

# CASE STUDY

## FINANCING FOR RELIGIOUS ORGANIZATIONS

JULY 31, 2020

# GRACE FELLOWSHIP CHURCH

### Client Profile

Grace Fellowship Church began in 2008. The church held its first organized worship service in 2009 in rented space at the Trumbull County Career and Technical School and had 200 people in attendance. In 2010, the church signed a lease to begin holding services and other ministry activities in space at the Eastwood Mall Complex in Niles, Ohio.

In 2013, Roy Mack became the church's Senior Pastor. By 2017, the church had grown to over 800 in weekly attendance under the leadership of Pastor Mack. The church also now has thriving virtual ministry operations, including online streaming of the pastoral message, ministry podcasts, and various other forms of media engagement.

In 2019, the church was gifted the use of administrative office space from a ministry partner, which allowed the church to terminate its lease at the Eastwood Mall Complex and move its administrative operations. The church concurrently moved its worship services to leased space at LaBrae High School, Leavittsburg, Ohio.

With plans to create its first owned ministry space, the church completed the purchase of 26 acres of land in 2018, including a 30,126-square-foot former banquet facility with paved parking for 342 vehicles, located at 325 Youngstown Warren Road, Niles, Ohio. The existing building will be completely renovated and converted into a



### \$3,805,000 | RENOVATION FINANCING

Grace Fellowship Church of Warren, Ohio Inc. | Niles, Ohio

religious facility to include a 7,777-square-foot sanctuary, with seating for 656 people, an audio, visual, and lighting booth, a green room, and a backstage storage area. Also included in the project will be a multi-purpose space to include a café, kitchen, interior children's play area, a bookstore, and three living rooms. The planned children's wing will have a secure check-in, an infant room, a toddler room, a preschool through kindergarten multi-purpose room, a first through fourth grade multi-purpose room, a small stage, a resource room, and a backstage storage area. The youth multi-purpose worship space will include seating for 96 children, an audio, visual, and lighting booth, and a backstage storage area. The planned office suite will have its own separate entrance, a reception area, and seven offices. Pastoral offices will be designed in a way to allow for general purpose, counseling, and meeting rooms. Upon completion of the project, the church will discontinue its use of leased sites and move all ministry operations and worship services to the new church site.

### The Stifel Team

In July 2020, the church closed on a 25-year, fixed-rate financing package to be used to finance the renovation of the new church site. Church leadership considered different lenders but ultimately chose to work with Stifel's Religion Finance team, recognizing the value of a long-term financing structure and their expertise with religious organizations. The financing structure offered a true fixed interest rate, with no prepayment penalties, which church leadership strongly valued. The financing structure additionally avoids any large balloon payments during the life of the financing, which simplifies budgeting for future years. As a growing church with the possibility of future financing needs, the open-ended mortgage feature is another advantage of this financing program.

## CONTACT

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