

ZIEGLER INVESTMENT BANKING
CASE STUDYFOOTHILLS
COMMUNITY
CHURCH

CLIENT PROFILE

Foothills Community Church began worshipping in a school cafeteria in 1998. In July 2002 the church entered into a lease to occupy its current facility, a former retail strip mall, and completed initial tenant improvements to accommodate the ministry. Prior to the Church's occupancy, the strip mall consisted of a grocery store and a hardware store. The church conducted its first service at this site in January 2003. The church expanded the sanctuary in 2009 and now occupies 26,034 square feet of the 40,490 square foot facility. The church has a current average weekly worship attendance of approximately 900 people.

The facility space currently occupied by the church houses a sanctuary for Sunday services, additional ministry space and a preschool. In June 2014, the church modified the lease to include the remaining 14,456 square feet of space in this building. This additional space is currently used as storage and not for any organized ministry functions. In 2014, the church began fundraising to acquire the facility. In March 2016, they entered into an agreement to acquire the building for \$2,800,000.

While the church had raised significant funds for the purchase of its leased facility, leadership sought out a lender to fund the remaining costs of the acquisition, as well as future improvements to the facility.

THE ZIEGLER DIFFERENCE

Church leadership considered different lenders but ultimately chose to partner with Ziegler,



\$1,250,000 | 2017 RENOVATION FINANCING

\$2,240,000 | 2016 ACQUISITION FINANCING

Foothills Community Church | Molalla, Oregon

recognizing the value of a long-term fixed rate financing and its expertise in lending to religious organizations. In July 2016, Ziegler closed on a 25-year fixed rate financing for the church that was used to acquire the church's leased facility. Following the acquisition of the facility, the church completed plans for future renovation to the remaining unused portion of the building (14,456 square feet) for children and youth space. In January 2017, the church and Ziegler closed a renovation financing that was structured to complement the 2016 debt, instead of having to refinance the prior debt which was locked into a historically low interest rate. This open-ended mortgage feature is another advantage of Ziegler's financing program.

The church is pleased to be in a position to advance its ministry at the newly acquired site and to have the security of a fixed-rate financing and future borrowing flexibility.

"Ziegler invested the time to understand our ministry vision and our campus master plan and then proposed a financing plan that enabled us to lock into a fixed rate and payment that is actually less than our prior lease payment. We obtained a great financing package and a valued ministry partner in Ziegler."

Tim O'Hara
Operations Director
Foothills Community Church

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

ZIEGLER INVESTMENT BANKING

Religion Finance
200 South Wacker Drive | Suite 2000
Chicago, IL 60606

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CONTACT US

800 366 8899
www.ZieglerLoan.com