

★ The Episcopal Diocese of Texas

Building Churches Better

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TOPICS - BUILDING CHURCHES BETTER

- ★ Constitution and Canons
- ★ EDOT Resources
- ★ Preventative vs. Deferred Maintenance
- ★ Planning for Future Growth
- ★ Life-Cycle of Building Equipment
- ★ Church Inspection and Repair Recommendation Program (CHIRP)
- ★ Church Facility Options
- ★ Church Corporation approval process
- ☆ Insurance Claims

Constitutions & Canons: Episcopal Diocese of Texas

Section 2.9 Authority and Duties

The Vestry shall administer the temporal concerns of the Church in the Parish.

Section 3.1 Care and Use of Church Building

The Wardens shall have a care that the Church building(s) be opened for all services, rites, ceremonies, or other purposes, either authorized or approved by the Protestant Episcopal Church in the United States of America and in this Diocese and be kept in good repair.

What would it be like if we care
for our buildings, our property,
and all of our facilities like
“vessels on the altar?”

Facility Stewardship

Your ministry facility has been entrusted to You.

Therefore, you must be proactive in stewarding these assets, including your facility and everything inside.

God is the ultimate owner but has delegated stewardship to humans. Leviticus 25:23

EDOT Resources

- ★ **Jonathan Blaker** – banking, financing, bylaws, incorporation and property/casualty insurance
- ★ **David Fisher** – EDOT foundation contact: Church Corp.; Episcopal Foundation of Texas; Quin Foundation; Great Commission Foundation and Episcopal Health Foundation. Contact for diocesan Participating Fund
- ★ **Joann Saylor** – initial consultations regarding mission and capital campaigns
- ★ **Michael Hilfinger** – major repairs or renovations, expansion, land purchases and sales, master planning, new construction, Diocese maintains a network of real estate brokers, architects, engineers, contractors, and owner's representatives, CHIRP program

Preventative vs Deferred Maintenance

- ★ **Preventative Maintenance** – Periodic scheduling and planning of maintenance activities (inspections, adjustments, cleaning and minor repairs) – completion of CHIRP program
- ★ **Deferred Maintenance** – Deferral of repairs, replacement and unperformed projects that results in a progressive deterioration of facility condition The cost of the deterioration includes capital/operating costs

Deferring Maintenance

- ★ Can lead to extensive, long-term costs
- ★ Shorten life span of church assets
- ★ Reduced equipment efficiency
- ★ Safety and health risks to occupants
- ★ Increase downtime – and cost your church money
- ★ Entire system failure

Planning for Future Growth of Church

– Assessing Facilities Condition

Major Categories

1. Building exterior and surrounding grounds
2. Building interior
3. Machinery and operating equipment



Building Exterior

- ★ Exterior walls should be inspected every other year
- ★ Check for cracks, loose mortar, moss, water penetration, paint or sealant deterioration, to catch signs of building movement
- ★ In general, maintenance tasks will include (depending on building façade and age)
 - ★ Sealing of cracks
 - ★ Periodic touch-up paint
 - ★ Reapplication of waterproofing materials



Grounds Maintenance

- ★ Lawn Mowing, trimming plants, trees, and shrubs
- ★ Attending to and removing infected plants and trees
- ★ Maintaining irrigation systems
- ★ Clearing gutters, proactively checking for drainage problems (i.e. rainwater shouldn't run towards external walls or pool around the walls and walkways)
- ★ Keeping parking lots clean and free of cracks and potholes
- ★ Keeping walkways clear
- ★ Installing and maintaining fencing
- ★ Picking up litter



Roof and Ceiling

The roof plays a key role in preserving the structures integrity and longevity. Roofs can last between 30-50 years with right care. To avoid premature replacement of roof, ceiling and eaves, do the following:

- ★ Clean out roof drains and gutter regularly to remove accumulated debris/dead leaves and prevent rainwater pipe blockage
- ★ Check roof felt for wear and tear and signs of water penetration, replaced damaged portions
- ★ Check for signs of dampness, moisture, or rot in roof timbers and repair as required
- ★ Check for and remove bird nests and bat infestation in roof spaces
- ★ Check roof and gutters after a hail-storm.



Church Interior

- ★ Wall Maintenance
- ★ Floor Maintenance
- ★ General cleaning



Wall Maintenance

- ★ Check for signs of dampness on walls to ensure there is no water penetration
- ★ Use proper materials and techniques to repair – especially on historic churches
- ★ Check that all doors and door hardware are in good condition – that doors shut firmly – free from any kind of infestation

Floor Maintenance

- ★ Keep premises clean and disinfected – best option is to hire janitorial staff
- ★ Remove trash to designated disposal area
- ★ Dust off cabinets, shelves and chairs
- ★ Clean/disinfect all surfaces
- ★ Vacuum/seep floor and carpet areas
- ★ Make note of items that require repair - broken windows and doors, inoperative lights, damaged cabinets, etc. . .

General Cleaning

- ★ Ensure to clean high traffic areas often especially during flu and cold season
- ★ Bathrooms, kitchens and day care areas should be at the top of the list
- ★ Wipe down pews and chairs regularly
- ★ Disinfect door handles, light switches, desk-tops and arms on chairs
- ★ Establish a cleaning schedule

Life Cycle of Equipment

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Church Machinery and Equipment

- ★ **Firefighting installations:** Regularly crosscheck dates of last servicing and schedule times to test
- ★ **Electrical equipment :** Check for burned out bulbs, loose or frayed cables, excessive heat, vibration or unusual noise
- ★ **Audiovisual equipment :** Check for burned out bulbs, loose or frayed cables, excessive heat, vibration or unusual noise – Service strictly in accordance with manufacturer's recommendations
- ★ **HVAC equipment:**
 - ★ Make sure equipment is in accordance with original manufacturer recommendations
 - ★ Annual inspections of heating and cooling system

Church Machinery and Equipment

★ HVAC equipment

- ★ Change air filters according to manufacturer recommendation
- ★ Keep water drains clear of clogs and debris
- ★ Life Cycle typically 15-25 years

★ Plumbing

- ★ Regular inspections – preferable annual
- ★ Leaks – inspect pipes, faucets and fixtures
- ★ Drain Systems – check for clogs, clean them and address any blockage
- ★ Water Heaters – life cycle 10 to 15 years
- ★ Sump pumps – if church has a basement or below ground level



Life Cycle of Equipment/budgeting for replacement

- ★ Determine age of HVAC, roof, water heater and other equipment
- ★ Determine average life of equipment
- ★ Plan for repair or replacement
- ★ Procurement or repair – proactive budgeting can help
- ★ Life Cycle Costs – set aside \$1-\$3/sq a year (\$20,000 - \$60,000 for 20,000sf building)
- ★ Asset maintenance – preventive instead of reactive strategy

Regular Maintenance and Inspection Priorities

- ★ HVAC – contract with reputable commercial vendor for 6-month check-ups, filter changes
- ★ Roof should be inspected annually (gutters cleaned etc...)
- ★ Water heater and boiler inspected annually
- ★ Full checklist of preventative maintenance available



Choosing Commercial Contractors

- ★ Ensure that the contractors do work on commercial buildings
- ★ Explore their full scope of services
- ★ Bonded and Insured
- ★ Recommended 3 competitive bids – written contract
- ★ Strongly discourage from hiring, retaining or contracting with members of congregation

Church Inspection and Repair Recommendation Program (CHIRP)

- ★ EDOT will pay for baseline inspection/repair recommendations
- ★ Started in June 2022
- ★ CHIRP is on case-by-case basis
- ★ Contact Michael Hilfinger - mhilfinger@epicenter.org
- ★ EDOT will not pay for repairs
- ★ EDOT may assist/consult on financing strategy



Security and Emergency Plans

- ★ Develop a plan – may include
 - ★ Primary vehicular circulation away from building
 - ★ Clear Traffic management & circulation for vehicles/pedestrians
 - ★ Create one primary building entry
 - ★ Administration/reception located to have visibility to entry and primary parking
 - ★ Secure kids' areas and outdoor play
 - ★ Security considerations for 3rd party use
- ★ Engage local authorities/police and request input – do a drill
- ★ Meet congregation members/visitors in the parking lot – Hospitality Plan



Options for Worship Space

★ Lease Space

- ★ Look for 3,000 – 4,000sf to seat 150 -175 and have a few classrooms
- ★ Access to enough parking
- ★ Fire suppression system
- ★ Factor in tenant build-out costs
- ★ Least expensive and flexible option

★ Buy building

- ★ Quicker move-in
- ★ Less up-front cost than building
- ★ Renovation costs
- ★ Cash up front or financing required

★ Build new church

- ★ Customize space as needed
- ★ Longer process with architect and general contractor
- ★ Most costly option – cash up front or financing required

Facility Option Comparison Matrix

RENT A SCHOOL – 300 SEATS IN WORHSIP

	Rent (annual) -\$1300/week	\$ 67,600
FFE/AVL		
	Chairs/seats	Assumes Auditorium
	AVL- worship space	\$ 153,000
	Education environments- Theming, AVL, furniture, supplies	\$ 72,000
	Hospitality areas- branding, wayfinding, furniture	\$ 36,000
	Trailers/trucks	\$ 39,000
	SUBTOTAL	\$ 300,000
	TOTAL INITIAL COST	\$ 300,000
	TOTAL ANNUAL COST	\$ 67,600

Facility Option Comparison Matrix

RENT 15,000 SF COMMERCIAL BUILDING

Rent (annual) \$15/sf annual	\$ 225,000
CAM (Common Area Maintenance) \$2/sf annual	\$ 30,000
Janitorial, Utilities, general maintenance \$1.50/sf annual	\$ 22,500
TOTAL ANNUAL	\$ 277,500
STICKS and BRICKS	
Potential Cost of construction and/or TI	\$ 200,000
Building Soft costs	\$ 50,000
Contingency/Misc	\$ 50,000
SUBTOTAL	\$ 300,000
FFE/AVL	
Chairs/seats	\$ 30,000
AVL- worship space	\$ 150,000
Education environments- Theming, AVL, furniture, supplies	\$ 85,000
Hospitality areas- branding, wayfinding, furniture	\$ 20,000
SUBTOTAL	\$ 285,000
TOTAL INITIAL COST	\$ 585,000
TOTAL ANNUAL COST	\$ 277,500

Facility Option Comparison Matrix

Buy a 15,000sf Commercial Building

Utilities/Operational costs \$2/sf annual	\$ 30,000
Janitorial, Utilities, general maintenance \$5.50/sf annual	\$ 82,500
SUBTOTAL ANNUAL	\$ 112,500
STICKS and BRICKS	
Real Estate Cost	\$ 1,500,000 - \$100/sf for building
Potential Cost of construction and/or TI	\$ 2,250,000 – TI = \$150/sf
Building Soft costs	\$ 200,000 - design engineering, permits
Contingency/Misc	\$ 100,000
SUBTOTAL	\$ 4,050,000 – TI funds would need to be cash or unsecured loans
FFE/AVL	
Chairs/seats	\$ 45,000
AVL- worship space	\$ 225,000
Education environments- Theming, AVL, furniture, supplies	\$ 75,000
Hospitality areas- branding, wayfinding, furniture	\$ 20,000
SUBTOTAL	\$ 365,000
TOTAL INITIAL COST	\$ 4,415,000
TOTAL ANNUAL COST	\$ 112,500

Facility Option Comparison Matrix

Buy Land and Build 15,000 sf Facility

Utilities/Operational costs \$2/sf annual	\$ 30,000
Janitorial, Utilities, general maintenance \$5.50/sf annual	\$ 82,500
SUBTOTAL ANNUAL	\$ 112,500
STICKS and BRICKS	
Real Estate Cost	\$ \$900,000 6 acres/\$150k/acre
Potential Cost of construction and/or TI	\$ 3,300,000 – const. = \$220/sf
Building Soft costs	\$ 400,000 - design engineering, permits, insurance
Contingency/Misc	\$ 300,000
SUBTOTAL	\$ 5,400,000 – TI funds would need to be cash or unsecured loans
FFE/AVL	
Chairs/seats	\$ 45,000
AVL- worship space	\$ 300,000
Education environments- Theming, AVL, furniture, supplies	\$ 195,000
Hospitality areas- branding, wayfinding, furniture	\$ 20,000
SUBTOTAL	\$ 560,000
TOTAL INITIAL COST	\$ 5,960,000
TOTAL ANNUAL COST	\$ 112,500

Cost Comparisons for Options

	<u>Initial Cost</u>	<u>Annual Cost</u>
Rent Space at a school	\$300,000	\$67,600
Lease Commercial Bldg.	\$585,000	\$277,500
Buy a Commercial Bldg.	\$4,415,000	\$112,500
Buy Land and Build	\$5,960,000	\$112,500

Protestant Episcopal Church Council of the Diocese of Texas, “Church Corp.”

- ★ Holds title to real property (land & buildings)
- ★ Church Corp. meets about four times a year
- ★ Church Corp. approval required for:
 - ★ Major remodeling/repurposing space
 - ★ Installation of cemetery or columbarium, memorial garden
 - ★ Purchase, sale or lease of land or buildings
 - ★ Leasing of land or space to third parties
 - ★ New construction
 - ★ Considering a “Landmark” or “Historical Building” designation
 - ★ Encumbering existing property (loans, grants of right-of-way, easements)

Major renovations/additions/new buildings

- ★ Identification of need(s) among Vestry/Bishop's Committee
- ★ Form Building committee – determine funding for initial design work
- ★ Contact Diocese for counsel/recommendation architects, engineers, or other professionals
- ★ Select architect – planning process
- ★ Begin exploring financing alternatives/feasibility – ie. Loans, capital campaign
- ★ Review schematic design and preliminary cost
- ★ Building committee works with architect/contractor to align design to approved budget
- ★ Check in w/Church Corp. (David Fisher, Director of Foundations) Initial discussion on information to present and advance info packet that will go to trustees in advance of meeting
- ★ Vestry/Bishop's committee approves final scope and budget
- ★ Building committee finalizes construction drawing with architect and contractor.
- ★ Church Corp. approval

Insurance Claims/Building Restoration

- ★ Experience any loss/damage of property to theft, vandalism, fire, windstorm, broken pipes etc...
 - ★ Notify Jonathan Blaker (Director of Treasury)
 - ★ Contact Church Insurance to report loss
 - ★ Secure building to prevent further damage/loss
 - ★ Maintain detailed inventory of contents
 - ★ Take pictures
 - ★ The Diocese maintains lists of vendors who can assist (do not recommend contacting firms you do not know or insurance adjuster recommendation)