done on public property.

Times however have changed. The church at large is moving into a regional church phase where in most churches attendance is not just from the community but from within the region. This is part of the consumer mentality where they will attend where their spiritual needs are being met rather than simply because the church is ‘next door’. This means of course that more and more people are driving as opposed to walking or using public transportation. Another issue generating growth is the change in focus in worship styles and ministry orientation.

These existing ‘community’ churches therefore, if they have experienced considerable growth or are planning for growth, have no option but to relocate. If relocation therefore is seen to be necessary there are a number of key factors which relate to the size of land to be purchased.

### Factor One

The primary factor in answer to the question, “How much land do we need?” is **size in relation to the number of seats in the auditorium**. Most municipalities today require all church parking to be on the church site and have formulas as to how many parking stalls/spaces are required per seat in the auditorium. Most consider a ratio of 1 parking stall for every 3 seats in the auditorium as a bare minimum. The fact is that in the majority of cases where church traffic counts are actually performed, the ratio is closer to 1 parking stall for every 1.5 to 2 seats in the auditorium. For a church therefore planning on building an auditorium seating 600 people, the minimum requirement is that there needs to be parking space for 200 cars. Given that it is possible to park from 100 to 110 cars per acre depending on the layout of the property, at

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least 2 acres are needed just for parking. Based however, on actual traffic counts, the number of parking spaces needed may actually be 300, meaning a land requirement of closer to 3 acres. Municipalities may require fewer parking places but churches need to provide the current needed ratio.

### **Factor Two**

The second factor is the **size of the building**. A building with a single auditorium which seats 600 will probably have an average overall size building of 18,000 ft<sup>2</sup> based on a rule of thumb of 30ft<sup>2</sup> for each auditorium seat for single auditorium facilities. For a dual auditorium facility having both a sanctuary and a gymnasium, the rule of thumb is 40ft<sup>2</sup> for each auditorium seat or 24,000ft<sup>2</sup>. (This will be discussed in detail in a later chapter). At 24,000 square feet, it means that the building will take up over half an acre of land.

### **Factor Three**

Every municipality has regulations regarding **building set-backs and landscaping**. Landscaping can be 20 percent of the total acreage. In the above example that could be in the area of .5 acres. The size of building setbacks varies but factoring that in with the landscaping need means that another .5 acre may be required.

**Therefore when the above minimum space allotments are put together for a church with an auditorium size of 600, plus a gymnasium, the resulting site size is:**

– building area @ 40ft <sup>2</sup> per seat	= 24,000ft <sup>2</sup> /	.55 acres
– 200 parking stalls @ 100/acre	=	2.0 acres
– landscaping @ 20%	=	.5 acres
– required setbacks @ 20%	=	<u>.5 acres</u>
– minimum property size	=	3.5 acres

**The recommended site area should probably add an acre for an additional 100 parking spaces meaning therefore a minimum property size of 4.5 acres.**

### **Factor Four**

There is also a fourth factor and that is the **potential for growth**. Churches almost always build because they need more space to accommodate current and future growth. In the above example, the 600 seat auditorium may represent seating capacity about double what the church currently has, meaning that they are building to accommodate future growth. If however the current growth pattern continues there may well be further expansion in the

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not too distant future. If that future potential growth is not factored in to property purchase, the church will in the future face the same problem they have now... no room to expand.

One way churches deal with growth is to move to a second service. This however does not completely solve the parking problem. The problem is that it usually requires as much land rather than less land for parking because of the issue of cars arriving before cars are leaving.

### **Recommendation**

The recommendation therefore is that the churches in the above example should buy a minimum of five acres of land. Larger churches of course that are relocating will need more than the five acres mentioned. The principles however that determine the 5 acre size are the same. If churches have been on a small site, perhaps in the 1 to 1.5 acre size, five acres may appear as a huge parcel of land. It is not however. It is amazing how many churches are buying 25–50 acre lots with the assumption that it may be needed in the future for church ministry and if not, it is always possible to retain it as an asset. If minimal land is purchased and growth happens it will place the church in the same situation in future years. It is always a lot easier to sell land than to buy extra land in the future. Planning long-term in land purchase is extremely important.

**The issues therefore having to do with land purchase are as follows:**

- a. Be sure that the you can build on the land you buy.**
- b. Make sure that environmental assessment and soil testing are done.**
- c. If possible buy fully serviced property.**
- d. If you have a vision for growth, be sure that the property purchased is large enough to accommodate current and future growth.**

## About the Authors

**Ben Harder, President of Harder & Associates**, has been involved in professional fund raising for over 40 years. He began his ministry career as Pastor of numerous churches, following which he served on the faculty of Providence College and Seminary as Professor of Church History and Historical Theology and Vice President of Development. In 1986, Ben founded Harder & Associates, a Christian fund raising company working with churches and para-church organizations in the design and implementation of successful budget and capital stewardship programs. Ben's work has included churches from all the major denominations. It has also included para-church fund raising work for Christian camps, schools, Colleges and mission organizations.

In addition to client consulting, Ben's two financial seminars, 'Growing Financially Healthy Churches' and 'Money & Buildings', have been conducted in over 150 locations in Canada and the US. Ben has also produced printed and video resources for church finance leaders.

**David Parker, President of Parker Architects Inc.**, has worked with hundreds of churches and associated organizations over the past 30 years. His two firm's, Alberta based Parker Seminoff Architects and Ontario based Parker Architects Inc. have developed a reputation for assisting their clients in the design of attractive and cost effective buildings. This work has involved renovation of traditional buildings, facility expansion and complete church relocation. In addition his firms have designed seniors housing, summer camps and private Christian Schools. David is also responsible for the co-development of the popular 'Money & Buildings' seminar on which this book is based.

### About the Book

Christian churches today are moving through a growth phase with many relocating or adding additions to their existing building to accommodate that growth. Some churches of course have very qualified people to provide leadership for that process where as others are looking for some professional assistance to ensure building project success, both on the building side and also to provide the necessary funding to make their project a reality.

The Authors of this book, Ben Harder and David Parker, have worked with hundreds of churches to help them achieve overall building project success. That significant experience means that as they work with churches, they can ensure that churches avoid the pitfalls that many do experience.

- \* Are you planning to expand your facility?
- \* Are you needing assistance in the area of campaign preparation?
- \* Are you trying to decide as to whether you should stay or go?
- \* Do you need funding help to maximize your financial potential?

If so...you will find this book very helpful.

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