

## Seeking Divine Intervention

**DEVELOPMENT**

*Methodist church wants to build 200,000-square-foot mixed-use project with development partner*

By **KEELEY WEBSTER**  
CREJ Staff Writer

The First United Methodist Church wants a new church building for its congregation. But after holding services in a senior center, the church didn't want to buy just any old chapel. It wants to build the perfect church and it has the land to do it.

What it doesn't have is the \$60 million it would take to develop a 200,000-square-foot, mixed-use project including a church, office and residential space that it envisions for the land.

The 100 members of the congregation have been operating out of the temporary space since it demolished the building on its property at Olympic Boulevard and Flower Street in 2002 to make way for the new development. The group didn't anticipate it taking so long.

"The new facility is badly needed, not only as a place of religious and community service, but as a catalyst to enliven the neighborhood and provide necessary housing," said Rev. Sandie Richards, pastor and executive director of the Los Angeles United Methodist Urban Foundation.

Enter Richard Gentilucci, chief executive officer of BTG Advisors, a real estate consulting firm that specializes in working with nonprofit companies, who is working to find a lender to kick-start the potentially transformative project.

The church hired Gentilucci on Jan. 1 to help it find a partner to joint-venture with them to develop the property.

Gentilucci sent out a request for qualifications on Jan. 21 to 40 developers, asking that they respond by Feb. 7. He said he had received responses from several, as of press time.

On Feb. 24, the church leaders will select from the respondents and ask a select group to submit a request for proposal. It hopes to receive the RFPs back in March and begin negotiations this summer with a developer.

"We are seeking partnerships with developers who understand the church's mission and will work closely with them for mutual benefit," Gentilucci said.

When the church leaders approached Gentilucci at the beginning of the year, they already had drawings that had been created by Wade Killefer, founding partner of Killefer Flammang Architects. Killefer agreed to donate his time to create the massing models, which are a simple three-dimensional representation of the site.

The models both have 50,000 square feet

set aside for the church that would feature a sky sanctuary on the roof, two kitchens, multipurpose classrooms and a multicultural sanctuary. One model is a mixed-use project with office and the other has residential. The project could also include both office and residential.

Church leaders had originally planned to start development on the church when they had the old one demolished in 2002, said Sara Munshin, chair of the church's board of trustees.

"I think we were overly optimistic when we came up with our first plan," Munshin said. "We didn't think fundraising would be as challenging as it was."

The original plan was just to build a smaller facility with a large sanctuary and offices that the church would fund with its own assets. But those assets dropped in value after Sept. 11, 2001, she said.

Combine that with a jump in construction costs and the cost of steel and the congregation had to go back to the drawing board and move into the senior center.

"As we looked at partners, we were still trying to make it our program and our plan," Munshin said. "We realized we needed to make it more of partnership to make it work."

The First United Methodist Church has a long history in downtown Los Angeles. Founded in the mid-1800s, the church had grown to 5,000 members by the 1930s.

The church acquired land in 1913 at 8th and Hope that it would sell to the Southern California Gas Co. in 1982. CIM Group developed the 282-unit Gas Co. Lofts, an adaptive-reuse residential project on that site.

By the time, church leaders made the decision to sell that building to the gas company in the early 1980s, the congregation had started to shrink as members moved to the suburbs.

"In the 1930s, we had one of the largest congregations west of the Mississippi," Munshin



The First United Methodist Church sold the land at 8th and Hope to the Southern California Gas Co. in 1982, giving it enough money to fund programs and purchase the site at Olympic Boulevard and Flower Street where it wants to build a mixed-use project.

said. "A lot of people started moving out to the suburbs. The church was too big. And the gas company offered us a lot of money for it."

Munshin doesn't know how much the church building went for, but she said it was one of the largest transactions at the time. It enabled them to set aside \$1 million to start the Los Angeles United Methodist Foundation to endow a chair of urban studies at the Claremont School of Theology, to help other downtown organizations and to acquire the building it demolished in 2002.

Church leaders never had planned that the space they moved into in 1982 would be its permanent home. The building had asbestos issues and needed to be retrofitted, Munshin said.

"I feel like it's moving ahead rapidly," Munshin said. "That is why we needed to hire someone like Richard with experience in finance and development. We need to have savvy, reliable people working with us."

The church's development partner would benefit by gaining easy access to land in Los Angeles and sharing a substantial portion of the profit from the sale or leasing of the commercial product.

—E-mail Keeley\_Webster@DailyJournal.com