

# Mixed-Use Development and the Church



By Carol Badaracco Padgett

## A viable partnership for urban improvement or a mixed bag of tricks?

Think of the term “mixed use.” What do you envision? Perhaps the integration of a single building into a development of many buildings with different uses. Like maybe a yogurt shop settling in among a mixture of existing retail stores, a bank, and a few restaurants?

Or do you envision a series of buildings designed to go together and to house different, multiple occupants? Like maybe a master plan for a development that includes retail shops, apartments above the retail, a coffee shop, a sports facility, and other components—one of them potentially a church.

Both are considered mixed use, which comes in different forms, according to the

sources *Worship Facilities Magazine* talked with. But the discussion gets interesting when you look at church as one of the building components in the mixed-use equation of more secular community offerings. How do these disparate functions merge, and should they in the first place?

Read on to find out what a sampling of church-focused architects, builders, real estate professionals, and lenders have to say about the topic of mixed-use development and the role that church is playing.

### Where community and church mingle

According to Dave Benham, AIA, director of the faith-based studio with Greenville,

**“Throughout the history of human settlements, sacred space has been the ‘anchor tenant’ of mixed-use community centers.”**

Mel McGowan, President and Founder, Visioneering Studios, Nationwide



**D.C. METRO MULTI-SITE**

National Community Church (NCC) in Washington, D.C., is a ministry that lives up to its name. The multi-site church is part of the pulse of the D.C. metro community by offering fresh approaches, like its Ebenezers Coffeehouse location on F Street—transformed into a place of ministry each Saturday night.

*Rendering courtesy of Visioneering Studios.*

where people would typically go during their normal course of life, not to a distant location.”

And while it may seem that there’s a budding interest in including church in mixed-use development today, the concept actually has long-standing roots. Mel McGowan, president and founder of non-profit-owned Visioneering Studios, a nationwide church architecture and construction firm, says, “Throughout the history of human settlements, sacred space has been the ‘anchor tenant’ of mixed-use community centers. The prime spot in every community was reserved for this.”

And McGowan adds, “After the car and modern functional zoning, churches have been excluded from residential and commercial zones and left to find isolated parcels often in the cheapest available land.”

According to McGowan, much of Visioneering’s work in the past decade has been focused on bringing back

S.C.’s LS3P|Neal Prince architects, “I think the term [mixed use] has evolved as the need for concentric living communities has evolved [to include] work, live, shop, play, and worship. The churches may have been the last in the mix, but are definitely a major part of developments today.”

One of the biggest pluses for churches going into mixed-use developments, Benham reports, “is to build community



**“Churches should focus on ministry and ministry buildings and not get off track to become commercial developers.”**

Scott Rolfs, Managing Director, Ziegler and Co., Church and School Finance, Milwaukee, WI

TECHNOLOGY  
MASTER PLANNING

DESIGN  
ENGINEERING  
INSTALLATION



**Win an iPad**



**Register to Win a Free iPad at**  
<http://audioethics.com>

For complete detail and rules visit  
the web site or call 1-800-467-3709



**One of the biggest pluses for churches going into mixed-use developments “is to build community where people would typically go during their normal course of life, not to a distant location.”**

Dave Benham, AIA, Director of the Faith-Based Studio, LS3P|Neal Prince, Greenville, SC

the church into the heart of the community—or allowing real community to happen on and adjacent to church property.

Ray Robinson, vice president of sales and marketing with JCDM Church Builders of Joplin, Mo., also finds that churches have been historically involved in large-scale development. “For centuries church organizations have built convalescent schools, universities, hospitals and other large-scale projects as a result of their vision for outreach and compassionate ministries,” he notes. Robinson also cites Mark Chaves’ “National Congregations” study (1998) as showing that 57% of American congregations engage in some type of service to or activity with their community. “Such information [demonstrates] that the local churches were serving in ways beyond the typical worship experience,” he adds.

If churches are to succeed in their ministries and outreach initiatives, bringing the gospel to more people and demonstrating the principles Jesus taught, how will modern zoning and real estate issues affect the move to bring churches back to the heart of communities? Robinson says, “It must first be determined that this new direction of utilizing a mixed-use project

does not collide with modern zoning and real estate issues, which could impede bringing churches back into the heart of their local communities. If this occurs, then simple adjustments need to be made and, if necessary, the church vision adjusted to accomplish the goal of integrating the church within the marketplace once again.”

Even though churches have been part of large-scale development for centuries, Benham reports an emerging and modern architectural trend in recent years. “The new model intentionally integrates the church directly into the very fabric of mixed-use development,” he says. “[Church] is no longer set aside as a holy place rising above the messy commercial life of secular culture. Instead, the new church model lives right on the same level, becoming an active participant in everyday community life, making it a welcoming place for people who already feel at home in the shops and restaurants. And the new model does not [necessarily] look like a church; the architectural expression of this new church may look indistinguishable from the bookstore or office or exercise club.”

**Issues of real estate and smart choices**

To achieve a variety of uses at one location, including church, Matthew Messier, SIOR, CCIM, principal of CNL Specialty Real Estate Services of Orlando, Fla., reports that churches may be able to benefit from today’s economic climate. The shift in the economic climate, glum as it may seem, may ironically be a driving factor that allows some churches to find their way back into the middle of the settlement—in the heart of the action and the community.

“With the change in the economic climate over the last few years, many of the typical tenants who would have occupied these spaces have downsized, consolidated operations, or gone out of business,” Messier explains. “The amount of vacancy in retail and mixed use has forced landlords and lenders to look at ‘non-conventional’ users of real estate to fill this gap. Thus, we have seen a tremendous increase in churches, schools, and other such users moving into this space.”

The shift in economic conditions and the shift in tenants at prime community-centered hubs of real estate is often a boon

**“For centuries church organizations have built convalescent schools, universities, hospitals and other large-scale projects as a result of their vision for outreach and compassionate ministries.”**

Ray Robinson, Vice President of Sales and Marketing, JCDM Church Builders, Joplin, MO





**“The amount of vacancy in retail and mixed use has forced landlords and lenders to look at ‘non-conventional’ users of real estate to fill this gap.”**

Matthew Messier, SIOR, CCIM, Principal, CNL Specialty Real Estate Services, Orlando, FL

for churches on many levels. For example, prices for the vacant prime spaces are no long prohibitive for churches, Messier reports, and the existing parking around these parcels—oftentimes scaled to meet heavy retail demands—is also ideal for the needs of a church.

With the shift in economics and the weeding out of retail tenants comes a new outlook on churches inserting themselves into the middle of busy secular centers, Messier reports. “It is now being realized that churches are part of that equation and

can add value when part of the same complex, as church members buy groceries at the super market, cards at the card store, meals at the restaurant.... People like to work near where they live and people like to go to church close to where they live, so they all benefit each other,” he says.

Churches, then, may be more readily identified by the people they’re trying to reach when they’re occupying the same turf, Messier adds. Due to today’s economy and real estate vacancies, churches desiring to be in the heart of the action can oftentimes find their way back in.

The view from a lending perspective

Another irony in the mixed-use occupancy conundrum is that while vacancies exist in prime (and affordable), heavily community-traveled locations, funding can oftentimes be difficult to come by.

However, according to Kriss Murphy, senior vice president and sales manager with St. Louis-based First Bank’s Community First Financial Resources, church financing is not impossible to attain. “A church lender is going to underwrite the church’s ability to

**Dramatically Reduce Your Energy Bills!**



- Wireless & Wired HVAC Control
- Easy to Install, Program and Use
- Makes Your Facility an Energy Saving "Smart" Building
- More Affordable Than Any Building Automation System
- Our Church Customers Report 3 - 6 Month Payback
- Special Pricing for Non-Profit Organizations
- Same Simple Installation for Retrofit or New Construction
- Sign Up on Our Website for a Personal Webinar to Learn More



**Triple Green**<sup>SM</sup>  
Save Time • Save Energy • Save Money

**NETWORK**<sup>TM</sup>  
**Thermostat**

www.networkthermostat.com



Your affordable, easy to use, continuous payback energy solution.

**Sit. Stay. Good mulch.**



Without the need for annual re-application, Pinnacle Rubber Mulch costs **65%** less than wood mulch.

- Natural coloring lasts at least 12 years
- Resists floating and blowing away
- Will not attract insects or animals
- Does not compress or rapidly decay

**PINNACLE** Rubber Mulch

Made from 100% recycled rubber.  
Qualifies for LEED® credits.

www.pinnaclemulch.com  
800.961.0909





**The type of property or real estate is secondary “as long as the space meets the needs of the ministry and is within their budget.”**

Kriss Murphy, Senior Vice President and Sales Manager, First Bank, Community First Financial Resources, St. Louis, MO

service any proposed debt based [on] their financial condition,” she says. “This would require historic income, cash flow available for debt service, reserves after the required down payment, and continuing ability to fund their ministries.”

The type of property or real estate is secondary, Murphy reports, and has little bearing on a church’s ability to obtain funding, “as long as the space meets the needs of the ministry and is within their budget.”

In closing, Murphy counsels churches to work with a knowledgeable church lender

regardless of property type—a sentiment echoed by Scott Rolfs, managing director with Ziegler and Co.’s Church and School Finance in Milwaukee. “Churches should focus on ministry and ministry buildings and not get off track to become commercial developers,” he advises.

**Carol Badaracco Padgett is editor of *Worship Facilities Magazine* and *Worship Facilities DESIGNER*. She can be reached at [cpadgett@pmipub.com](mailto:cpadgett@pmipub.com).**

**QUICK-LINKS**

**CNL SPECIALTY REAL ESTATE SERVICES**  
(800) 400-5505 • [www.cnl.com/specialty](http://www.cnl.com/specialty)

**FIRST BANK**  
Community First Financial Resources  
(866) 766-2636 • [www.cffinancialresources.com](http://www.cffinancialresources.com)



**JCDM CHURCH BUILDERS**  
(417) 781-4288, ext. 213 • [www.jcdm.com](http://www.jcdm.com)

**LS3P|NEAL PRINCE ARCHITECTS**  
(864) 235-0405 • [www.ls3p.com](http://www.ls3p.com)

**VISIONEERING STUDIOS**  
(877) 258-7VSW • [www.visioneeringstudios.com](http://www.visioneeringstudios.com)

**ZIEGLER AND CO.**  
(414) 978-6576 • [www.ziegler.com](http://www.ziegler.com)



**ATLANTA RIGGING SYSTEMS**

- Audio Systems
- Speaker Clusters
- Lighting
- Projection Screens and Video
- Drapery
- Chain Motor and Truss Systems

Atlanta Rigging Systems  
1270 Tacoma Drive  
Atlanta, GA 30318

Office (404) 355-4370  
1-866-355-4370  
Fax (404) 355-4360

[www.atlantarigging.com](http://www.atlantarigging.com)