

## **Giving Their All: Contractors and Congregations Overcome Challenges to Upgrade Religious Facilities**

By Joanna Masterson, September 13, 2011

Two years ago, in the throes of the economic downturn, charitable giving fell to its lowest level in a decade. Like other building owners, most religious institutions had to put renovation and expansion plans on hold.

But churches aren't in the business of giving up. They have faith, perseverance and a mission to serve their communities. It might take longer than they'd like, but when the financing stars align, churches are moving forward with building projects.



“Among churches and synagogues with growing congregations, giving is still generally strong,” says Tracy Mayo, vice president of preconstruction services for Jack Bays, Inc., McLean, Va.

In fact, sales and profits for religious organizations grew almost 10 percent between 2009 and 2010, according to Sageworks, a financial analyst of privately held companies.

The challenge, Mayo says, is getting the size of loan needed from lending institutions.

“The last thing a bank wants is to take on a piece of property as collateral, so religious facilities must have enough income to support the loan,” she says. “That makes the standards much stricter. We’ve found many clients want to build, but have to wait a year or more to get fundraising up to the level needed to secure a

loan.”

This scenario often fosters a long-term relationship between contractor and client. For example, Jack Bays, Inc. first started working with All Saints’ Church in Woodbridge, Va., in 2003, but the project wasn’t finalized until 2010. With construction plans under way, All Saints’ left the American Episcopal Church and joined the Worldwide Anglican Church. As a result, the group had to give up its building (owned by the Episcopal church) and re-start fundraising.

“Years went by, but they kept in touch and seven years later they had enough money to follow through,” Mayo says.

In August, Jack Bays, Inc., finished a \$7 million phase one contract for All Saints’ Church that included a multi-purpose room, administrative space and classrooms. Phase two will encompass the basement and sanctuary building.

This commitment to the client illustrates why Jack Bays, Inc., currently celebrating its 50th year in business, has had such success in the religious segment. In the last five years, religious facilities have comprised 75 percent of the firm's volume.

“It wasn't a deliberate corporate strategy, but we found it was a good fit for our company. We're service-driven and, being family-owned, there's a lot of emphasis on client relationships,” Mayo says. “We enjoy working with clients we can get to know on a personal level, and that's what seems to happen with religious facilities.”

In 2000, the firm built a multipurpose room and education wing as part of a phase-one expansion at Lutheran Church of the Redeemer in McLean, Va. For the second phase, Jack Bays, Inc., replaced an outdated blue curtainwall with a contemporary narthex and accompanying support vestibules. Other education and administration additions could be in the works for a few years down the road.

Additionally, the firm currently is wrapping up a 100,000-square-foot renovation and addition to Immanuel Bible Church in Springfield, Va. The building has been occupied since day one, making the gym renovation and second-floor classrooms addition especially complicated. The firm also performed an infill in a courtyard that involved picking materials over the occupied structure and placing them into what would become a center atrium.

Upping the difficulty level was the need to coordinate with a variety of end users—from teachers to the folks in charge of the gym and sanctuary.

“Working with building committees can be complicated because there are so many voices to be heard, but we like it,” Mayo says. “And when you discover you actually like doing something, you tend to look for more of it.”

## **Redefining Churches**

The Collage Companies, Lake Mary, Fla., has kept busy in the religious segment as well, with about a quarter of its projects involving churches and related schools and nonprofits. The nearly 30-year-old firm is Florida's construction representative for Building God's Way, a national organization headed by an architectural fundraising firm with about 25 builders involved around the country. The group gets together annually to discuss best practices and to educate pastors and building committee members on the construction process.

“The church client is unique because it involves decision by committee. There are a lot of people who don't have a facilities background,” says Brian Walsh, president of The Collage Companies. “It's important to get a good variety of personalities, but also to have someone who can act as a single voice and direct the ship.”

Meanwhile, it's the contractor's job to bring all the parts together—from the building committee to the audio-visual consultants and the specialists who design children's areas.

“We definitely find that over-communication is crucial,” Walsh says. “Total transparency and documentation is also very important. We need to make sure everyone knows how we got from point A to point B.”

Building God's Way also offers The Collage Companies a forum to discuss best practices and trends in the religious sector. Without a doubt, church design and construction is different than a decade ago. The traditional narthex is being replaced with living room-like lobbies and cafés where people can meet and share a meal, sometimes 24 hours a day. Multipurpose areas are becoming more flexible, and a greater emphasis is being placed on the audio-visual and security components of children's areas.

“Churches are somewhat redefining themselves,” Walsh says. “They’re looking for more ways to become integrated with the community. They want the building to be used more than just on Sundays.”

Developing that connectivity often means building more technology into the structure to accommodate video and web links for simultaneous worship in different cities or across the country. About a year ago, The Collage Companies constructed 160,000 square feet of worship space and classrooms for Northland, A Church Distributed, on an existing site in Longwood, Fla. The \$40 million project entailed a high level of audio-visual equipment.

“The worship space is like a performing arts center. They connect to all around the world and host community events,” Walsh says.

The Collage Companies also is adding a 25,000-square-foot school building and events center at First Baptist Church in Umatilla, Fla. The permitting process is about to wrap up, with a goal of opening the school by August 2012.

Additionally, the firm is expected to complete a freestanding “family life” building at St. Peter’s Episcopal Church in Lake Mary by the end of the year. The Collage Companies built the original church 25 years ago, and is having fun picking up on the same design themes while incorporating new technology.

Though these jobs are good, they reflect the state of Florida’s construction economy.

“Churches are looking to do renovations and make improvements to the spaces they already have,” Walsh says. “We’re at least a couple years away from churches expanding in a big way or starting from greenfield sites. That’s hard to do unless it’s a very established denomination.”

## **Respond and Restore**

As religious institutions take on more complex building components and deal with aging infrastructure, they often need guidance on long-term planning and maintenance. Who better to turn to than a company that has worked on close to 500 buildings on the National Register of Historic Places?



Church Restoration Group, Cranberry Township, Pa., emerged about 25 years ago as an offshoot of Mistick Construction that deals specifically with the maintenance, mitigation and construction needs of religious entities. About 30 employees work in-house and nationally to respond to churches affected by disasters, restore historic properties and preserve religious relics—from liturgical art to decorative gilding and Fabergé eggs.

Work has been relatively steady on the construction side of the business, according to Matthew Beahm, facilities consultant for Church Restoration Group. The firm is about to start a \$4 million restoration at Trinity Cathedral in Miami involving stained glass windows, interior wall and floor finishes, and electrical, HVAC, life safety and structural upgrades.

But where business really has taken off is consulting.

“With places of worship, we’ve found maintenance becomes more challenging for the owner as the facilities age,” Beahm says. “With unique materials such as slate and plaster, the skill set of the congregation may not be there to do what’s required. They rely on us to help them develop a maintenance plan for years one, five and 15 so they can budget accordingly.”

Additionally, certain insurance companies name Church Restoration Group as their preferred contractor to determine the cost and scope of work required to rebuild a structure damaged by a fire, flood or other disaster. With this year’s severe weather, it has been crucial to respond quickly with the right people and equipment. Recently, representatives from the firm headed to Joplin, Mo., to assess the devastation sustained by several churches, including St. Mary’s Church, as a result of the deadly storms that swept through town at the end of May.

“We’re working with the insurance carrier to provide loss valuation. We did an onsite assessment; now that we’ve compiled the information, we’re working on an estimate,” Beahm says.



In these situations, Church Restoration Group prioritizes what should be done first and then decides how to return the structure to the state it was in prior to the loss. This can be complicated, Beahm says, because many older churches have no drawings or photos available to influence the reconstruction estimate. Additionally, in partial loss situations, the contractor must decide whether to add on or to demolish the entire building. Code compliance also comes into play.

“It’s understandable that if a building is completely gone you need to build it to current codes. But if there’s partial damage, we have to work with the authorities to determine how much of the building needs to be brought up to code,” Beahm says. “This has a huge implication on costs.”

With a bevy of disaster response jobs under its belt, Church Restoration Group is up to the task. The firm worked on dozens of churches, synagogues and historical buildings in New Orleans following Hurricane Katrina, and has formed lasting relationships with religious facilities in Florida as a result of Hurricanes Wilma and Charley.

“Communities don’t always understand the importance of places of worship. They don’t realize what would happen if that building wasn’t there and the in-kind services were lost,” Beahm says. “Our goal is mitigation and response. We want to get them back up and running and allow the congregation to continue to serve the community.”

For the full story featuring Sageworks’ private company data, please visit [Construction Executive – Giving Their All, Contractors and Congregations Overcome Challenges to Upgrade Religious Facilities.](#)