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CRAFTING A COMPREHENSIVE FACILITY USE AGREEMENT

Churches must follow the calling of Christ to be both “wise as serpents” and “innocent as doves” (Matt. 10:16, ESV) in missional interactions. Renting out space is absolutely a way to bless a community, but churches must not trade some missional vulnerability for needless self-harm, especially when such harm would often be due to lack of foresight. As always, there’s a delicate balance in play. We don’t jump off a cliff to test God’s care for us, but neither do we hide away and refuse to engage with outsiders due to fear. Neither is the way of the Kingdom.

One of the most important ways to make sure a facility is rented out for an event in a responsible way is to craft a thoughtful, legally enforceable leasing agreement ahead of time

Comprehensive agreements of this nature are imperative when securing longer-term tenants of 3, 5, 10 or more years. Whether for the short-term, mid-term, or long-term, a good leasing agreement will clearly communicate expectations and process, while clarifying responsibilities for both parties. And because laws vary across cities, counties, and states, all agreements should be reviewed by a legal counsel retained by the church.

In addition to lease agreements for tenants, many churches rent out facility space to groups for one-time events. This is a way to welcome in the community, use space well, make potential connections, and reap some financial benefit for facility upkeep. Unfortunately, churches frequently think of these use agreements differently than long-term leases, simply due to the short-term nature of the event. But short-term event agreements should still be prepared in such a way as to protect the church’s long-term interests. How unfortunate it would be for a four-hour community event to negatively impact a church’s reputation or vitality for years to come! Consider the following hypothetical facility guide. What is left unspoken? What does this guide require of its user in the event of an accident? Who is to be held responsible, legally speaking?





First Community Church Facility Guide

Statement of Purpose: We, as a community of Christians, are intent on spreading the Good News of Jesus. We believe that this Gospel is good news for everyone. One of the ways we hope to bless you and the rest of our community is by sharing our space. We hope that you'll be willing to adhere to our basic rules (Section I), which are intended to foster harmony and create a healthy, healing place for all who enter our doors. Sections II-III provide a more detailed set of administrative considerations. Please sign at the end of this agreement.

I. Community Rules

- Maintain respect for all church property. This includes not smoking, using illegal drugs, consuming alcoholic beverages, or performing any other illicit activities.
- Any and all damages caused to church property by anyone in attendance will be charged to the organization hosting the event.
- Adults must chaperone children at all times.
- All items used during the event must be removed after it ends. This includes balloons, flyers, or any material attached to walls or ceilings. Trash bins must be emptied. Floors must be swept and, if necessary, mopped.
- We reserve the right to terminate the event if any violations are noted by church staff.

II. Facilities Use Priority

Because we actively use our buildings to hold classes, activities, and outreach events, we prioritize use of our own buildings for ministry events.

- This does not mean that church members always have priority if they wish to reserve a space. Official church functions have first priority, but not necessarily events sponsored by members of the congregation (i.e., a private baby shower attended by a few members, for example)
- This does mean that certain times of the week are blocked off for church use only. For instance, Sunday mornings and Wednesday evenings are unavailable for outside use.
- Facility usage is granted through church administration and is subject to review at the time of request.
- A rejection of a request should not be taken to mean that our church rejects the person making the request. It may just not be a good time between other, previously scheduled events. Or it may be that the event doesn't sufficiently fit within the scope of our church's mission.
- We operate by principles of Christian discernment when offering our space. We do not share space with any group that is actively working to explicitly undermine the Gospel of Jesus. For example, a group that makes its mission to denigrate another ethnicity, gender, or orientation will not be allowed to use our space.





III. Facilities Reservation Process

To request usage of our facility, contact our email our administration the following:

- Your name
- The name of the organization you represent
- The nature of the event you wish to hold at our facility
- The schedule of your event, including set up, take down, and clean up
- The number of people you expect to attend
- The contact information for a representative from your organization who will be present at the entirety of the event

All requests must be made at least 30 days before an event is held.

A formal response to your request will be made within 5 business days.

Signed: _____

Date: _____

In many churches, this guide is issued in place of an actual agreement. Process and agreement bleed into one another and the user is left signing a guide that isn't really an agreement. It was written primarily towards clarifying the church's larger scheduling issues. Note, for example, the space given to discuss the importance of requesting space ahead of time, as well as the fact that the (hypothetical) church in question asserts their own priority to use their own space. A church's ongoing ministry commitments should not be needlessly interrupted by, say, a community celebration for a retiring football coach, as lovely as that is. It is important to keep an orderly schedule for facility use and to not over-tax the administrators that oversee the scheduling process. A thirty day minimum notice is a gracious signal to the community that, if possible, the church will try to accommodate events on short notice.

But where this guide fails is in its specificity of obligations. A signed guide is not the same thing as a Use Agreement. By not requiring formal agreement to the terms of a Use Agreement, legal vulnerabilities are everywhere in this document. Again, the focus of this agreement is primarily on the facility being used for a time, cleaned up, and turned back over to the church. The main goals are kept in view, but the expectations and process remain rather vague.

The clause referring to damages is not adequate either. Organizations that are renting out space for an event are often "name only" organizations that have little structure, let alone financial ability to cover the cost of such a repair. It is important that these groups show evidence of insurance coverage ahead of time. The following comprehensive agreement is a much better example of how a church can cover their bases.





Second Community Church Facility Use Agreement

Statement of Purpose: We as a church are dedicated to loving God and our neighbors. (Mark 12:30-31) We believe that renting out our church community's space is a way to welcome those who need event space. We maintain the right to use our space in a way that aligns with our basic values, but we also respect that other groups may not align perfectly with our larger Christian distinctives. While our greatest hope is that each and every person would grow to know and love Jesus, we hope that our facilities can enrich the lives of all who use them, even if they don't yet share our love of Jesus. The intent of this Use Agreement is to clearly establish the terms by which we agree to your (previously submitted) application.

FACILITY USE AGREEMENT

Agreement, between Second Community Church, and _____ (hereafter: "user"), relating to the following facilities: _____.

We, Second Community Church grant user permission to use the facilities listed above for: _____ at the following date(s) and time(s): _____.

User agrees to pay use fee in the amount of _____ (USD) for the use of facilities stated above and to pay a sum of _____ (USD) as a security deposit, which must be paid at the time of submitting this agreement. The use fee must be submitted at least five business days prior to the aforementioned date of facility use. Use fees are for the time strictly delimited above. For each hour over the time agreed upon in this Agreement, _____ (USD) will be deducted from the security deposit.

Our permission to use our (stated) facilities (at the stated date and time above) is contingent upon fulfillment of the following additional terms and conditions:

1. User may not use facility for any purposes other than those stated above.
2. User must submit a liability insurance policy naming Second Community Church as an additional insured at least 5 business days in advance of facility usage. This liability insurance must provide at least one million (\$1,000,000) dollars in coverage. Failure to provide this insurance coverage at least 5 business days in advance of event will result in event cancellation 4 business days in advance of event. In such a situation, the cancellation is final, and the security deposit will not be returned to user.
3. User agrees to leave facilities in the clean and orderly condition in which it was found.
4. No building furnishings may be moved before, during, or after facility usage, unless previously requested (and approved) at least 5 business days before event.
5. User must formally request use of any decorations attached to walls or ceiling of facility at least 5 business days in advance of facility use.
6. User must direct and require all attendees to use facility parking only. Surrounding businesses and neighborhood space is not to be used for event parking.





7. User must supervise all attendees throughout facility usage. Children must be accompanied by a legal guardian or parent at all times. This includes use of bathrooms.

8. User must not allow attendees to partake in illegal drugs, alcohol, or any illicit activity during event. Evidence of such activity will lead to immediate suspension of event.

9. Smoking is prohibited within facility. Any evidence of smoking inside the event (including odor after event has taken place) will result in security deposit deduction.

10. All trash must be placed in provided containers for removal. Any trash not placed in provided containers will result in a deduction from security deposit.

11. Any minor damages arising out of facility use will be documented by Second Community Church within 24 hours of facility use. Any facility damages that amount to less than the security deposit will be repaired by a contractor of Second Community Church's selection and deducted from security deposit. Remaining security deposit funds will be returned to user within 15 business days of completed use of facilities.

12. Any major damages arising out of facility use will be documented by Second Community Church within 24 hours of facility use. Any facility damages that amount to more than the security deposit provided by user will be submitted to user's insurance coverage for review and repair.

13. No verbal agreements will be made, nor binding on Second Community Church.

14. Maximum occupancy signs must be followed, depending on facility being used.

Cancellations: A permittee must submit written notice of cancellation at least 30 days prior to date of facility use to receive security deposit refund and use fee. Any cancellations after 10 business days before previously established date will result in no refund of security deposit or use fee.

Special Provision: A point person responsible for ensuring compliance with this agreement must be available to speak via phone two hours before, during, and after event.

Name of person: _____

Contact Info: _____

Date: _____

Date: _____

(Name of Organization)

By: _____
(Name of Authorized Rep. from SCC)

(Name of Authorized Representative)

By:

Signature: _____

Signature: _____

(Address of Organization)

(Print Name)

(Phone Number of Organization)

(Title)





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Like the first agreement, the opening section clearly states the church's primary reason for renting out space. Also, like the first agreement, this latter agreement opens with an affirmation of other people being able to use their space while disagreeing with the larger Christian "distinctives" of the church. But even in this winsome comment, what is still implicitly present is that the church still holds control over their facilities. It is clear that events taking place on church property must still align with the church's own values. This signals a) that even when the church shares its space, it is not fully relinquishing all control, and b) they clearly intend to serve others in the community.

The final line in the second agreement's "Statement of Purpose" helpfully clarifies that a) an application has already been received, and b) the church accepts the application on the following, clearly-established terms.

The date and time are clearly stated.

The conditions upon which the facility may be used rest first on remuneration, as established by the church. If a security deposit and payment are not received, there is no path forward to renting the facility.

The conditions upon which the facility is to be rented are comprehensive and reasonable. If a group refuses to abide by or violates these basic standards, a safety net is in place to protect the church. While these may seem stringent at first glance, they are very basic standards that one may find in nearly any Use Agreement. A church is indeed different than other businesses that might rent the space, but it need not think itself selfish by requiring basic decency from its users. In fact, if a church isn't asking people to maintain basic standards of decorum, what does that tell a surrounding community about how a church is run? Professionalism should undergird the church's use of space, even if churches aren't specialists in real estate.

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One final note: When entering into a Lease Agreement with a specific tenant, a distinction must be made between exclusive and shared use space, as this opens more opportunities for churches to be efficient with their facility use. The church will want to differentiate between the areas of the property designated as "Tenant Exclusive Use Space" and "Shared Use Space."

By designating the lease spaced as described, the church can provide themselves with shared use opportunities for leased space, and optimize revenue and minimize operating expenses by first detailing the rental for the Exclusive versus Shared Use Space, and then making clear that the parties will work in good faith to appropriately allocate their respective responsibilities for operational expenses. For example:





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Minimum Rent: (Monthly PSF of Floor Area in the Premises)

Tenant Exclusive Use Space = _____

\$3.50 pShared Use Space = _____

The percentage derived by dividing the floor area of the premises and hours that such premises are used by the total floor area of the building and hours available for use, as set forth in Article 8. The parties agree to act in good faith to apply the calculation of Tenant's Share fairly and equitable to all operating expenses and utility costs which Tenant benefits from during the Term. Landlord and Tenant shall meet prior to the Commencement Date to determine Tenant's Share, and thereafter shall meet quarterly to ensure that Tenant's Share is being calculated with respect to all appropriate costs.

MULTIPURPOSE ROOM. Included in the Common Areas is the Multipurpose Room (the "MPR") depicted on Exhibit A. Tenant and Landlord shall have shared use of the MPR Monday through Friday from 7:00 a.m.—5:30 p.m., under the terms more specifically described in the Shared Use Agreement attached hereto as Exhibit C.

RESTROOMS. Tenant shall have exclusive use of Girls Restroom 2 and Boys Restroom 1, as depicted on Exhibit A-1, Monday through Friday from 7:00 a.m.—5:30 p.m. from August 1 - June 12. Tenant shall have exclusive use of Girls Restroom 1 and Boys Restroom 2, as depicted on Exhibit A-1, Monday through Friday from 7:00 a.m.—6:00 p.m. from August 1—June 12. Additional periods of exclusive use of the restrooms may be granted upon advance request from Tenant and approval by Landlord. Staff restrooms located in the Common Areas may be used by Tenant's and Landlord's staff at all times.

SHARED USE SPACE. Tenant shall have exclusive use of the Shared Use Space Monday through Friday from 7:00 a.m.—5:30 p.m. from August 1—June 12. Tenant may reserve, by written notice delivered to Landlord at least 30 days in advance, exclusive use of the Shared Use Space or any portion thereof on the weekends to the extent the Shared Use Space is available. Landlord shall have the exclusive use of the Shared Use Space Monday—Friday from 5:30 p.m.—6:00 a.m. and during the weekends and from June 13—July 31, except for reserved weekend days ("Landlord's Use Periods"). Landlord's use of the Shared Use Space during the Landlord Use Periods shall be governed by the Shared Use Agreement. Notwithstanding anything to the contrary contained herein, Tenant shall have: (i) all necessary access to and entry upon the Shared Use Space from June 13, 2019—July 31, 2019 for purposes of construction of Tenant's Work and (ii) access one (1) time per week for a period of two (2) hours during the summer Landlord's Use Periods, at a time mutually agreeable to the parties between 9:00 a.m. and 6:00 p.m. on Monday through Saturday, to conduct parent tours.

PICK-UP AND DROP-OFF AREA. Tenant shall have the exclusive use of an area on the southwest side of the Building to pick up and drop off students. ("Pick-Up and Drop-Off Area") Monday—Friday from 7:00 a.m.—9:00 a.m. and 3:00 p.m.—5:30 p.m. during times when school is in session during the Term. The exact size and location of the Pick-Up and Drop Off Area shall be mutually agreed upon by Landlord and Tenant during the Contingency Period, taking into consideration the requirements of Landlord's preschool pick-up and drop-off. Thereafter, the Lease shall be amended to incorporate a depiction of the Pick-Up and Drop-Off Area. During all other times





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when the Pick-Up and Drop-Off Area are not being used exclusively by Tenant, such Pick-Up and Drop-Off Area shall be considered Common Areas.

Landlord and Tenant shall create mutually acceptable traffic control procedures to ensure safety and compatibility with Landlord's and Tenant's use of the Premises, Common Areas and Building, which, along with the Pick-Up and Drop-Off Area, shall be subject to review by the applicable governmental authorities.

Finally, the Shared Use Agreement is a separate agreement that is inherently conjoined to the Lease Agreement, precisely detailing the responsibilities of both the church and contracted, while also providing for the mechanisms that are critical to periodically meeting to reconcile either ill-defined or unclear and impractical processes.

It is important to note that the Shared Use Space is differentiated in the lease agreement from the Common Areas, as detailed herein;

COMMON AREAS. During the Lease Term and subject to the terms and conditions set forth in this Lease Tenant and its subtenants, concessionaires, licensees, invitees, customers and employees shall have the right, at no additional charge, to use in common with Landlord, other tenants, and their respective subtenants, concessionaires, licensees, invitees, customers and employees, the Common Areas (as defined herein) for parking and pedestrian and vehicular ingress and egress and other uses for which the Common Areas are intended. The "Common Areas" are the parts of the Building available for the common use and benefit of the occupants of the Building, including, parking areas, drives, sidewalks, landscaping, curbs, delivery passages, loading docks, loading areas, private streets and alleys and lighting facilities, but excluding any areas leased to or intended for the exclusive use of any tenant or occupant or Landlord (as depicted on Exhibit A-1 as "Landlord Exclusive Use Space").

