

## FROM HEALTH CARE TO SPIRITUAL CARE: A CASE STUDY ON THE ROLE CHURCHES CAN PLAY IN HEALTH CARE ADAPTIVE REUSE PROJECTS

For almost a decade, the Binford Medical-Professional Office Complex, a medical office building and immediate care center located on the northeast side of Indianapolis, Indiana, has sat vacant, creating an eyesore and reminding local residents of the potential health care option that could have been. Once known for its unrealized opportunity, the facility now is better known as an example of how existing medical facilities can be sold and renovated for an unexpected use—as a church. In Part III of Hall Render’s series on health care adaptive reuse projects, this article examines how that adaptive use project in Indianapolis represents a creative application of adaptive reuse and encourages health systems to consider such an approach for their vacant properties. Part I of this series is available [here](#), and Part II is available [here](#).

### HOW A VACANT MOB BECAME A CHURCH

Construction began on the Binford facility in February 2003, which was the first of five medical facilities planned for the 17-acre medical campus, with the intended completion date in 2007. However, the project’s main lender declared bankruptcy in April 2006, and the owner of the MOB followed suit in October 2010. During this tumultuous period, the facility only had two tenants, but both tenants stopped operating at the facility in April 2009—only a few years after the facility opened. The facility stayed closed thereafter, leaving it vacant for almost a decade.

Eight years later, Northview Church, a growing multi-location megachurch in Central Indiana, purchased the former medical complex building in 2018 to build a facility on the northeast side of Indianapolis to accommodate the growth of its local congregation. The church had outgrown its current space, including its 250-seat auditorium. What makes the project interesting is the church retained the shell of the hospital by repurposing the space to create an open floor for church offices and a renovated lobby. The only addition to the building was a new 511-seat worship auditorium on the south side of the building.

While unique, the Indianapolis project is not the first of its kind. In 1997, Queen of Angels Hospital was transformed into a large ministry for individuals facing poverty within the Los Angeles community. Because the hospital already had both housing and kitchen facilities, the building was able to use the renovated facility for a soup kitchen, homeless shelter and job training center.

### BENEFITS TO THE HEALTH CARE ENTITIES AND CHURCHES

As hospital and health systems increasingly look to turn their vacant properties into adaptive reuse projects, they should consider churches as potential buyers for these projects, especially for religiously affiliated hospitals and health systems. The pitch to churches can include emphasizing that:

- Medical facilities, especially medical office buildings (“MOBs”) and smaller hospital facilities, are often located in or near high density residential areas, making the facilities more accessible to the local congregation.
- MOBs and hospitals are generally large buildings, permitting space for both offices and worship facilities like the Binford facility and giving these churches a blank canvas for designing space that fits their brand.
- An existing MOB typically has all of the necessary entitlements in place, like a commercial zoning classification, an abundance of parking and sufficient utilities in place that make the properties attractive targets for reuse.
- Renovating an existing facility is often less expensive than having to construct a building from scratch. In fact, adaptive reuse projects are estimated to be 20 percent less expensive than completely demolishing and rebuilding.
- Renovating, rather than constructing or rebuilding, can have a shorter construction period, allowing the church to move-in and enjoy the space sooner.

As for the hospital trying to offload the facility, selling to a church may be less difficult than trying to sell to another health care provider, given there is potentially fewer regulatory issues to navigate when compared to transferring the facility to another hospital or provider. In

some cases, if the health care facility is owned by a nonprofit health care provider, it may be possible to donate the facility to a nonprofit church or sell the facility to a nonprofit church for a price below its market value. Moreover, megachurches like Northview Church are on the rise in the United States with the percentage of multi-campus megachurches continuing to grow, which creates more demand for these facilities.

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In sum, selling a vacant medical property like the Binford facility can be difficult, as there may not be many prospective buyers of such large facilities. However, as the Binford project shows, the location of these facilities and existing infrastructure can be advantageous for churches who have either outgrown their current space or are looking to establish an additional satellite campus. Accordingly, hospitals and health systems frustrated with their inability to sell off vacant facilities, should consider whether churches in their community may be just the buyer they have been waiting for.

If you have any questions or would like additional information about health care real estate matters, please contact:

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