

Building Use and Re-purposing

(10.2012)

Sharing Building Space

Building use agreements are for groups that use the building irregularly (a one-time baby shower) or regularly but for short durations of time (weekly yoga class)

Building use agreements leave the church in the driver's seat, able to stop the agreement at any time with no penalty.

In a building use agreement, there is no change made to the building to accommodate the group.

Those who use the church building must fill out a form and show proof of insurance. (Scouts and AA are exempt from the insurance certificate as they are covered under diocesan insurance policy. Other groups that meet in the church that are outreach activities, ie: a homework help tutoring club using parishioners as volunteers, are considered ministries of the church and are covered under diocesan policy.)

Building Use Agreement forms are available on the diocesan website www.ctdiocese.org

Leasing and Renting Property

(leasing vs. renting: leasing suggests a longer duration of time, a contract, possible intent to purchase at the end of lease period. Renting is not always for a fixed amount of time, no suggestion of amortized goods.)

Leasing is when another group comes to the church and signs a contract to stay for a year or more.

There may be some minor modifications made to the building to accommodate the lessee. These modifications are usually at cost to the lessor (the church) ie: painting a room for a day care, installing cubby holes and coat hooks for the daycare. If modifications are to be made to the space by the lessee, it is with prior agreement of the lessor.

Leases go before the Standing Committee for approval as they are considered an encumbrance.

Income and Taxes

It is best to consult a CPA or tax attorney for an assessment of the particular parish situation.

Some of the possible conditions that would affect tax (federal and local property tax) status are:

- Is the activity in keeping with the mission of the church?
- Is there any debt on the building? (mortgages, loans, other encumbrances)

- How much will the rental income be? (there is a certain threshold for rental income after which unrelated business income tax comes due)
See IRS publication 598 rev. Mar '12 for more information

Re-purposing Space

The use of something for a purpose other than its original intended used. Repurposing an item can be done by modifying it to fit a new use, or by using the item as is in a new way.

Repurposing is about becoming partners with others who share space in the building.

Repurposing can look like a lease but with greater property modifications made to accommodate the party... or it can be as complete as a turning over of the building to a new enterprise while retaining ownership and returning on Sundays for worship.

Examples of repurposing include: Mental Health facility, health clinic, job training centers, day care centers, recreation centers, arts centers- art, drama, music, etc.

Attributes to Consider for Successful Repurposing

1. Location

Where is the building? What is around it? Who might come to this part of the neighborhood?

2. Building functionality

What is the building good for? What are its assets? What changes might be made, physically? What are the possibilities inside and outside?

3. Conversion costs

What would it cost to transform the building? Who would pay for it? Would you gain a return on the cost of converting the space?

4. Zoning

What do the local zoning codes allow? For business type/ for traffic? Is there adequate parking for a possible re-purposed use?

How to Begin:

1. Asset Mapping (what do we have?)
2. Community Information Gathering (what is around us?)
3. Market Analysis (what is needed?)
4. Action Plan (steps to pursue, locate, implement building use)
5. Implementation (timetable, individual responsibilities)

A Model for Congregational Discernment in forming a (general) Strategic Plan

- Mission and Vision (Who are you? What do you see as the ideal functioning of your church?)
 - What do you Need?
 - Core Competencies & Resources (what do you do best?/asset mapping/ What do you have to work with?)
 - What are Short Term and Long Term Goals?
 - Action Plan (how will you get there?)
 - Key Performance Indicators (how will you know when you've arrived?)
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- Implementation
 - Evaluation (were the goals achieved? Yes? What worked? No? Where did it go wrong? How to correct for next time)