

To: Pastoral Council (PC)

From: Facilities Project Steering Committee (FPSC)

Re: Request for Approval

Date: October 29, 2010

In 2007 St. Catherine's Strategic Plan identified "improve parish facilities" as one of its strategic goals. Since then much has been accomplished. After many months of study, the FPSC proposed a path forward in May 2010. In June and July 2010, the Pastoral and Finance Councils jointly charged the FPSC to implement the path in two stages. From July 2010 until October 2010, the FPSC implemented the stage #1 activities by conducting a successful fund raising program, completing four of the five critical facilities projects and almost finishing the fifth. And, on time and under budget.

The FPSC is now ready to begin stage #2 and requests your approval of its work plan for 2010-11. Specifically, the FPSC requests that the PC approve the following charge:

"Execute the FPSC's Working Goal Statement for 2010-2011 and conduct the activities shown in the preliminary work plan."

For your information, the next page contains:

- Charge by Joint Pastoral and Finance Councils (July 14, 2009)
- Working Goal Statement for the FPSC (fy2010-11)
- Preliminary Work Plan for the FPSC (fy 2010-11)

The FPSC would make minor adjustments in the goal statement and the work plan without returning to the PC for another approval.

For clarity: the FPSC's work this year will not result in an architectural plan. Rather it will result in a clear decision on whether to renovate the current parish center or build a new one. Your approval of the above charge does not specify the outcome of the decision; it only commits the Pastoral Council to completing a robust process that results in a decision on this critical issue. The FPSC would in 2011-13 use the decision to guide the detailed planning and design work which would be put before the parish for final approval at the appropriate time.

The FPSC has already collected important information on the major issues that will drive the critical decision on how to revitalize the parish center. Attached for your review prior to the meeting is a document titled, "Moving Ahead on Revitalizing the Parish Center". The FPSC has agreed to keep this document confidential until meeting with the Pastoral Council and the Finance Council. We ask that you honor this desire.

Questions? Just email Mike Redlin at [mhr5@cornell.edu](mailto:mhr5@cornell.edu)

## **Charge by Joint Pastoral and Finance Councils (July 14, 2009)**

1. Develop a comprehensive plan for revitalizing the parish center in stages from 2013-2016 and present this plan to the parishioners in fall 2010 or spring 2011.
2. By 2013, develop a strategy to raise funds sufficient to cover action #1.

## **Working Goal Statement for the FPSC (fy2010-11)**

1. Develop the approach (new or renovated) for revitalizing the parish center that:
  - provides support for essential programs and services (current or future)
  - fulfills StC's moral responsibilities
  - creates a facility for the next 25 years
  - is within the means for a parish of this size
  - is financially sustainable over time
  - includes research about possible uses of the land
  - is supported by the parishioners
  - is supported by the Diocese
2. Gain tentative "approval" for this approach by June 30, 2011.

## **Preliminary Work Plan for the FPSC (fy 2010-11)**

The following activities represent the FPSC's work plan. Note: this is a listing of activities without a sequence or dates. These will be added later as more details are learned and meetings/presentations are coordinated.

- Create a vision (case statement in fund raising lingo) for the parish center in consultation with critical groups.
- Perform a code impact assessment to determine the cascading effect of making improvements to the current building.
- Collect additional information as needed.
- Communicate information to parishioners through such means as bulletin inserts, witness talks, forums, etc.
- Conduct a financial feasibility study (approximate cost \$12,000-\$18,000)
- Present information to PC and FC separately in a timely fashion at standard meetings or through emails.
- Present information at interim joint PC&FC meeting.
- Present a final recommendation at joint PC&FC meeting in June, 2011. A joint recommendation would then be forwarded to Fr Joe for his decision.

## **Moving Ahead on Revitalizing the Parish Center**

Three years ago St. Catherine's (StC) embarked on a journey to revitalize its facilities in order to serve its parishioners through enhanced programs and facilities. This was done in response to the strategic planning process, Shaping St Catherine's Future, in which the parish set six strategic goals. One of those goals was: "improve parish finances and facilities."

After two years of study the Pastoral Council (PC) decided to accomplish the facilities work in two stages:

- Stage #1, 2009-2010: make critical repairs to both the church and parish center and raise the necessary funds for doing so.
- Stage #2, 2011-2016: revitalize the parish center and develop a financial strategy for funding the work.

### The Journey: Past and Future

The work in Stage #1 is almost done. Since May 2009 StC finished three critical projects and started two others, with completion expected in 2010. StC also implemented the Building Our Future fundraising campaign to which parishioners pledged \$937,000. Of this, \$750,000 will be used for the five current critical projects and the excess dollars saved for future work on the parish center.

It's now time to begin the Stage #2 work. The Facilities Project Steering Committee (FPSC) will guide the work which includes developing a comprehensive plan for the parish center and acquiring sufficient funds to do the work, both in consultation with the parishioners. The first step in this process is understanding the major options for revitalizing the building and the major factors that influence these options.

To support the future work of the FPSC, this document presents important information gathered during the Stage #1 work. First, it names four major options for revitalizing the Parish Center. Second, it describes some major factors to consider when evaluating the relative merits of these options.

### The Options for Revitalizing the Parish Center

The four options are listed by level of capital requirements, from most to least.

1. Build a new parish center of similar or slightly larger size
2. Substantially repair the parish center and add some programmatic enhancements
3. Substantially repair the parish center without adding programmatic enhancements
4. Close the parish center and provide for operational needs from rented space

### Major Factors Influencing the Project for Revitalizing the Parish Center

There are eight factors that will have a major influence on the option eventually selected. A description of each factor and any known data relating to it are presented below.

**1. Substantial repairs to the Parish Center will include major expenses for work relating to egress, windows, roof and mechanical, electrical and plumbing systems.**

The parish center is generally in good condition inside and out, displaying an adequate level of preventative maintenance. However, there are exceptions. Aging or deteriorating conditions on the roof indicate significant deferred maintenance, and evidence of previous roof leaks can be found. Windows on the parish center's west wall are generally in poor condition, and some are unable to be closed and locked shut.

More critical for long-term planning is the issue of obsolescence. Much of the original 1960s construction of the building remains intact today. While this shows a history of excellent stewardship of resources, it also means that the buildings have slipped behind with respect to evolving building practices. Several portions of the parish center have not kept up with the evolving uses within; the parish center doesn't meet current energy standards; and a large portion of the HVAC systems and some of the telecommunications systems, although still functional and showing neither signs of excessive wear nor of imminent failure, are many years out of step with the latest technologies. The HVAC systems in particular are now aging to the point where replacement of individual parts or components is not recommended and perhaps, in some cases, not even possible.

<b>Table #1: Estimated Costs for Identified Actions*</b>			
<b>Actions</b>	<b>2007</b>	<b>2010</b>	<b>%</b>
Asbestos Survey Study	\$7,500	\$8,000	1%
<b>Correct parish hall egress</b>	\$78,000	\$80,000	<b>14%</b>
Isolate boiler room with fire-rated construction	\$15,000	\$16,000	3%
Provide boiler room combustion air	\$3,000	\$3,500	1%
Provide addressable fire alarm system	n/a	\$15,000	3%
Replace electric service, panels and distribution	\$30,000	\$32,000	6%
Replace boiler system	\$30,000	\$32,000	6%
<b>Replace roof</b>	\$350,000	\$370,000	<b>65%</b>
Replace windows	\$9,000	\$10,000	2%
Replace worn control motor	\$1,200	\$1,500	0%
Subtotal		\$568,000	100%
Design contingency (15%)		\$85,000	
Construction contingency (12%)		\$68,000	
Soft Costs (25%)		\$142,000	
Total Project Costs		\$863,000	

\* From Project Conditions Report 2007

**2. Implementing substantial repairs could require us to upgrade the entire facility to current building codes.**

There are two factors that may require upgrading the facilities to current codes:

Amount of Work

If the Work Area exceeds 50% of the aggregate area of the building then all building systems need to be brought into compliance with current codes. Work Area is defined as portion or portions of building which are reconfigured. Reconfigured means removal/addition of doors, walls, removal/addition or extension of building systems like HVAC. Reconfiguration IS NOT one-for-one replacement, so replacing windows/doors/ceilings/painting IS NOT reconfiguration.

### Previous Change of Use

The parish center was originally designed as a mixed-use building, supporting both a rectory on one hand and office and assembly spaces on the other. The conversion of the rectory to office space constitutes a change from residential to business occupancy. It is not clear that this change was supported by a code review demonstrating compliance with the new occupancy's egress and fire separation requirements.

Whether upgrading will be required must be determined as part of a detailed analysis of the project's scope and its impact on the current building.

Yet, given the age of the parish center, its current conditions and possible scope of the project given the Parish Center's inefficient and ineffective support of desired programs, it is likely that the Town of Ithaca will enforce the current codes. This requirement is likely to increase the costs presented in Table #1 because many additional sections of building would then require work.

### **3. The parishioners will view this project and all its options from the programmatic viewpoint (i.e., what programs will the revitalized parish center support and in what ways).**

There are two aspects to this issue:

- a substantial gap between the parishioners' perception and the reality about how the parish center supports StC's mission
- a lack of understanding of how desired programs drive the parish center's space requirements.

### Gap between the Parishioners' Perception and the Reality

From the very beginning the FPSC has worked to inform the parishioners about how the renovations are related to our mission. This has worked extremely well for securing financial support to renovate the church roof and to replace the church HVAC. However, generating support for major renovations to the parish center has been more challenging, and has not been pursued during this year of focus on critical repairs. Lack of support for major renovation to the Parish Center is in part due to a lack of understanding and appreciation of the full complement of programs that are supported by the parish center. This is basically a communication problem with multiple dimensions.

One dimension of the problem is that only a small fraction of the parish has a full understanding of the number and quality of the programs that are supported by the parish center. The Pastoral Council (PC) just recently completed a round-robin with the different StC committees and it was clear to the PC that StC has a very vibrant set of committee activities that are supported by the parish center. The average parishioner, however, doesn't have an understanding of the full-extent of programmatic activities that are in place to support the parish mission. StC must find a way to communicate with the parish the full extent of our programs.

Another dimension of the communication problem is building a collective sense of the extent to which the parish center is deteriorating. For the past year the parish very much focused on the repairs to the church. This was necessary and has brought dividends. Now StC need to redirect the discussion on the deteriorating state of the parish center. StC needs to use multiple approaches to inform members of the parish of the state of the center. The following are some suggestions: (1) using the Saturday and Sunday masses to alert parishioners to problems that are surfacing in the parish center; (2) restart the tours of the parish centers to underscore leaks and other structural problems; and (3) provide status reports on the parish center on the StC web page.

One other dimension that could be developed is to tap into the young families in our parish to secure their support for the various youth and family oriented programs in the parish. They are the future of the parish!

#### How Desired Programs Drive the Space Requirements

The key drivers for the amount and type of space in the parish center are the programs occurring on Sunday morning or requiring a parish hall. The FPSC believes that space developed for Sunday morning and/or social activities would be sufficient to support all other programs offered at other times. And the space requirements for these peak-load needs could be better rationalized if the space were used off peak by either internal (StC activities) or external (for rent) groups.

The following is a listing of the important programs that contribute to the Sunday morning peak and internal social activities that require a parish hall.

- Children's Liturgy of the Word for ages 3-6
- Children's Liturgy of the Word for grades 1-4
- Faith Formation for grades K-8
- Rite of Christian Initiation for Children (RCIC) instruction
- Parish Social Hours
- Korean Community gatherings
- Pancake breakfasts
- Welcoming and Social whole parish gatherings, e.g. Harvest Festival
- Adult Faith Enrichment programs with area or invited speakers

Many parish programs could be enhanced by improved or increased space in the Parish Center. For example:

- K-5 Faith Formation would be more welcoming if we had space for the caregivers and young siblings of children participating in the program

- Adult Faith Enrichment would be enhanced if we had space to offer programs between the 9:00 and 11:30am Masses
- Welcoming/Social, HS fundraising and Youth Faith Formation would benefit if we had the space to host pancake breakfasts and faith formation on the same morning
- Welcoming/Social, Bereavement, Peace and Justice would benefit from kitchen facilities that accommodate preparation of large quantities of food
- Parish-wide gatherings in large groups would benefit from adequate space in a parish hall.
- Liturgy would be enhanced by having space in the Parish Center where the choir could rehearse before Masses.

**4. The scope of the project will be limited by the available financial resources.**

In the financial feasibility study completed in May 2009 the parishioners did not support a \$4.57 Million project that included a new, larger parish center and a new narthex. Instead the parishioners supported accomplishing critical repair projects for \$1.0 Million. Additionally the study identified several characteristics of StC that explain the limited support for raising substantially more funds.

- Timing: a sense of urgency on repairs
- Historical culture:
  - a. Small core group that is involved, interested and excited
  - b. Most parishioners are “worship only”
- University Town: both a small-town civic pride and a strong commitment to local universities/colleges provide many important competitive opportunities for giving
- Practical about financial matters: not interested in going beyond means, yet willing to carry some debt

**5. There will be funds from three sources in a reserve account available for the project after the internal loans to the critical projects are repaid by redeemed pledges from the Building Our Future (BOF) campaign that ends in December 2012.**

An estimated total amount in excess of \$500,000 will be available in reserve accounts from three sources:

- Funds from the PIF Campaign (2003-2007)
- Fr Mike’s Bequest (2009)
- Excess from BOF Campaign (2009-2012)

The actual total amount will be known at the end of the BOF campaign in December 2012.

**6. Building a new parish center in the current location would be very difficult because of the need to close down the current parish center during demolition and construction.**

During the construction period StC would have to provide temporary space that:

- would probably be smaller, and not have all the features the current parish center now provides

- would not be close to the church
- would have a rental fee

Some of the effects of the temporary space would be

- Office staff records, meeting and general work areas for our staff would be moved into temporary quarters creating possible compromises of confidential information and records. Meeting locations may not be as convenient for parishioners.
- Receptionist work area, communication central and web related information would be relocated.
- Pastor’s office and private conference room may be located in a reduced, or less convenient area.
- Social meeting area for large groups, meals, dances, children’s play area would probably have to greatly reduced or not held.
- Special services held in the large activity room would be eliminated (e.g., Easter vigils)
- Revenue from “outside” groups would be lost, perhaps permanently.
- No garage work area for Jerome.
- No laundry area.
- Small chapel eliminated.
- No nursery for services.
- No storage area for folding tables, chairs, kitchen equipment.
- We would have to rent storage space for all equipment furniture, and supplies we wish to keep.
- No local classrooms for youth faith and adult faith education or special presentations.
- Temporary phone, cable and fax services would have to be relocated.

**7. A new parish center of the current size (10,000 SF) would require substantial capital funds.**

The estimates for building a new parish center depend on the desired level of quality

High Quality Level (similar to current parish center)

One story, slab on grade with pitched roof with architectural shingles, metal stud framing, brick veneer exterior, and with reasonable quality interior materials. The numbers include some site work but no paving. Soft costs include fees, permits, inspections and other project related costs. The building demolition numbers assume asbestos abatement.

Building/Site Construction @ \$175/SF	\$1,750,000
Design Contingency @ 20%	350,000
Building Demolition	75,000
Subtotal	2,175,000
Soft Costs @ 25%	545,000
Total Project Budget	\$2,720,000

Low Quality Level

A less expensive building type using post frame construction and simple composite exterior siding.

Building/Site Construction @ \$75/SF	\$750,000
Design Contingency @ 20%	150,000
Building Demolition	75,000
Subtotal	975,000
Soft Costs @ 25%	195,000
Total Project Budget	\$1,170,000

**8. The parish has assets in the form of land that could be converted into financial assets.**

There are at least two ways in which the land could be converted into financial assets for use in the parish center project:

1. Sale of land parcels to individuals for residential housing
2. Sale or lease of land to developer or other organization for low-income housing

Sale of land parcels to individuals for residential housing

The land would be sold directly to individuals and the proceeds from the sale would be used for the parish center project.

StC owns tax map parcel 71.-1-10 which consists of a 12 acre lot in the Town of Ithaca zoned for medium density residential. The church, parish center and parking lot currently occupy roughly 4 acres of the land, and the 8 remaining acres could be subdivided into building lots.

Yet not all of the 8 acres would be available as saleable lots. The current rectory occupies one lot (.6 acres). There are wetlands that prevent using another lot (.6 acres). The remaining land could be subdivided into ten lots. Because the parish may want to keep some land to the west of the parking lot and parish center for open space and outdoor activities (3 lots in 2.5 acres), its value is broken out and listed below.

A rough estimated market value for these lots can be determined from comparable sales of similar lots and comparison to mean land assessments of neighboring homes. The following table presents the results.

<b>Source for Estimate</b>	<b>\$'s/acre</b>	<b>\$'s for 7 lots</b>	<b>\$'s for Open Space (3 lots)</b>	<b>\$'s for 10 lots</b>
Comparable sale (2008)	\$237,700	\$975,000	\$588,000	\$1,563,000
Land assessments (2009)	\$206,600	\$849,000	\$511,000	\$1,360,000

Note: the estimated dollar amounts are taken directly from the detailed analysis (round to the nearest \$1,000) and the acreage has been rounded to the nearest .1 acres. Thus, the extension of the \$/acre into the totals will produce slight variations from the estimated dollar amounts.

#### Sale or lease of land to developer or other organization for low-income housing

The land could be either sold or leased to the developers or organizations, with the developers and organizations being either related or unrelated to StC. A sale would provide immediate cash flow for the parish center project. A lease would provide StC with a continuing stream of cash flow and full participation in the land's appreciation for the lease's duration.

A reasonably accurate estimate of the values for these cash flows, however, cannot be determined now because of the lack of knowledge about the specific conditions for the options.