Volume 2

Sacred Spaces Innovative Places

Reimagining Church Property and Facilities as Assets

Sharing Stories, Expanding Horizons

For almost two years, we have researched the creative ways churches are using their property and space to further live into their mission, share resources with the community and generate needed additional revenue. We have discovered this is both a growing and much-needed element of Kingdom work in many congregations.

Often out of the necessity to be better stewards of their real estate and to enlarge their financial base, these churches have discovered needed energy through more regular use of their buildings. They have also been afforded the opportunity to participate in ministries led by outside groups that are housed under their roof. They have forged new friendships with entities now using their space. And, they have also seen their financial situation improve significantly through the income generated by these creative ventures.

This is not to say, however, that such opportunities are without challenges. Most congregations that seek to use their space in creative collaboration with others have an example or two of obstacles they have had to overcome and shareable lessons learned. Yet, the benefits of finding wise ways to steward space and property generally far outweigh the challenges.

We have discovered through *Sacred Spaces* that we can contribute in at least three ways to this new frontier. First, we feel called to tell the stories of these churches. As we share about congregations doing innovative things with their property, we affirm their good work and invite new churches into the conversation by challenging them to dream about what might be possible in their own context. In a large part, this desire to tell the stories of these congregations in what led to *Sacred Spaces* Volume 1 and now to this second volume of equally compelling stories.

Second, in telling the stories, we have the chance to begin to identify overarching themes. There are numerous characteristics that many of the churches share. Particularly in this second edition of *Sacred Spaces,* we want to highlight some of these shared traits. You will find a section toward the end of this edition that offers our findings.

Third, we are eager to help congregations think strategically about starting to use their property wisely. Beyond reading the stories found in the two volumes of *Sacred Spaces*, we hope your church will invite us to lead a conversation on the topic or accompany you as you walk through a season of discernment about your facilities. Further, if we can help your leadership connect with one of the churches profiled in our *Sacred Spaces* studies, we would be happy to do so. How congregations creatively use their space will become a critical element of church life in the years ahead, so we want to help your church strongly consider engaging in this type of work.

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Family Tree Café embraces the principle that simplicity and success can go hand in hand at University Baptist, Baton Rouge, La.

The space is as much for those outside the life of the church as for those who are members.

Much More Than Child's Play: University Baptist Church, Baton Rouge, La.

Churches that offer the very best examples of stewardship of property and space do three things well. First, they use their space in a creative way to live into their mission. Second, they share their facilities in a unique way with their community. Third, such congregations often realize a financial benefit in the process.

The innovative things congregations do with their real estate usually allow them to accomplish one or two of these three goals. This is something to celebrate. Occasionally, however, a church embraces an opportunity that succeeds in all three areas. This is one of the things that makes the story of the Family Tree Café at University Baptist Church in Baton Rouge, La., a *Sacred Spaces* story worthy of particular attention.

RECOGNIZING A GOOD IDEA

The idea of Family Tree Café began with a former children's minister at University Baptist who was visiting an indoor play area. She found herself appreciating not only the fun and safe place for children to play but also wrestling with the significant cost associated with visiting the facility. Her conclusion was that a church could offer a similar opportunity that could be equally enjoyable without breaking the bank of the families who came to use the space.

Similar spaces exist in countless communities across the country providing the opportunity for children to enjoy a safe, fun, engaging place to play while providing parents a comfortable setting to watch. These

Low Investment/High Yield
Family Outreach

venues often are also equipped to easily serve as a setting for special occasions like birthday parties or family gatherings. The indoor play areas are incredibly popular and yet, as the former staff member at University Baptist recognized, they often carry a hefty price tag for several hours of fun.

What struck the University Baptist minister on that fateful day was not only the recognition that their church could easily reimagine a portion of their facility in a similar fashion but also that this space could be a key catalyst for encouraging families in the community to visit the church and interact with the people of University Baptist. With this, the seeds of a new idea and ministry were planted.

THE FAMILY TREE CAFÉ TAKES ROOT

From the beginning, Family Tree Café has tried to embrace the principle that simplicity and success can go hand in hand. This idea of simplicity is seen in the design of the space. The area is set up with two inflatable bounce houses as well as preschool-friendly slides, blocks and toys. The area also includes coffee for adults, snacks for children and a seating area for both parents and children where parents can work, visit with other adults or read with children who might be too young to play. The setup is so smart and easy that Family Tree Café can be dismantled or reset in about 30 minutes and, therefore, does not have to remain intact should the church need to use the space for other purposes.

Simplicity is also a critical ingredient in the church's guiding principal about the primary audience and purpose for the space. Family Tree Café exists specifically for preschoolers and their families. This is the target audience with the focus being on both families inside and outside the church. The area is also available for use as a part of the church's weekly schedule by various church preschool groups. Family Tree Café is used as both a first-come, first-serve open-play venue in the morning hours Monday through Thursday, and also for special reserved events such as birthdays or family reunions in the evenings or on weekends.

In terms of revenue, those who come for the open-play sessions during the week can, and often do, contribute to Family Tree Café, though that is not required. A fee is charged for evening or weekend events with a discount given to church members who want to use the space.

PLAY SPACE & MINISTRY AREA

Family Tree Café is also a clear ministry of the church and not merely an indoor play area that happens to be housed within the walls of a Baptist congregation. The goal of University Baptist is that a host or hostess is present each time the play area is used. This means that someone is present and available to sign people in, answer questions and be of particular assistance to first-time visitors. The host or hostess also provides a welcoming face and offers the opportunity for deeper conversations about the church or faith. Plus, it is not uncommon for a staff member to walk over to the Family Tree Café area to visit with or meet families using the space. So, newcomers often leave having met both members and ministers of the church while their children play, and they enjoy a cup of coffee.

Tanya Parks, who is the Minister of Children and Retirees at University Baptist and the staff lead for Family Tree Café, points out that while many community families simply use the space and never interact with the church beyond the play area, there certainly have been families who have first experienced the church through the play area only to return for other events. Some have returned for worship and become part of the larger life of the church. Parks is also quick to share that even if a family never interacts with University Baptist beyond Family Tree Café, there is huge value in neighbors of the congregation bringing their children to the church to play. If these families didn't come to use Family Tree Café, they would likely never set foot inside the church's doors or know a member of the congregation. But through the everyday act of bringing their children to play, a relationship begins, and one never knows what might come of the seeds that are planted through such an experience.

The outward focus of Family Tree Café is remarkable in that sometimes the church and church members must recognize that the space, and thus the play area, are as much for those outside the life of the church as for those who are members of University Baptist. This is certainly not always without its challenges. After all, even when congregations like University Baptist agree to use their space in creative ways that are community focused, it can be easy to fall back into a mentality that says this is our church and, therefore, first and foremost our space. Yet, Parks shares that at University, a gentle reminder that Family Tree Café is as much for the community as for the church and

its members usually is enough to help everyone reframe the purpose and priority of the area. That is not to say that the church can't or doesn't use and take advantage of the space. Church ministries and members most definitely reap the benefit of Family Tree Café but always with a shared-space mentality.

A DIFFERENT WAY OF IMAGINING MONETIZING SPACE

From a monetizing perspective, Family Tree Café exhibits an important element of this type of work. Some churches generate significant revenue through the way that they use their space such as money from a cell tower, a solar farm or housing the offices of a local nonprofit. These forms of monetizing can provide a significant portion of a church's operating budget. But other congregations monetize their space through simply offsetting the expenses associated with a program or the costs required to operate the building where the ministry is housed. It is this latter approach that Family Tree Café illustrates.

While the play area doesn't generate significant revenue, it does create enough cash flow through donations and private events income to offset most expenses for equipment and other overhead. The ministry pays for itself and, as a result, can be operated for both the benefit of church members and as a significant resource to the community with no impact on University Baptist's operating budget.

Family Tree Café is also unique in that it is a wonderful example of a relatively simple way to explore creative use of space in a manageable, inexpensive way. A congregation often needs to start small when deciding to creatively use its real estate. So, a ministry that is focused on a small portion of the building, that requires minimal volunteers and that can be started and maintained inexpensively can be an excellent way for a church to experiment. These small tests of change and creativity often lead to much larger, more robust ministries and ways of monetizing property.

LESSONS LEARNED

In reflecting on the creative ministry of Family Tree Café, Tanya Parks points to four lessons that the church has learned in this remarkable process. First, Parks reiterates the value in starting small. Family Tree Café had a startup fee of only about $3,000. To date, the yearly operating

budget is roughly $500, and the needed volunteer base is relatively small. Size and cost of the ministry, however, have no relationship to its value or significance.

Second, those involved with Family Tree Café have done a wonderful job of balancing the use of existing resources while also buying new items to enhance the work. The space and some of the toys were already present when the ministry started. Other items were purchased new. Still other elements have been added as time has gone on. *Sacred Spaces* congregations realize they already have significant resources and so these creative ministries rarely start from scratch.

Third, the leadership of Family Tree Café got the church on board from the start, and fourth, they have been community focused every step of the way. The constant communication with church leadership and the congregation at large is critical in this type of work. Further, the regular reminder that we are sharing space with our neighbors not hoarding it for ourselves must be an ongoing guiding idea for all parties involved.

In the end, the net result is an amazing program that embodies the church's mission, invites the community into the sacred space of University Baptist and pays for itself through rentals and other contributions.

Second Baptist in Memphis, Tenn., hosts *Play Where You Stay*, a soccer nonprofit that teaches the sport to children who might not otherwise have much exposure to it.

The annual pumpkin patch grew and expanded beyond a youth fundraiser to an offering of hospitality to the greater community at the church.

From the Outside In: Using Property to Extend Hospitality Second Baptist Church, Memphis, Tenn.

Hospitality at Second Baptist Church in Memphis begins not at the front door but on the front lawn. Last fall, the church added a large "front porch" crafted of wood that sits facing the street. Under the cover of the porch is a swing and several rocking chairs, akin to what you'd see on the front porch of a welcoming home. Stephen Cook, the pastor of Second Baptist, sat on the porch each Monday at noon during Lent to receive folks who would like to stop by for conversation or perhaps a prayer of blessing during their lunch hour. Cook hopes that this can be one of many events and gatherings on the new front porch to give the church an increased presence year-round for the congregation outside its walls.

Many in the Second Baptist neighborhood are no strangers to seeing activity on the front lawn of the church. Each fall, the church's pumpkin patch draws huge crowds for what feels like an extended fall festival. The patch's first iteration was developed prior to Cook's arrival. The plan was simple: Put pumpkins on the front lawn and allow youth to volunteer to work, earning money toward their trips. Now the pumpkin patch is bigger, with 88,000 pounds of pumpkins sold in 2022 along with hay and flowers from local farms in additional to products from local non-profits and social enterprises. What began as a simple fundraiser has become an experience that members of the community don't want to miss. It has also grown the church's

Shared Outdoor Space with Neighbors

understanding of what it means to offer hospitality out of an authentic sense of Christian calling.

A CENTER OF CHRISTIAN COMMUNITY

When Cook arrived at Second Baptist in 2010, the ministries of the church were scattered, lacking a common thread. A few years later, the church participated in a *Dawnings* process after a year-long commemoration of its 50th anniversary. Out of that process came an understanding that the physical location of the church on 16 acres of land in East Memphis could lead them to engage in more intentional ministries of hospitality. Members began to reframe their perception of the church as more than a Christian community center, but instead as a center of Christian community.

As a result of ongoing prayer and discernment, the annual pumpkin patch began to grow and expand beyond a youth fundraiser to an offering of hospitality to the greater community. Cook says, "It has evolved to be more of an experience now instead of just a fundraiser. We're known as the 'Pumpkin Church.' People will pay more for a Second Baptist pumpkin than other places because of all the extras we offer in an effort to be inclusive and create a hospitable atmosphere."

Launched 19 years ago, the pumpkin patch has grown to include, among other vendors, a bakery that started out of a juvenile intervention program, jewelry made by people with intellectual disabilities, and products sold by Thistle & Bee, a social enterprise and treatment program for women that uses the church's kitchen to make its products. Because of the expansion of the patch and thus its increased earnings, Second Baptist has been able to support multiple CBF and community partnerships that help it live into its mission. Second has been able to share more than $30,000 with a local school that provides volunteers for the patch, send youth to South Africa for missions through the CBF South Africa Ministry Network, donate to Together for Hope Arkansas, supplement funding for a ministry fellow position targeted to working with youth in the community, contribute to a nonprofit teaching basketball to middle school girls, make a gift to the local soccer nonprofit, and a host of other causes that youth and their leaders identify.

FROM THE PATCH TO THE PITCH

Beyond this annual flagship event housed on the front lawn, the church has been able to extend hospitality through the use of their land to *Play Where You Stay*, a soccer nonprofit that teaches the sport to children who might not otherwise have much exposure to it. They are able to provide use of a field they own because they are leasing another field to the independent Episcopal school across the street.

A church member remembered conversations that took place in the years before Cook's arrival about the school's need for a field and the church's vast outdoor space. Once Cook came on board, the conversations were revived and, over a 15-month process, the church came to an agreement with the school on a 20-year lease of the land. The school paid to develop the field just as they would have had it been located on its own property, and at the same time helped create a more basic, multi-use field for the church. The church and the school share a permanent brick bathroom and storage facility between the two fields. The church tithes the income from the field to missions and puts the rest in operations. It also rents the field annually to the Presbyterian church next door and donates the use of the field to *Play Where You Stay*.

Cook says that some years ago, one of *Play Where You Stay*'s teams made it to the state level of a tournament. Though the church members didn't know the team members individually, they provided Second Baptist Pumpkin Patch branded water bottles stuffed with notes of encouragement to send with them.

"It just reinforces the idea that the church doesn't have to *own* every event but can facilitate them with a spirit of hospitality; and that's enough," Cook said. While he is the first to admit that the process of coming to an agreement to lease the fields was a long one, it was well worth the resulting improved relationships among the church, its neighboring churches and schools, as well as the wider community.

Another way in which the church offers hospitality to families through its facilities is the playground that remains unlocked so that it can be accessed on the weekends and after hours, even when no one is at church. One leader from a local nonprofit shared with Cook at a board meeting, "We aren't members of your church,

but we appreciate your playground. It's so 'Second Baptist' that you leave it unlocked and families are grateful." Some time ago, the church created a QR code, putting it on a sign posted at the playground indicating that those who appreciated the facility and its accessibility could make a donation to its upkeep. While this hasn't generated a great deal of money, many have utilized the code to offset costs and express thanks.

THIS IS SECOND BAPTIST

At Second Baptist, hospitality doesn't take place just outside the church. It extends inside to the beautiful sanctuary and a facility that is used for music lessons, tutoring and other daily and weekly meetings. Just inside the front doors is a large foyer decorated with a sofa, table and chairs, and other seating. It looks more like a waiting room or lounge than the vestibule of the church. That's because church staff and members noticed that parents were sitting in their cars reading, working or scrolling while their children took music lessons, had a sports practice, or were being tutored. Cook and others felt it was a shame that parents were having to sit in their cars and wanted to help create a better alternative. They now have free WiFi for everyone and have decorated the space inside the church to be more accommodating of parents as they wait for their kids. Cook says that on some days it looks more like a co-working space than a church, and that's just how they like to see it.

Second Baptist provides an example of welcome along with helpful ideas to stewarding property and not just buildings as part of innovating the use of a church campus. A one-time event like the pumpkin patch offers a great way to create revenue without a long-term commitment. The playground QR code is a reminder that inviting those who use the spaces to contribute to offset expenses can be just as helpful in the long-term when spaces are open and/or shared. And, Second Memphis chooses to monetize parts of its property to share with others. Not every piece of property or part of a building has to generate revenue, but monetizing certain areas can lead to greater generosity with others.

What began with a pumpkin patch and conversation about the church's identity has turned into hospitality as a congregational calling. The church desires to not only use buildings but also the outside property as well, to create hospitable places for fostering Christian community. The leadership and congregation have

been deliberate in making sure that as they steward their property, they are creating mutually beneficial ways to be part of the community and to create streams of revenue. Funds generated are intentionally spent to help the church live into its mission to: *t*ell the story of faith, extend *h*ospitality, participate in *i*ntergenerational ministry, and nurture believers through *s*piritual formation. "THIS is Second Baptist," Cook says. And indeed it is—from the outside in.

The church's education building houses two of the organizations that share space on its campus. Avondale Autism School and Houston Graduate School of Theology both occupy entire floors that were once used for church Sunday school and discipleship activities at Willow Meadows Baptist in Houston, Texas.

Space For Lease: Willow Meadows Baptist Church Houston, Texas

Like many churches, over the past several decades, Willow Meadows Baptist in Houston has seen an ongoing decrease in attendance at its services, Bible studies and other church events. According to the church's senior minister, Craig Taylor, the congregation averages 80 people in person and another 40 online on a typical Sunday. What makes this even more challenging is that the church worships in a sanctuary that seats well over 1,000 people. Beyond the sanctuary, the sprawling Willow Meadows campus includes a fellowship hall, library, full gym and separate education building.

Because of its significant real estate, Willow Meadows has long been a believer in sharing its facilities with the community while also generating extra revenue through these relationships when possible. This stewardship of space has led Willow Meadows to welcome other area congregations into its building. The church has also become the physical home of Braes Interfaith Ministries which offers financial support, food, clothing and other services to persons from select ZIP codes in Southwest Houston.

The church's education building houses two of the organizations that share space on the Willow Meadows campus. Houston Graduate School of Theology and Avondale Autism School both occupy entire floors that were once used for church Sunday school and discipleship activities.

Proactive Facility Marketing

The overall creative space usage by Willow Meadows Baptist is remarkable. Between the congregations, the three nonprofits, special event rentals and gym rentals, the revenue generated makes up roughly a third of the church's operating budget.

Amidst the amazing work done by Willow Meadows in the approach to its campus, what might be one of the most intriguing elements of the story is how the Avondale Autism School became one of the groups housed at Willow Meadows.

A STRATEGIC DECISION

In 2021, as the pandemic continued to hold much of the world in its grip, the Houston Graduate School of Theology began to shift how it delivered its suite of educational services. In essence, like so many other graduate level academic institutions, the school began to move to more of an online format, which greatly reduced the amount of square footage needed on the Willow Meadows campus.

As much as the church wanted to be supportive and understanding, there were significant challenges for the church with the pivot the school wanted to make. First, the school was early into a five-year contract to use two floors of the church education building, and the new plan only required one floor of the building. Second, as previously mentioned, the church had more and more of its revenue coming from their various space usage agreements such as the one with the theology school. The desire of the theology school to cut its space needs in half was a significant blow to the church's anticipated revenue based on the five-year contract the two had signed.

This all led the church to make a very aggressive yet unusual decision. Rather than passively wait for other rental opportunities to come their way or even to quietly self-market the space by word of mouth or via social media, the church chose to be proactive. Willow Meadows Baptist leadership made the unique decision to hire a commercial real estate agent to market the space in hopes of finding a new, nonprofit renter for the floor of the education building soon to be vacated by the theology school. This was new territory for both the church and for the realtor. Yet, the church was banking on the idea that the realtor could dramatically expand their pool of potential clients. They also felt that even though the church would have to pay a commission on any deal, the benefits would far outweigh the costs.

A WIN FOR EVERYONE

The decision was a remarkable move for everyone involved. For the church, it was able to expand its reach and to offer the property at a competitive rate. For the agent, the decision offered the opportunity to market a nice piece of property that far exceeded the realtor's expectations when first contacted by the church as a potential client. For the Avondale Autism School, the strategy brought the Willow Meadows property to its attention and afforded the school the chance to rent the space at a fee that was on the lower end of the area's average market rate.

The entire process from first contact with the realtor until Avondale moved into its new facility at Willow Meadows was certainly not an overnight endeavor. According to Rev. Taylor, the first meetings with the realtor happened in May 2021. In December 2021, Avondale gave verbal commitment of their desire to rent the space. During January and February 2022, further details were worked out and some remodeling was done. In March 2022, the church had a signed contract in hand from Avondale. In April of that year, the autism school finally moved into the building as a long-term renter.

Not only did the process require patience, but Willow Meadows also had to be willing to play the long game as it related to the revenue to be generated from Avondale. This was true for two reasons. First, there were upgrades required for the space to fit Avondale's needs. Through negotiations, Willow Meadows agreed to split those costs with the autism school. Second, the realtor's fees would need to come out of the initial months of rent that was generated. Fortunately, since the church was able to broker a five-year contract with Avondale there was a strong sense that the initial costs to the church would be far outpaced by the income that would come to the church over time.

Beyond the expertise of its commercial realtor, Willow Meadows was also led in the process by several key lay leaders including the church facilities chair, the church finance chair, a church member who is an attorney and a member of the congregation who works in commercial real estate. This team helped take a lot of the load of decision making off the shoulders of Taylor while representing the church wisely in conversations with both Avondale and with the hired realtor.

LESSONS LEARNED

In talking with Taylor about both the strategic decision that brought Avondale Autism School to the Willow Meadows Baptist property and the other creative decisions the church has made in how it has chosen to share space, he points out four lessons learned that are helpful for any congregation doing this type of work.

First, he emphasizes the importance of clarity. Any time a church decides to share space with an outside group, both sides need to have a clearly defined understanding of who is responsible for all elements of the planned space usage.

Second, Taylor points out that from their experience at Willow Meadows, the best opportunities for space usage come when you can share sections of the building that don't need to be used by the church too. If the church has segments of the property that can be made available exclusively to an outside group, this is the best-case scenario for the consideration of monetizing.

Third, the key to any of these arrangements is having a desire to build a good relationship. Outside groups that use space in congregations are not tenants. They are colleagues, friends and often fellow laborers in Kingdom work.

Fourth, having a good facilities team and lay leadership that can oversee these outside relationships is a best practice for all churches wanting to do this type of work. After all, the ministerial staff often has no expertise in property management. The church's ministers also have full-time jobs on which the congregation has called them to focus. So, having a team in place who can guide and oversee the creative use of the churches facilities alleviates this burden from the ministry staff. It also gives laity that have expertise in these areas the chance to use their gifts for the good of the church. This isn't to say that the ministry staff will be completely disconnected from this work, but there should be a clear understanding of what this looks like and where the ministers can be most useful in this element of church life.

To these four lessons, we would add a fifth lesson that is drawn directly from the story of Willow Meadows. So often, churches do minimal work when marketing their space. They either wait for an opportunity to come their way, work through a word-

of-mouth system or advertise lightly through church publications or social media. Yet, a more robust, proactive strategy to market space such as the one employed by Willow Meadows is certainly worth considering. After all, as is illustrated through this story, it can be the path to long-term, substantial opportunities that benefit both the church and the outside group in ways neither could have imagined.

Food storage and packaging are housed at the church and clients can stop for prayer if they choose.

In March 2023, 97% of the church's energy was solar-generated at Hillside Church in Chapel Hill, N.C.

Yes Mentality: Open to Possibilities of Partnership and Revenue
Hillside Church, Chapel Hill, N.C.

Six years ago, Rob Tennant, Hillsong Church's pastor, returned from sabbatical to several major issues awaiting the church that would require his full attention. Each of the decisions would involve deep listening, questions of church identity and discernment. All together, they felt somewhat overwhelming. Slowly the congregation began addressing each one under Rob's leadership and through a shared belief that the church's primary identity was one of being a welcoming, safe place for all who entered.

Late in 2019 after these issues were resolved, the church was smaller in membership but had a new Chinese ministry and a new name: Hillside Church. The new Chinese ministry began with the help of Cooperative Baptist Fellowship of North Carolina funding and resources. The new name came as a result of Hillsong Church in Australia growing in popularity across the United States. The church wanted to avoid confusion with Hillsong Australia, so they consulted attorneys for the necessary legal guidance.

Hillside emerged from the changes with an openness that has enabled it to see the potential in using the physical spaces of the church to create new relationships with others in their area. Now, each request to use its facilities is viewed as an avenue to create a new connection from the church into Chapel Hill and the surrounding community.

Stewardship of Space
in All Seasons

Whether it is another church, a nonprofit or area students, Hillside is eager to provide space and create new associations that can lead to cooperative ministry.

These changes also came about partly out of necessity. Those bigger issues had reached resolution and the church moved forward with a renewed identity that came with a significant financial impact. Just as the church was settling into its own new reality, the Covid-19 pandemic rolled in bringing a myriad of complexities common to many congregations. Hillside tried to remain open to the possibilities for partnerships and explored opportunities for both connection and revenue creation.

NEW IDENTITY AND NEW CONNECTIONS

One of the financial ramifications of decreased membership and not being able to meet in person during the pandemic was that the church had a gap in being able to pay the mortgage. A preschool rented space from mid-2019 to early 2020, which covered the mortgage for a time, but the preschool had no need of the facility during the early pandemic shutdown. Upon receiving some advice from a colleague, Rob reached out to the North Carolina Baptist Foundation as a resource. The church was able to refinance its mortgage at a much lower rate, saving money at a crucial time.

Several opportunities to open the church for use by those outside the congregation presented themselves in 2020 as the need for facilities that allowed for social distancing had increased. Later in the year, another preschool asked to occupy the classrooms as they had expanded need for square footage due to re-opening ratios and space requirements. Hillside welcomed these young students and their families to use the space previously occupied by the other preschool as a way to keep the church more active during the week. The church also rented parking spaces to University of North Carolina-Chapel Hill students at a per-semester rate that were perhaps the lowest in town. Students have a safe place to park that is still accessible to campus without charging high prices. The church wants to send the message to students that they aren't only welcome for the revenue they provide. And, Hillside has become host to a Burmese congregation meeting in its facility which also provides monthly income. Sharing space with the church has led to middle and high schoolers from both

congregations meeting weekly for youth group together as well.

Hillside Church's sanctuary lends itself to use for different kinds of events because it is multi-purpose by design and chairs can be stacked so the space can be converted to a larger fellowship hall. The church rents the facility to other congregations for occasional use, creating yet another stream of revenue. Seven or eight smaller, primarily African American congregations use Hillside's facilities for funerals, pastor recognition and church anniversaries throughout the year. This is an act of stewardship on the part of both churches: the smaller churches are not building larger facilities only to be fully used two times per year, and Hillside is welcoming others to use space that is no longer in high demand internally because their church has decreased in size.

One other opportunity for semi-annual rental revenue comes from a four-day consignment sale at the church hosted by the group "Mothers of Multiples." The sale targets parents of twins, triplets, etc., to resell coordinating clothing. "Having the space really helps us host these outside groups," Tennant said. "And our congregation doesn't get sideways if something goes wrong. Our members remain welcoming and hospitable, understanding it could just as easily have been one of us who caused minor damage. We don't want relationships to be contentious; we want to form solid relationships with the community."

Tennant is a proponent of Asset Based Community Development and wanted to ensure the congregation had time to process through what it would mean to welcome guests from the community in ways that were mutually beneficial. Hosting other churches, small children and college students all come with unique challenges but each one also gives the church an opportunity to form relationships with a diverse mix of demographics as the church lives into its mission. The church has welcomed the activity and usage of its space along with the members of the community it brings to the church with open hearts, open arms and a positive attitude of sharing their space. Part of Tennant's passion for wanting to be welcoming and hospitable came from a previous experience on staff at another church where this was not the prevailing attitude. This fuels him even more to cultivate the friendly, open culture of Hillside through honest conversations and intentional relationships with congregants, community members

and even civic leaders. Together, the congregation has developed more of a "yes" mentality; exploring new opportunities for responsible stewardship of their facility and community relationships instead of finding reasons to immediately discount them.

REVENUE FOR SUSTAINING THE CHURCH'S MISSION

Because of the revenue and the relationships the church creates by hosting this array of outside groups and congregations, it is able to more fully live into its mission of making church a safe space for everyone and providing for community needs by serving as the headquarters of a community food pantry. Two Saturdays per month, nearly 100 households are served in a formal partnership with CrossTrail Church and informal partnerships with the Boy Scouts, a nearby Mormon church, a mother's club and UNC students. This ministry started during the pandemic to meet overwhelming community need and is primarily a drive-up service, but volunteer drivers are available to deliver to households who may not have transportation. Food storage and packaging are housed at the church and clients can stop for prayer if they choose.

The church has also been able to make an initial investment in "green energy" on the interior and exterior of the building that will save money on utilities well into the future. This initiative and investment also provide a way for the church to actively participate in creation care. The change was sparked internally by a member of the church who is a retired HVAC engineer. He is active in justice and creation care initiatives and helped Tennant and the church understand the benefits of changing lighting fixtures in the parking lot and high traffic areas of the facility after an "energy audit." The church installed the energy-efficient lighting as well as solar panels just a few years ago. In March 2023, 97% of the church's energy was solar-generated. They not only received rebates from the power company upon installation but will also begin saving each month on their power bill in the third year of implementation. By reducing the church's utilities expense, they are freeing up more funds to be stewarded to their mission of welcome. In some locales, grant funds are available for these initiatives. Nonprofit or low-cost consulting can be utilized to help a church complete an audit and determine options for saving energy. Reducing expenses in such a way is theological both in how

congregations steward financial and environmental resources.

Hillside is also in the exploration phase of using part of its property as a site for Pee Wee Homes, a local nonprofit whose mission is to "create dignified, affordable, tiny homes in caring community for and with people transitioning out of homelessness." Tennant is the first to admit that the process and planning take a lot of time and work with the nonprofit and the town to reach implementation. He also says the church will pursue other options to use their space for expanded ministry and will remain responsive to ways to use their space for revenue in the future.

Tennant encourages small congregations to collaborate and explore all opportunities to make the church building welcoming and safe seven days per week, 12 months per year. Hillside is not a large church. They are a smaller congregation who have discerned and decided together to see each potential request to use their space as an opportunity for a new partnership, relationship, and act of welcome that helps them live into their mission. "Small churches have agility," he reminds us. Perhaps Hillside's story challenges your congregation to look with fresh eyes at outside requests to use the church's space. How can you reframe the challenges that come with sharing space to opening your space as a way to form new friendships with those in the community and to possibly generate extra revenue? What conversations would your church need to have to make sure you are hosting others with compassion, care and authentic welcome in every season?

10 Characteristics of *Sacred Spaces* Congregations

Time, Patience & Outside Conversation

These congregations take significant time to find the best partners with whom to share space. They make the effort to gain the congregation's trust. Further, they talk extensively with area stakeholders outside the church to know the real community needs.

A Willingness to Fail

Many of these churches explored other options before landing on their current arrangement. The fact that those possibilities were unsuccessful does not deter their work or the belief that a good space partner can be found.

An Honest Commitment to Sharing Space & Relationship Building

Truly sharing space with outside groups is hard, challenging work. These congregations continuously remind members that they can no longer think of their church property and facilities as only belonging to themselves. *Sacred Spaces* churches also build deep relationships with all groups sharing space on their campus.

A Relationship Manager Beyond the Ministerial Staff

Whether the responsibility falls on a staff member or a lay committee, these churches refuse to assign a pastor the responsibility of being the property manager. The ministers of these churches also embrace the need for others to oversee these relationships.

Transparency With the Congregation

In the exploration, negotiation and management phases, the congregation at large is kept aware of what the church is exploring. Once the arrangement is in place, the church remains knowledgeable of the relationship.

A Willingness to Continuously Dream

Many of these congregations ultimately pursue multiple facility-use agreements. They are constantly thinking about new and ever more creative ways to share their space and when possible, to generate revenue.

Creativity with Defining Monetization

Sacred Spaces congregations realize that monetizing their space can happen different ways. Sometimes, monetizing is the result of generating significant additional revenue such as through a lease of office space or a cell tower. It can also happen as enough funds are generated to offset the expenses of maintaining a building or running a ministry. Many of these churches are also willing to ask for donations when opening space to community members for events or services that have no explicit fee attached to them.

A Belief That Campus Usage Is an Expression of Stewardship & Discipleship

These churches believe that they are called to use their buildings and property as an expression of stewardship. They also believe that loving their neighbor means finding creative and generous ways of sharing space.

Careful With Tax & Business Implications

Sacred Spaces churches leverage their relationships with experts in their church and their community who can help them know tax requirements, have the right documents in place and commit to good business practices that are important when doing this type of work.

An Entrepreneurial Spirit & Willingness to Learn Along the Way

Sacred Spaces congregations embody a spirit that is open to trying things in areas where they are not experts but where they are willing to learn. Many of these churches have grown exponentially in their understanding of the ministries with which they have partnered and in the expressions of monetization that have benefited their churches over time.

Questions for Reflection

The following questions are intended to assist an individual, group or church committee in reflecting on the case studies presented in this resource. Our hope is that these thoughts enable the reader to not only learn from the stories but also to consider possible next steps in your own work with the property and facilities your congregation has been called to steward.

1. Which of the stories do you resonate with the most? Why?
2. When you interact with this resource, what possibilities come to your mind for your own congregation related to its property and facilities?
3. Based on these stories, what other leaders or members in the life of your congregation need to be involved in evaluating and dreaming about your church physical plant?
4. Which individuals in your community and outside of your church would be helpful partners in this process?
5. What will be required for your church to live into some of the dreams that you have?
6. What are the biggest challenges and obstacles that you foresee as your church continues to steward your property and facilities?
7. Other than financial gain, what do you see as some of the biggest potential benefits for your church in better using your physical plant moving forward?
8. When you read through the list of characteristics of churches that do this type of work well, what stands out to you?
9. Related to these characteristics of *Sacred Spaces* churches, which of these traits would be most challenging for your church? Which traits already exist within your congregation?
10. Beyond this resource, what are other types of resources would be helpful to you at this point as you continue to plan and dream?
11. Are there small, or one-time expressions of this type of work that your congregation could consider to test the waters?
12. What are two or three concrete next steps in this process for you or for your church? When would you like to have those next steps completed?

Financial & Other Considerations

Insights from Missional Business Services

Compiled by Nathan Edwards, Missional Business Services, Gadsden, Ala., *mbservicesllc.net*

1. **Truthfully articulate how the opportunity aligns with and/or supports the broader church ministry.** Does the opportunity help the church advance its mission and purpose? Does it generate cash flow for the church to support its primary ministries and activities? The answers to these questions are important for the church's approval and acceptance of the opportunity and can have bearing on important tax implications.
2. **Be discerning.** Not every opportunity is worth pursuing. Not every idea is a great one. Not every pitch is worth a swing. Something that works in one place may not necessarily work every place.
3. **Engage the appropriate experts to advise, represent and protect the church.** This is absolutely critical! The legal regulations, fiscal responsibilities and tax implications are vast and complex, and the risks are significant. Engaging the right experts (attorneys, CPAs, insurance representatives, appraisers, etc.) is critical and should not be avoided or undervalued.
4. **Be thorough in the due diligence process.** Work with the church's leaders and trusted advisors to carefully, completely and honestly consider the opportunity—its varied forms and structures, benefits, risks, costs and probability of success. Consider various scenarios—selling, leasing or partnering to achieve the desired outcomes. Ultimately answer the question: does the realistic benefit of the opportunity make it worth the costs (financial and otherwise) necessary to execute and maintain it?
5. **Be realistic in the time needed to fully develop the opportunity from concept to fulfillment.** Opportunities of significance should take time to develop. Diligence and discernment are critical steps that should be afforded appropriate time and space. Consider the size and scope of the opportunity when setting time expectations on the church and the other parties involved. And, be honest about the time in which outcomes are expected to be realized.

6. **Identify the human resources (staff and volunteer) needed to fully evaluate the opportunity, execute it and manage it going forward.** Every opportunity will require human time and energy. Carefully consider who will be involved at each step in the process from the beginning through the ongoing management after the transaction is completed. Determine if the church has the necessary resources available to fully achieve the desired outcomes.
7. **Be clear regarding who bears the risk for property-related loss.** Determining who is responsible for property-related losses isn't always easy. Don't assume understanding and agreement for who pays for property damages or claims occurring on the property. Be clear in the written documents who bears financial and legal responsibility for property-related issues.
8. **Decide the allocation of property-related revenue (and costs) as part of the decision-making process.** Be sure the church has a clear plan (and documented process) for applying the income and costs of the opportunity. Ensure that the church can provide a clear, consistent reporting of the finances to the appropriate parties.
9. **Income activities financed with debt introduce significant compliance complexities.** The federal laws and regulations related to debt-financed income are highly technical and complex. The church should engage appropriate tax counsel as early as possible to strategically plan and advise the church in order to minimize tax liabilities associated with debt-financed income activities.
10. **Ensure that ALL terms and expectations are properly documented and approved.** All agreements, terms, expectations, and understandings should be documented in writing. Follow the church's governing documents to comply with the appropriate order of church approval. Maintain fully-executed copies of all agreements related to the transaction.
11. **Ensure the church has appropriate insurance protection.** Work with the church's insurance representatives to verify that it is adequately covered for the risks to which it is exposed. When appropriate, obtain a Certificate of Insurance from other involved parties to confirm they carry adequate coverage to protect themselves and the church. Request to be named as an "additional insured" party on their property and liability policies.
12. **Monitor the transaction for important compliance considerations.** Situations change, as do legal and tax regulations. Work with the church's trusted advisors to monitor ongoing activities and determine if there are any property and/or income tax implications. These can be from federal, state and local authorities. Again, it is important to work with experts in these areas to identify the relevant regulations and to confirm compliance.

Other Resources

ORGANIZATIONS WITH SOME FOCUS IN THIS AREA

Rooted Good, Kerrville, Texas
Rootedgood.org

Bricks And Mortals, New York, N.Y.
Bricksandmortals.org

Partners for Sacred Places, Philadelphia, Pa.
Sacredplaces.org

Wesley Community Development, Huntersville, N.C.
Wesleycdc.com

Sympara, Raleigh, NC
Sympara.org

BOOKS

Generosity, Stewardship and Abundance: A Transformational Guide to Church Finance
Lovett H. Weems Jr and Ann A. Michel, Rowan & Littlefield, 2021

We Aren't Broke: Uncovering Hidden Resources for Mission and Ministry
Mark Elsdon, Eerdmans, 2021

Funding Ministry with Five Loaves and Two Fishes
Rosario Picardo, Abingdon, 2016

Transitioning Older & Historic Sacred Places: Community-Minded Approaches for Congregations and Judicatories
Rachel Hildebrandt with Joshua Castano, Partners for *Sacred Spaces*, 2021

The Coming Revolution in Church Economics
Mark Deymaz with Harry Li, Baker Books, 2019

A Future That's Bigger Than The Past: Towards the Renewal of the Church
Samuel Wells, Canterbury Press, 2019

Navigating the Future: Traditioned Innovation for Wilder Seas
L. Gregory Jones and Andrew P. Hogue, Abingdon, 2021

FINANCIAL CONSIDERATIONS

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