

# **Needs & Feasibility Study**

## **Consultant's Report & Recommendation**

[Sample Report]



## **Trinity Church**

City, State

Prepared by:

Dr. Rod Rogers

Abundant Giving

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AbundantGiving.com

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The conclusions and recommendations contained in this report are derived from information obtained from discussions or materials supplied by church representatives that are believed to be reliable and accurate. The information provided by the church has not been independently verified by the consultant. The statements contained herein are the conclusions or opinions of the consultant based in large part on this input. Because of the possibility of human error in the source material, the consultant cannot guarantee the accuracy, adequacy, or completeness of this information, and is not responsible for any errors, omissions, or conclusions contained in this report. No guarantee or warranty whether expressed or implied is made regarding the suitability for use or intended purpose of the recommendations herein.

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## **INTRODUCTION**

Abundant Giving is an experienced church consulting organization that has been successfully involved with church building projects across the United States. The mission of Abundant Giving is to minister to churches that are considering building or relocation programs. The scope of services includes needs and feasibility studies, visioning and church health, and coaching in both annual and capital stewardship.

### **Purpose of the Study**

In February of 2022, Trinity Church entered into a consulting agreement with Abundant Giving to assist the church in quantifying ministry needs, financial ability, and project feasibility in preparation for a planned building program. To this end, a variety of objective and subjective data points were collected, measured, and evaluated in order to:

- Develop an objective and fact-based understanding of ministry needs that will then serve as the basis for a church design.
- Develop a preliminary construction budget.
- Evaluate the congregational understanding of need, vision, and support for a building program.
- Ascertain the current financial and congregational readiness to move forward with a capital campaign and building program.

The results of this process and evaluation are now being conveyed to the church through this report and recommendation.

### **Organization**

This report is divided into 4 sections:

- Current Conditions & Findings
- Readiness to Build
- Space Planning Considerations
- Executive Summary, Recommendations, and Next Steps

### **Evaluation Process**

Information was requested and received from the church in advance of, during, and after a two-day on-site visit February 9-11, 2022. This data collection consisted of objective information including, but not limited to:

1. Church history
2. Vision & Mission
3. Current programs and ministries
4. Detailed attendance history
5. Multi-year financial reports

Objective demographic data was also obtained from the US Census.

Additionally, subjective information was obtained via:

1. Personal stakeholder interviews with 39 people: church staff, church leaders, ministry leaders, and influencers.
2. Telephone calls, video chats, and emails with church leadership.
3. Observations made during a two-day, on-site visit to the church.
4. Congregational Survey.

## **SECTION 1 – CURRENT CONDITIONS & FINDINGS**

### **I. Facilities and Land**

#### **A. Facilities**

The church facility consists of one building with about 20,000 square feet. It is a modest, low-profile, one-story structure. The exterior building, grounds and parking area are well-maintained.

The interior is attractively decorated with modern colors. The sanctuary is especially comfortable and attractive.

#### Sanctuary Space

The sanctuary has seating for 295 people on an ongoing basis and can hold up to 375 people for a special occasion. At the time of this report the average number of people in the sanctuary is 224.3 in the first service and 163.35 in the second. Based on the principle known as “sociological strangulation,” the sanctuary will feel full at 80% of its 295- capacity (236 people). According to members interviewed, the sanctuary frequently feels crowded in the first service. So, while there is room for significant growth in the second service, the first service is twelve attendees away from reaching its maximum comfort level.



#### Children’s Ministry Space

For the four-week period from Feb 27 through Mar 20, 2022, the church had an average, total, on-campus attendance of 292 in the first service, including 67.7 children in Nursery through the Middle School Youth Class (30.18% of the total). In the same period there was, on average, a total on-campus attendance of 190.75 in the second service, including 27.4 children (14.36% of the total). Classroom space for children in the first service is inadequate. There are too few square feet of available space to meet current classroom requirements. Everyone interviewed agreed that the children’s ministry space is much too small for the number of children in attendance. Obviously, in the first service there is no room for growth in the children’s ministry.

#### Office Space

Office space is woefully inadequate for the twelve office workers using the space per week.

### Fellowship Hall Space

When seated at round tables, the current maximum capacity is a very tight 120 people. For a church with an average Sunday morning adult worship attendance of about 400, the fellowship hall should be able to seat 280 people.

### Parking

The church has 197 parking spaces. During the four-week period from Feb 27 through Mar 20, 2022, the average number of cars in the lot during the first service was 168.5 (85.5% full). Research indicates that when parking reaches 80% of capacity (157.6), church growth will be hindered. According to members interviewed, the parking lot frequently feels crowded at the first service. Members speak of seeing people pull into the parking lot, cruise for a space, and then leave for lack of finding a spot. During the same four-week period, the average number of cars in the lot during the second service was 117.75 (59.4% full), allowing for further growth.

The ratio of people per car averaged 1.73 in the 1<sup>st</sup> service and 1.62 in the 2<sup>nd</sup> service. This is much lower than the national average of 2.25 people per car and requires more parking spaces per attendee. Presumably, in the future, as the church successfully reaches more of its target market of young families, ages 25-44, with children 18 and under, the ratio of people per car will increase to require fewer parking spaces.

## **B. Land**

### Location

The current church facility is situated at the intersection of Holiday Road (Highway 34) (a main thoroughfare) and Hampden Hill Road and has great visibility and access. The intersection is a prime commercial location which is in the process of development and is highly desirable to developers.

### Facilities and Land Conclusion

The church does not have enough space on its current land to expand or grow. It needs to find land and build a facility with appropriately sized space for all aspects of ministry.

## **II. Community Demographics**

I obtained a demographic study of the most current (2020), important US Census data for six radius rings around Trinity Church's address: 1, 3, 5, 7, 10, and 15 miles. (Although Trinity Church's goal is to reach people from up to a 20-mile driving distance, the study parameters only extended to 15 miles.)

Following are the items that stood out to me as having the most relevance for this study. (For the full demographics report see the Radius Report document that accompanied this report.)

### **A. Families with Children under 18**

This is an important statistic because Trinity Church's vision is to reach young families, ages 25-44, with children 18 and under.

Married Couple Family with Own Children under 18

- 1-5 Mile Radius: 5,709, 13% of households
- 7-15 Mile Radius: 48,869, 17% of households

Single Male Householder with Own Children Under 18

- 1-5 Mile Radius: 772, 2% of households
- 7-15 Mile Radius: 5,270, 2% of households

Single Female Householder with Own Children Under 18

- 1-5 Mile Radius: 3,257, 7% of households
- 7-15 Mile Radius: 19,039, 6% of households

A total of 73,178 families with children under 18 (25% of the households) live in the church's 1 to 15-mile target area. There is plenty of room for numerical church growth from this segment of the population. By themselves, the 24,309 single parent householders with children under 18 present a significant ministry opportunity.

**B. Average age**

Adults

- 1-5 Mile Radius:
  - 20 to 29: 15,689, 15%
  - 30 to 39: 14,211, 13%
  - 40-49: 13,729, 13%
- 7-15 Mile Radius:
  - 20 to 29: 95,714, 13%
  - 30 to 39: 91,340, 12%
  - 40-49: 92,192, 12%

There are 43,629 adults (41%) between the ages of 20-49 within a 1 to 5-mile radius and 279,246 (37%) within a 7 to 15-mile radius. This is a huge number of adults within the church's targeted adult age range.

Children

- 1-5 Mile Radius:
  - 9 and under: 10,668, 10%
  - 10-19: 11,475, 11%
- 7-15 Mile Radius:
  - 9 and under: 75,686, 10%
  - 10-19: 91,600, 12%

There are 22,143 children (21%) between the ages of 0-19 within a 1 to 5-mile radius and 167,286 (22%) within a 7 to 15-mile radius. This represents a huge number of children within the church's targeted children's age range.

## **D. Race and Ethnicity**

- 1-5 Mile Radius:
  - White: 67,011, 63%
  - Black: 9,675, 9%
  - Hispanic: 22,272, 21%
- 7-15 Mile Radius
  - White: 503,529, 68%
  - Black: 51,831, 7%
  - Hispanic: 130,104, 18%

The church membership is composed of similar percentages of these three largest ethnic groups:

- White: Community – 68%; Church – 71.3%
- Black: Community – 7%; Church – 6.6%
- Hispanic: Community –18%; Church – 17.7%

The church is doing a good job of reaching multiple ethnicities in proportion to their presence in its ministry area.

## **E. Population Growth**

Projected growth for the counties in the census report is extremely low: 0% for Thompson, 1% for Harrison, 2% for Newton, and 2% for Billesley. The lower the level of population increase, the more difficult it is for a church to grow. Fortunately, there is already a large population in the church's targeted area: 106,169 within 1 to 5 miles, and 740,562 within 7 to 15 miles.

## **III. Personal Interviews**

Over the course of three days (and a couple of days upon my return home), 39 people (14 couples and 11 individuals) were interviewed about their area of responsibility or service and the church in general. Interviews were conducted in private and averaged forty minutes in duration. The goals of the interviews were to evaluate support for building, get input from ministry leaders on what type of space was most needed, to quantify what space issues their specific ministry may have, to evaluate congregational morale, to discover strengths, and to listen for areas of concern.

I was impressed by the fact that there was 100% agreement on the following strengths of the church which were frequently mentioned:

Family atmosphere: Almost all interviewees used words like “love,” “family,” “friendly,” and “unity” to describe Trinity Church and to explain why they stayed at the church. I sensed this unusual level of love in my interactions with everyone I met in my visit to the church. This is perhaps the most welcoming, loving group of churchmen I have ever met.

Wise leadership: There was overwhelming agreement that the church leaders are wise, godly, biblical, bold, open, and always striving to improve. One person spoke of an “attitude of continuous improvement.” This wide-spread respect for the leaders at TC is one explanation for the extremely high level of morale I observed in my visit.



Spirit-filled worship: Almost all interviewees mentioned the quality and the Spirit-filled nature of the worship services as a major reason for their continued involvement at TC.

Biblical preaching: This was the most frequently mentioned strength of Trinity Church. Without exception the interviewees expressed their respect and admiration for Pastor Rick's unapologetic preaching. They used words and expressions such as "biblical," "bold," "no sugar coating," "direct," "black and white," "not PC," "real," "tells it like it is," "meat and potatoes," "bottom-line," "doesn't water it down," "life-related," and "practical life application."

Wide variety of ministries: Many interviewees mentioned the fact the church has "something for everyone." No matter what the need, the church offers a ministry to help.

Service orientation and opportunities to serve: Many of those interviewed also mentioned the fact that the church effectively encourages people to get involved in ministry and several noted that the example of humble service set by Pastors Rick and Miriam has had a huge impact on the service culture at TC. Interviewees agreed that there is a huge variety of opportunities for service. It is not difficult to find a place to serve and get involved.

Community outreach: Most interviewees believed that the church is doing well on community outreach, with only a few indicating that they would like to see more done in this area.

Several people also favorably mentioned Trinity's global outreach and the Bible school.

#### Support for the Pastoral Succession Plan

Without exception, everyone was 100% positive and enthusiastic about Pastors James and Elizabeth succeeding Pastors Rick and Miriam when the time is right. (Interestingly, no one offered an opinion as to when that right time might be. There doesn't seem to be a sense of urgency.) There was unanimous agreement that Pastors James and Elizabeth are a godly couple with complementary strengths who will do a great job as the lead pastoral couple.

#### Support for the Need to Build

There was 100% agreement that the church desperately needs to build a larger facility to alleviate severe space problems in all aspects of ministry. The areas most frequently identified as having the greatest need for more space were 1) the children's classrooms, 2) the sanctuary, 3) the administrative offices, and 4) the parking lot.

#### Why People Leave Trinity Church

Those interviewees who indicated that they knew people who had left the church mentioned the following reasons for their exit: 1) Offense at Pastor Rick's biblical, non-PC preaching by people who are politically correct or in support of Black Lives Matter, 2) Disagreement with the Covid measures taken by the church, 3) Hurt pride when they didn't get a title/position they wanted (such as deacon or elder), or when they were asked to step down from a position, and 4) Grudges. No interviewee said that anyone who left disgruntled had a biblical reason for their complaint.

#### Areas Needing Improvement

Most interviewees couldn't think of any areas needing improvement. Five individuals said that the young adult ministry needed improvement. A couple of people mentioned a desire for more

evangelism. Two others noted that there is a problem getting enough volunteers to usher and that this had caused a problem with being able to offer communion. A couple of interviewees would like to see even more community outreach. One thought the transportation ministry could be improved with another van and two drivers. And one person mentioned it would be good if the services ended on time to avoid problems in transitioning from the first service.

Conclusions From Personal Interviews

The church leaders interviewed demonstrated an unusually high level of morale and unanimity in their perceptions of the church as a place where people are loved, wisely led, biblically taught, engaged in spirit-filled worship, cared for, and involved in ministry. The interviewees overwhelmingly agreed that the church needs to build a new facility to relieve the space pressure felt in every area, but especially in the children’s ministries, Sunday morning services, office administration, and parking.

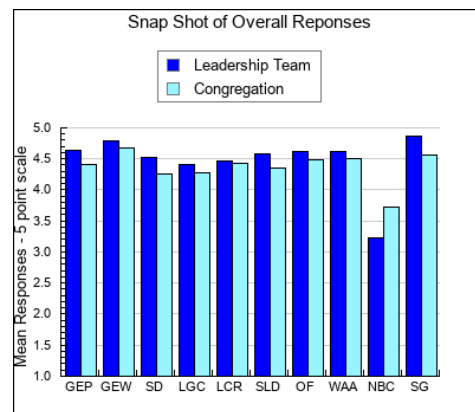
**IV. Congregational Survey**

The congregation was asked to complete a professional online church survey called CHAT (Church Health Assessment Tool) by Leadership Transformations, Inc. Out of a total attendance of 425 adults, 181 (43%) completed the survey. The primary purpose of the survey was to determine congregational readiness to build by evaluating congregational morale, the level of trust and agreement between the leaders and the people, the spiritual depth of the people, and the strengths and weaknesses of the church.

Since the church may refer to the full survey results accompanying this document, I will just call attention to the items that stood out to me as having relevance for the purpose of this report.

Consistently High Marks on the Characteristics of a Healthy Church.

As you can see in the graph to the right, both leaders and members gave scores of 4.2 or higher to every category except #9, NBC-Networking with the Body of Christ. There is no glaring weakness in any of the nine characteristics of a healthy church that relate to internal dynamics. Trinity Church is spiritually healthy.



Extensive Agreement Between the Leadership Team and the Congregation.

Although the leadership team gave higher marks than the congregation to all but one category (#9, NBC-Networking with the Body of Christ), there were no stark differences in the evaluations. This means that the leaders and members share a similar perspective on almost all areas of ministry.

Driving Distances Consistent with Church Vision

The church’s target market is young families who live within a 20-mile radius. The survey shows that 85% of the members, and 93% of the leadership team, live within 1-19 miles of the church. To break it down further, 41% of the members and 34% of the leaders live with 1-9 miles of the

church, while 44% of the members, and 59% of the leaders live within 10-19 miles. Slightly more people drive 10-19 miles than 1-9 miles to church. This confirms that the church is able to attract people from up to 20 miles away and that the target market distance is valid.

#### Faithfulness in Church Attendance

Another notable finding from the congregational survey is the high degree of faithfulness in church attendance. One hundred percent of the leadership team attends four times per month. Of the members, 95% attend three to four times per month, with 85% attending four times per month. These are excellent attendance statistics and indicate that people are truly connected with Trinity Church and that it is their church in more than name only.

#### Support for a 3<sup>rd</sup> Service on Saturday Night

In answer to the custom question “If the need should arise in the (near) future, do you feel that a Saturday night service would be a good option for a 3<sup>rd</sup> service?”, 75% of the members and 69% of the leaders said “Yes.” The fact that fewer leaders than members are in favor possibly has to do with the fact that the leaders are more aware of the extra work and workers needed to implement a 3<sup>rd</sup> service. It is important for the church staff to discuss the concerns the leadership team has about adding a Saturday night service.

#### High Marks for Stewardship and Generosity

Trinity Church received extremely high marks on this 10<sup>th</sup> characteristic of a healthy church. The congregation rated it a 4.6, second only to God Exalting Worship. And the leadership team gave it a rating of 4.8, the highest mark of all ten characteristics. The mean score in response to the question “From your perspective, how well does our church operate with financial integrity and accountability? (SG)” was 4.64 by the congregation and 4.89 by the leaders. This is very encouraging because a church’s trust in the leadership’s handling of finances is a key ingredient in a successful capital campaign and building project.

#### High Marks for Wise Administration and Accountability

The eighth characteristic of a healthy church in the survey is “WAA-Wise Administration and Accountability.” The congregation gave this area a score of 4.5 and the leadership team marked it at 4.6. As with stewardship and generosity, high marks here indicate strong confidence in the church leadership which will make it likely that the congregation will enthusiastically follow them into a capital campaign and building project.

#### Need for Financial Reporting to The Congregation.

In the additional comments section about characteristic #10, SG-Stewardship & Generosity, many people affirmed total confidence in the leadership’s integrity and handling of the church’s finances, while noting matter-of-factly that they don’t have access to financial reports or that they don’t know what’s happening in this area. Making annual budget and regular financial reports readily available could prevent any future questions or accusations of financial impropriety. (“People tend to be down on what they are not up on.”) This transparency will be especially important when the church grows larger and quickly upon moving into a new facility.

#### Conclusions from the Congregational Survey

The results of the congregational survey indicate that Trinity Church has the necessary spiritual depth, morale, stewardship commitment, trust between leaders and members, unity of purpose, and overall strengths needed to launch a successful capital campaign and building project.

## **SECTION 2 – READINESS TO BUILD**

### **I. Strategic Readiness**

#### Staffing

With the anticipated hire of an Assimilation Pastor, Trinity Church is sufficiently staffed, counting both paid and volunteer staff, to allow it to triple in size, growing to 1,200 attendees in three years.

#### Vision

Trinity Church’s mission is to “glorify God by transforming people into fully committed followers of Christ who boldly advance the kingdom of God.” It is further summarized as “connecting people with Christ, family, and purpose.”

The mission is clearly communicated on the church’s website, on a prominent wall in the facility, and through biblical preaching and leadership. The personal interviews I conducted clearly indicate that ministry leaders understand and fully support the mission, and that they believe the church is fulfilling it. Likewise, the results of the congregational survey show that the vast majority of leaders and members support the mission and vision and recognize the church’s success in pursuing it.

#### Unity Between Leadership and the Congregation

In the congregational survey there was remarkable agreement between the leadership and the congregation in their answers to almost all questions. It was especially impressive that leaders and members identified the same top three greatest strengths of the church as well as the same top three areas most in need of improvement.

#### Strategic Readiness – Summary

It is my opinion that from a staffing, mission, and unity standpoint Trinity Church is well-positioned strategically to move forward successfully on a capital fundraising and building project.

### **II. Spiritual Readiness**

#### Evidence from Personal Interviews

I was impressed with the genuine love for the Lord, for Trinity Church, and for other people expressed by the interviewees. (I personally felt this love in the way they interacted with me, a total stranger.) This says a lot, since the two greatest commandments are to love God and to love other people. The interviewees all said that they felt the presence of God in the services, that they

were spiritually impacted by the sermons, and that they were growing spiritually. They all spoke enthusiastically about serving in the church.

#### Evidence from the Congregational Survey

It is highly significant that both the congregation and the leadership team chose the following same three traits as one of the top three strengths of the church:

1. God-Exalting Worship. This means that your church offers this kind of worship, highly values it, and finds it to be uplifting and meaningful.
2. God's Empowering Presence. This tells us that the congregation as a whole actively seeks the empowerment of the Holy Spirit for daily life and ministry and that it clearly senses God's presence when you gather for worship, fellowship, and service to others.
3. Spiritual Disciplines. This indicates that your people are regularly involved in personal prayer, Scripture reading, and personal reflection in their pursuit of a holy life.

Also, in answer to the custom question "How would you rate your spiritual life currently?", the leadership team gave themselves a score of 4.59 (out of 5-Vibrant and growing) and the congregation rated themselves at 4.18.

According to the congregational survey, Trinity Church is a spiritual healthy congregation.

#### Evidence from Generous Giving

Since Jesus said, "For where your treasure is, there your heart will be also" (Matt. 6:21), I believe that the truest indicator of a person's spiritual commitment is his giving. The amount of giving per person per year at Trinity Church is more than four times the national average in protestant churches. (See more about this below under "Financial Readiness.") This tells us that the people in your church are true disciples who have yielded their possessions to the Lord.

#### Spiritual Readiness – Summary

Based on the evidence from personal interviews, the congregational survey, and generous giving, I believe Trinity Church is spiritually healthy and prepared to raise money and build for the future.

### **III. Financial Readiness**

#### **A. Financial Analysis**

A church's financial ability to build is based on four fundamental factors:

1. Cash on hand that can be applied to a building program.
2. The money the church is able and/or willing to borrow.
3. Money from the sale of capital assets, such as land and buildings.
4. The additional money the church can raise before the end of construction through a capital campaign.

The sum of these four factors makes up the *total* project budget including preparation, site work, construction, soft costs, furniture fixtures and equipment (FF&E), and contingency.

### 1. Cash on Hand

As of February 2022, Trinity Church had cash assets of \$822,968. The church would be unwise to invest all its cash in a building program. The church should typically retain *at least* three months operating expenses in the bank to cover potential short-term cash shortfalls and/or emergency repairs or expenses. In the case of Trinity Church, this three-month operating cash reserve would be at least \$393,767.

1. Cash	
Total Cash on Hand	822,968
Less Operating Reserve (3 mos)	393,767
Cash Available to Building Program	429,201

While the final decision on how much cash should be retained in reserve resides with church leadership, for the purposes of calculating the church’s financial ability to build, the cash on hand for a building program is calculated as indicated in the table to the right.

The church’s *current* cash available for a building program is \$429,201. From start to finish, a building program can be expected to take up to 18 months, sometimes more. If the church were to start building today, which it is not yet ready to do, it would be expected that the church would continue to accrue additional cash from operations during that time. Since the church is expected to continue to have a net positive operational cash flow into the future, this would add to the future amount of cash available for a building program. This *potential* gain, however, is *not* factored into this conservative financial projection.

### 2. Cash Flow & Ability to Borrow

#### a. Cash Flow

While there are many factors that go into a lender’s decision regarding the church’s financial ability to borrow money, their decision is most influenced by net cash flow. Net cash flow is the difference between operational income and operational expense (excluding designated giving and pass-thru giving).

In today’s economy, lenders need to see a *demonstrated* ability to make the mortgage payment out of current cash flow. In essence, the church needs to be able to demonstrate a history of being able to “make the mortgage payment to itself” through retained income. In other words, the church needs to show it is saving more money monthly than the mortgage payment will be.

In determining a safe loan amount, a lender will evaluate the net cash flow, make adjustments for unusual or extraordinary expenses, and then apply a factor called a “debt service ratio” to determine the monthly amount available for debt service.

#### b. Borrowing Ability

Based on demonstrated net operational cash flow in 2021, the church has a projected ability to borrow approximately \$1,200,000. This ability was calculated using an interest rate of 6.5% on a 25-year amortization schedule, providing a monthly principal

2. Borrowing Ability	
Based on Annual Cash Flow History (\$100K)	1,200,000

and interest payment of \$8,333.33. This payment was derived by dividing the annual amount available for debt service by 12 months (\$100,000) and then applying a debt service ratio of 1.1. The amount borrowed will be the *lower* of either what the lender will approve or the church feels comfortable in borrowing. It should also be noted that interest rates are expected to rise, which in the future will reduce the amount borrowed for a given payment.

### 3. Capital Campaign

#### a. Importance of a Capital Campaign

A critical financial component of almost every building program is a freewill offering for the construction of the building. And this is no less true at Trinity Church. Generally referred to as a capital campaign, it is a God-honoring and congregation-respecting process to raise additional funds for your building program. All throughout the Old Testament, we read that anytime something needed built, expanded, or repaired, God’s people gave above and beyond the tithe in freewill offerings. A proper church capital campaign teaches biblical principles of stewardship and is based on both the unchanging word of God as well as the best practices for communicating and calling people to action.

#### b. Determining Campaign Goals

Historically, the bell curve of financial results from a professionally facilitated capital campaign demonstrate that the church can be expected to raise, over a three-year period, between one and three times the current annual general fund income from tithes and offerings.

Therefore, it is reasonable to expect Trinity Church to raise somewhere between \$1,800,000 and \$5,400,000 over a three-year giving period. Factors that will affect this total are vision, need, project support, spiritual health, financial ability of the members, the general economy, the local economy, and adherence to proven best practices in executing biblical stewardship campaigns.

In the USA, giving per person in Christian churches is \$884 per year. But giving per person per year at Trinity Church is an astounding \$4,394—more than four times the national average. I believe this is because some members have a higher than usual level of income, many generous members have a deep commitment to the Lord and to the church, and the pastors have provided excellent stewardship instruction and leadership. These are indicators that Trinity Church is prepared to enjoy a very successful capital campaign.

#### c. Two Kinds of Campaign Goals

It is customary in a capital campaign to set two goals: a Praise Goal that the church is very likely to surpass, and a Vision Goal that will encourage sacrificial giving. Based on my experience with other churches and the factors mentioned above, I think a Praise Goal of \$2,700,000 (1.5x income) and a Vision Goal of \$3,600,000 (2x income) would be appropriate. As the campaign progresses, these goals may be adjusted as additional information may dictate.

<b>3. Capital Fundraising (Based on 2022 \$1,800,000 budget)</b>	
Praise Goal (x1.5)	2,700,000
Vision Goal (x2)	3,600,000
Working Goal for Budget	3,150,000

#### d. Recommended Goal for the Building Budget

While I believe that the Vision Goal is well within the reach of the church, given the current state of the US economy I am making a conservative estimate of 1.75 times income, or approximately \$3,150,000, over a three-year giving period. From the giving records it appears that some individuals in the congregation have the financial ability to make major contributions and, if stirred to do so by God, could greatly increase the financial result.

e. Capital Campaign Start Date

While the church has raised money in the past for building, there is no current capital fundraising in place for the future. Because a capital fundraising campaign is essential for the building program, I recommend that Trinity Church try to begin one *no later than* the fall of this year.

4. Sale of Assets

The church owns its current facility that could be sold, with the proceeds going toward the new building program.

a. Current church facility (\$4,000,000)

This estimation of value is based on input received from church members and/or staff. I present this estimate without either comment or an evaluation of value which I am not qualified to perform.

<b>4. Sale of Assets</b>	
Sale of Current Building	4,000,000

b. Challenge related to selling the current facility

The church could sell the current facility and then apply the proceeds to the new facility. The challenge this presents is that the property is critical to the day-to-day operation of the ministry. As such, to be able to apply the proceeds from its sale to the building program, one of the following would have to be true.

1. The church leases another space for the ministry, freeing up the property to be sold outright.
2. The church finds one or more buyers for the church who is willing to provide contract for sale with a close date after construction of the new facility is complete *and* a lender is found who is willing provide a bridge loan against the contract over and above the construction loan.
3. The church finds a buyer for the property willing to lease it back to the church until it can take possession of the new building under construction.



## B. Financial Analysis Summary

### Projections Subject to Refinement

This estimated, preliminary project budget contains forward-looking projections and assumptions that are believed to be reasonable and achievable. The financial analysis presented herein is conservative in that it does *not* take into account increased tithes and offerings from growth. Currently the church is projecting such an increase of 5-7.5% which would raise both the church's ability to borrow as well as the cash on hand at the beginning of construction.

These projections may be refined as more data becomes available. The final budget may vary based on the success of the financial strategies contained herein.

### Maximum Working Budget

The calculations described in this report provide a working maximum budget. The maximum is just that, an upper limit based on what the church currently demonstrates as its financial ability.

### Expenses and the Working Budget

Please also note that all expenses related to the building project, from this point forward, should come out of the project's working budget. The working project budget should include but not be limited to:

1. Surveys, soil tests, environmental assessment(s)
2. Annexation (optional)
3. Site plan, concept drawings, engineering drawings, working drawings
4. Costs associated with executing a successful capital campaign
5. Costs associated with the sale of the current real estate assets
6. Utility hookups
7. Site work including storm water management

<b>Financial Analysis Summary</b>		
		<b>2021</b>
<b>Income</b>		
	Contributions Income	1,710,380
<b>Expense</b>		
	Net Operational Expense	1,575,067
<b>Net Operating</b>		
	Net Operational Cash Flow	162,880
	Less Wages for New Staff Member	62,8880
	Max Available Annually for Debt Service	100,000
<b>Preliminary Building Budget Breakdown</b>		
<b>1. Cash</b>		
	Total Cash on Hand	822,968
	Less Operating Reserve (3 mos)	393,767
	Cash Available to Building Program	429,201
<b>2. Borrowing Ability</b>		
	Based on Annual Cash Flow History (\$100K)	1,200,000
<b>3. Capital Fundraising (Based on 2022 \$1,800,000 budget)</b>		
	Praise Goal (x1.5)	2,700,000
	Vision Goal (x2)	3,600,000
	Working Goal for Budget	3,150,000
<b>4. Sale of Assets</b>		
	Sale of Current Building	4,000,000
<b>Building Project: Preliminary Maximum Working Budget</b>		<b>8,779,201</b>

8. Possible street improvements (acceleration/deceleration lanes)
9. Construction loan interest and other soft costs
10. Contingency and cost overruns
11. Furniture and fixtures
12. Audio and visual systems
13. Stage lighting
14. Landscaping & signage
15. Building construction
16. Parking and sidewalks
17. Playground or outdoor play equipment
18. Fencing
19. Lawn maintenance and other external storage
20. Paint on the walls, carpet on the floor, and light bulbs in the sockets, ready to “do church”

## **SECTION 3– SPACE PLANNING CONSIDERATIONS**

### **I. Resolving Space Constraints**

Given the limits of the current land and facilities, I believe, as the church leadership has already planned, that the best way to relieve overcrowding is to offer a third service.

#### Classroom Capacity

The best solution is to offer a third service.

#### Office Administration Capacity

There is no room to add more office space in the current facility. I believe the best solution, since the church is eager to move forward in a building program, is to temporarily use unoccupied classrooms and/or the fellowship hall during the week.

#### Fellowship Hall Capacity

For fellowship functions that take place outside of regular service times, and that need to include the entire church family, I recommend that the church use the sanctuary.

#### Parking Capacity

Since the church has no available land on which to expand the parking lot, the only way to solve the parking space issue is to offer a third service.

#### Increasing Space - Summary

Given the limits of the church’s current facilities and land, I recommend that the church move forward with its one-year goal of starting a third, Saturday night service to reach a total attendance of 670 by December 31, 2022. There is good reason to believe that a significant majority of the members will support this move because, in the congregational survey, 75% of the congregation and 69% of the leadership agreed that “a Saturday night service would be a good option for a 3rd service.”

## **II. Land and Facilities Needed to Achieve the Vision**

### Limits in the Proposed land Purchase

Currently the church is negotiating for 9.47 acres of land. This is enough property on which to build a church big enough for approximately 947 attendees in one service, 1,894 attendees in two services (exceeding your three-year goal of 1,200 by 694 people), and 2,841 attendees in three services. *But it is not enough land to accommodate your ten-year target of 7,000 in attendance.* To be able to reach its ten-year goal, the church will need to purchase *a minimum of 23.33 acres* to serve 7,000 people in three services.

### Facilities and Land Needed

Below I have listed the church's three- and ten-year attendance goals with the size of building and land needed to accommodate them, based on the number of services offered. The sizes were determined by applying generally accepted church building guidelines.

The sanctuary size was established by assuming that 30% of the attendees in any service are in the children's ministry (Trinity Church's current 1<sup>st</sup> service percentages) and subtracting that number from the total attendance. The building size was determined by multiplying the number of seats in the sanctuary by 50 square feet (a broad guideline based on the average ratio between seats and overall building size). And the building cost was determined by multiplying the square feet in the building by \$200 (a number given to me by a realtor at Trinity Church). Obviously, these are only rough estimates, based on average church construction figures. Trinity Church's specific, unique needs and wants will result in different figures.

The number of acres is based on the need for one acre per each one hundred people on site at the same time. Parking is determined by dividing the total attendance by the average number of people per car. Since Trinity Church's per person parking ratio is lower than the national average of 2.25, I have used a ratio of 2.0 people per car for the one service church option listed below (since single service churches need less parking) and a smaller ratio of 1.62 people per car for multiple services (since multiple services require more parking).

### **Three-year Goal: 1,200 Attendees**

#### **One Service (1,200 attendees)**

Children's ministry: 360  
Sanctuary seating: 840  
Building size: 42,000 sq. ft.  
Building cost: \$8,400,000  
Land: 12 acres  
Parking: 600 spaces

#### **Two Services (600 attendees/service)**

Children's ministry: 180  
Sanctuary seating: 420  
Building size: 21,000 sq. ft.  
Building cost: \$4,200,000

Land: 6 acres

Parking: 370.37 spaces

[Note: Because of the unique space needs and wants requested by the leadership, the building size listed here is smaller than that in the specific plan designed for Trinity Church below.]

**Three Services (400 attendees/service)**

Children's ministry: 120

Sanctuary seating: 280

Building size: 14,000 sq. ft.

Building cost: \$2,800,000

Land needed: 4 acres

Parking needed: 246.91 spaces

**Ten-year Goal: 7,000 Attendees**

**One Service (7,000 attendees)**

Children's ministry: 2,100

Sanctuary seating: 4,900

Building size: 245,000 sq. ft.

Building cost: \$49,000,000

Land: 70 acres

Parking: 3,500 spaces

**Two Services (3,500 attendees/service)**

Children's ministry: 1,050

Sanctuary seating: 2,450

Building size: 122,500 sq. ft.

Building cost: \$24,500,000

Land: 35 acres

Parking: 2,160.49 spaces

**Three Services (2,333.33 attendees/service)**

Children's ministry: 700

Sanctuary seating: 1,633.33

Building size: 81,666.5 sq. ft.

Building cost: \$16,333,300

Land needed: 23.33 acres

Parking needed: 1,440.33 spaces

Obviously, many of the above-mentioned options are completely cost prohibitive. For example, to build a facility to house 7,000 attendees in one service would cost \$49,000,000—not including the price of the land! These were included so that the church could see all the options for a basis of comparison as it considers the various alternatives.

### **III. Space Analysis for New Building**

Space planning is a balance between what the church needs in order to support ministry and ministry growth, what it wants, what it can afford, and what the land will support.

The table on the following two pages presents an analysis of how much space the church would need—if it built everything it dreamed of—to serve 1,200 attendees in two services, with a seating capacity 40% larger than your current sanctuary. It applies generally accepted church space guidelines to your programs to provide a total space plan broken down by ministry area. It will serve as a point of reference in overall planning and working with an architect. Using it, the church can remove and/or change the size of spaces such as the children’s indoor playground, an art studio, or a dedicated fellowship hall to design a facility that best meets its ministry needs while fitting within the budget.

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MINISTRY SPACE			
SUNDAY MORNING SPACE (One Service - 600 Attendees: 420 Adults. 180 Children. Vision Goal: 1,200 in 2 Services)			
<b>Sanctuary</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Sanctuary	420	13	5,460
Stage (10 instruments; 10 choir members )	20	25	500
<b>Total Sanctuary</b>	<b>440</b>	<b>38</b>	<b>5,960</b>
<b>Performer Care</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Backstage Green Room -Worship & Production	25	20	500
Backstage Green Room – Worship & Production Bathroom			36
Backstage Green Room – Speaker’s Room	6	20	120
Backstage Green Room – Speaker’s Room Bathroom			36
<b>Total Performer Care</b>	<b>31</b>	<b>40</b>	<b>692</b>
<b>Production/Security</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Broadcast/Audio Room	4	20	80
Soundproof Production room with window	6	20	120
Translation Room (with window)	2	20	40
Security Command Station with monitors	4	16	64
<b>Total Production/Security</b>	<b>16</b>	<b>76</b>	<b>304</b>
<b>Fellowship</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Foyer	387.65	3.5	1,357
Fellowship Hall	420	15	6,300
VBrew (café)	10	25	250
Gym - full court with locker rooms/shower (If used as Fellowship Hall, delete 6,300 Sq Ft for separate FH)			8,000
Kitchen (Larger, with multiple stoves and cooking stations and commercial dishwasher)			900
Art Studio	5	120	600
Dance Studio	5	100	500
<b>Total Fellowship</b>	<b>827.65</b>	<b>263.5</b>	<b>17,907</b>
<b>Children (combined services)</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Children (combined services)	6	20	120
Nursing mothers’ room	6	20	120
Nursery (6-17 mos)	18	35	630
Toddlers (18-35 mos)	26	35	910
Preschool (3-4 yrs)	40	25	1,000
Early Elementary (5-7 yrs)	26	25	650
Power Hour (8 yrs-5 <sup>th</sup> grade)	60	17	1,020
Special Needs (1 <sup>st</sup> service only)	4	17	68
Youth Class – I lead (1 <sup>st</sup> service only) (Middle school)	20	15	300
Youth Center	50	18	900
Vkids Indoor Playground	40	15	600
Vkids large group room	100	15	1,500
<b>Total Children</b>	<b>396</b>		<b>7,818</b>
<b>MID-WEEK SPACE</b>			
<b>Counseling</b>	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Counseling room 1	6	20	120

Counseling room 2	6	20	120
Counseling room 3	6	20	120
Counseling room 4	6	20	120
<b>Total Counseling</b>	<b>24</b>	<b>80</b>	<b>480</b>
<b>Conference</b>			
	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Conference room 1	10	25	250
Conference room 2	10	25	250
Conference room 3	20	25	500
Conference room 4	20	25	500
<b>Total Conference</b>	<b>60</b>	<b>100</b>	<b>1,500</b>
<b>Administration - Offices</b>			
	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Sr. Pastor 1			250
Sr. Pastor 2			250
Bathroom & shower - Shared by Sr. Pastors			36
Assoc. Pastor 1	0	0	200
Assoc. Pastor 2			200
Assoc. Pastor 3			200
Assoc. Pastor 4			200
Bathroom & shower - Shared by Assoc. Pastors			36
Secretary & reception	2	200	400
Shared ministry Office (# of workers)	10	48	480
Non-shared ministry office 1			200
Non-shared ministry office 2			200
Non-shared ministry office 3			200
Non-shared ministry office 4			200
<b>Total Administration - Offices</b>	<b>12</b>	<b>248</b>	<b>3,052</b>
<b>Administration – Work/Storage</b>			
	<b># Persons</b>	<b>SqFt PP</b>	<b>SqFt Needed</b>
Work Room			200
Safe storage room			100
Office Supplies room			100
Copier room			150
<b>Total Administration – Work/Storage</b>	<b>0</b>	<b>0</b>	<b>550</b>
<b>ANCILLARY SPACE</b>			
	<b># Persons</b>	<b>SqFt PP</b>	<b>Sq Ft Needed</b>
Restrooms (Women: 7 stalls, 3 sinks. Men: 4 stalls, 4 urinals, 4 sinks)	600	1.15	690
Halls	600	10	6,000
Mechanical rooms	600	1.15	690
Coat room	600	0.58	348
Janitor's closets (1 x each 15,000 SqFt) 2 needed	3	50	150
<b>Total Ancillary</b>		<b>0</b>	<b>7,878</b>
<b>TOTAL SPACE</b>		<b>0</b>	<b>46,141</b>

Multi-purpose sanctuary, fellowship hall, half-court gym would save 14,300 sq ft

Minus	-14,300
<b>Total</b>	<b>31,841</b>
x \$200 sqft	
<b>Total Cost =</b>	<b>6,368,200</b>

## SECTION 4 – EXECUTIVE SUMMARY

### Overview

Trinity Church's short-term needs are to alleviate overcrowding in the sanctuary, children's classrooms, parking lot, administrative offices, and fellowship hall. The fastest way to do this is to add a 3<sup>rd</sup> service to open space in the sanctuary, children's classrooms, and parking lot, to hold large fellowship events in the sanctuary, and to use classrooms and/or the fellowship hall for administrative work.

The church's long-term needs are to buy land and build to reach 1,200 attendees in three years, and 7,000 attendees in ten years. The church will have to decide if it wants to purchase the current 9.4 acres under consideration and limit itself to a maximum attendance of 2,841 in three services or try to find at least 23.3 acres enabling it to serve up to 7,000 in three services.

## **Recommendations**

### *Building*

I recommend that the church begin by building a facility that will allow it to serve 600 attendees in one service to reach its three-year goal of 1,200 by offering two services. This is the plan presented in the table above and will require at least six acres.

I also strongly recommend that the church consider building a multi-purpose sanctuary/fellowship hall/gym. This would save an enormous amount of money that could be invested in the purchase of land. Research shows that churches have a much higher level of satisfaction when they build multi-purpose spaces. The church could construct a separate gym and/or fellowship hall in a later phase as funds become available.

The recommended plan totals 46,141 square feet and includes all of Trinity's needed and wanted spaces, including a dedicated sanctuary, fellowship hall, and gym. Assuming construction rates of \$200 per square foot, this would cost \$9,228,200. This is more than the church can afford with its maximum building project budget of \$8,779,201.

However, if the church were to follow this plan, but build the recommended multi-purpose sanctuary/fellowship/half-court gym instead of three separate spaces, it could reduce the size to 31,841 square feet, resulting in a construction cost of \$6,386,200. This would leave \$2,393,001 to buy and develop land—the cost of which is unknown at this time.

### *Church Capital Campaign*

I also recommend that Trinity Church launch a professionally guided, three-year church capital campaign no later than the fall of 2022. A biblical campaign will not only help raise money for the project, but it will also increase general fund offerings, generate a higher level of excitement and unity, foster spiritual growth, and increase commitment from the members in terms of their time and talents for the work of the ministry.

## **Next Steps**

This is not meant to be an exhaustive explanation of the process, just an overview of future steps.

1. Prayerfully review and discuss this report internally. Contact me with comments or questions.
2. Meet with me for the second on-site visit in August to discuss this report.
3. Present a summary of findings from this report to the congregation, perhaps in a town-hall setting. If you schedule this presentation during my visit, I am happy to assist with it.



4. Get a qualified appraisal on the church land that could be sold to help pay for the new facility.
5. Solicit buyers for the current property, perhaps with a temporary leaseback option for the church.
6. Look for at least 23 acres of land to be able to serve 7,000 attendees in three services in ten years.
7. Select an architect or a design-build firm to begin a preliminary design process to refine the general recommendations of this report and provide a customized conceptual floor plan.
8. Have a CPA provide compiled and reviewed financial reports with the expectation of securing a lender in 2022.
9. Develop a project timeline that is driven by financial ability and cash flow.
10. Take advantage of ongoing opportunities to define and communicate clearly the mission of the church, how the space plan you develop supports the ministry plan, and how the space plan supports the accomplishment of the vision.
11. Begin a professionally led capital campaign in September of this year.

## **In Conclusion**

I am excited to be a part of this process and am happy to assist with the follow-on step of capital fundraising and evaluation of options as more information becomes available.

It has been my honor and privilege to work with your church to this point, and I pray for the success of this project and the expansion of God's kingdom in your region. May God grant us His favor, blessing, discernment, and wisdom for the journey ahead!

In Christ's service to His church,

Rod Rogers, D.Min.