

CASE STUDY

FINANCING FOR RELIGIOUS ORGANIZATIONS

SEPTEMBER 21, 2022

EASTSIDE CHRISTIAN CHURCH

Client Profile

Eastside Christian Church was founded in Fullerton, California, in 1962. Its history and impact became well known in the community, as the church grew under the leadership of its first three pastors. In 2008, Gene Appel, a pastor nationally known for his work at Central Christian Church in Henderson, Nevada, and Willow Creek Community Church near Chicago, and a former Eastside intern, became Eastside's fourth pastor. Rev. Appel brought a vision for growth and expansion of the ministries that have been an essential part of Eastside's history. In 2012, he led the church to acquire and renovate a new 20-acre campus in Anaheim, California, located at 3330 and 3370 East Miraloma Avenue.

The main Anaheim campus currently includes a religious facility totaling 170,520 square feet, originally constructed in 1964 as an industrial facility and renovated by the church upon acquisition in 2012. The campus features a 2,150-seat sanctuary, early childhood, and youth classrooms, additional meeting rooms, a café with a commercial serving kitchen, and multiple seating/dining areas. Other site improvements include a playground, maintenance shop, landscaped area with outdoor seating, and surface parking for 868 vehicles. The principal offices of the church are located in a contiguous mid-rise office building with six floors, totaling 189,894 square feet. Currently, the church has completed renovations to the first floor, which is used by the church for office space, a youth center, and warehouse space, while the second through sixth floors remain unoccupied. There are an additional 351 paved parking spaces on this portion of the property.

In addition to the main Anaheim campus, the church operates four multi-site locations. In 2015, the church added its first multi-site campus



\$31,875,000 | REFINANCE | LOAN ADVISOR
Eastside Christian Church | Anaheim, California



in Park Rapids, Minnesota. The Bellflower, California, campus launched in March 2018, followed by the Redlands, California, campus in February 2019, and the Las Vegas, Nevada, campus in August 2022. The continued addition of new campuses, primarily resulting from mergers with existing churches that present good opportunities for revitalization, is central to the church's strategic plan.

As of April 2022, the church's average weekly in-person attendance including all campuses was approximately 4,200. Also, approximately 6,800 viewers accessed the church's online streaming content in an average week.

Working With the Stifel Team

For several years, Bill Dodson and the Stifel team had called on Eastside's executive leadership, discussing the church's financial position and exploring opportunities to improve the church's capital structure. Church leaders felt that they had been well served by their lender, a denominational lending institution, but in 2022, with interest rates beginning to rise and the church facing a loan maturity in 2025, church executives decided that the time was right to refinance. The objective was to extend the loan maturity and fix the interest rate for at least ten more years, protecting the church from a potential interest rate shock when the existing loan matured.

Stifel's role as loan advisor provided church leadership with the benefit of our bankers' decades of experience and knowledge in the highly specialized church lending arena. Bill led the Stifel team as it developed a detailed request for proposals, researched local, regional, and national banks for inclusion on a targeted distribution list, distributed the request and fielded inquiries from

banks, and managed the negotiation of term sheets from interested lenders. The best proposals were subjected to analysis and presented to the church.

The church selected a lender, and the Stifel team assisted all parties in moving the transaction to the successful closing of a \$31,875,000 loan, plus a \$6,400,000 master credit line. Proceeds of the larger credit facility were used to refinance the existing debt, while the smaller credit line commitment remained available for liquidity enhancement and planned renovation projects.

About Stifel and Bill Dodson

Established in 1890, in St. Louis, Missouri, Stifel is a diversified wealth management and investment banking firm that provides a comprehensive portfolio of financial services designed to address the varied needs of a broad range of investors. Stifel and its affiliates serve a broad spectrum of clients – individuals, institutions, municipalities, and corporations – providing a wide array of services, ranging from investments, securities brokerage, lending and trust services, debt and equity capital raising, strategic advice, and restructuring across North America, Europe, and Israel.

Bill Dodson is a Managing Director with over 20 years of church and non-profit financing experience. In that time, he has directly managed the origination, distribution, and funding of more than \$1 billion in church financing instruments for religious institutions nationwide, including taxable church bonds, direct loans, and loan participations. He serves as a banker for most of Stifel's Religion Finance Practice transactions in the Western United States, underwriting and structuring taxable bonds issued by churches, schools, and non-profit organizations, and providing loan advisory services.

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