

Status Report on the Parish Education and Activity Center Building Plans (November 20, 2008)

From the Co-Chairs of St. Francis Borgia's Building Leadership Team

In the June parish meetings we presented a plan for a 60,000 square foot facility located on the north campus. We explained that the construction would cost roughly \$12 million vs. approximately \$8 million which was forecast at the time of the fund drive. The primary causes for this increase were increased soft costs, and construction cost inflation since the original estimate. An additional risk also emerged in that it would take a long time to sell the existing school property, and we would probably receive a much lower price due to the current tough real estate market. Finally, we recognized at that time that the parish is not financially strong enough to service a principal and interest payment for a construction loan and mortgage.

We explained that from a cash flow perspective, in order to proceed with a \$12 million structure, the parish would have to very broadly indicate additional financial support to include: completing the initial building fund pledges on an accelerated basis, adding at least one supplemental fund drive, strong support of the Archdiocesan capital campaign, and increasing our annual stewardship contributions by roughly 30% each year for the long term to allow us to make principal and interest payments on a mortgage. Only a small percentage of parishioners indicated that they could increase their donations to that level, which told us that we could not proceed with building this much more costly facility.

By July, surveys submitted by parish families indicated that we should look at lower cost options to meet our needs. This work has been ongoing now for the last few months. We also launched an effort to narrow our specific facility *needs* vs. items that might be more accurately classified as “*wants*.” This step was important because we need to understand what facility requirements are most important assuming we are not likely to have sufficient financial support to build the full scale new 3K through 8th grade facility we had originally dreamed of.

We have been working hard exploring several alternative approaches which we might wish to pursue at a significantly lower than \$12 million cost.

The first of these options would be to make an addition to the existing school building with a gym and some classroom space, while at the same time complying with required improvements under the Federal Government’s Aid to Disabled Persons Act, and any code requirements under local or state regulations.

Secondly, we examined adding to Option 1 a slightly larger addition plus a list of improvements to the existing school such as new windows and doors, some HVAC improvements, and additional electrical and technology enhancements to the building.

The third option we explored was what costs might be saved if we were to build the 60,000 square foot building on the north campus, but using much lower cost construction approaches, such as a steel

building, pre-cast concrete panels, etc. We also researched the costs of a phased approach to building on the north campus.

The final option looked at was an addition to the existing school with no new gym but just added classroom and office space.

The phased approach to Option 3 is probably not viable because ultimately it would cost more to complete than trying to build the whole building in a single step and also because we cannot afford the added operational costs and complexity of trying to operate a two-campus school. The final option of building an addition without a gym, while costing substantially less and addressing the classroom and administrative space needs, may also not be as appealing because it would take away a feature that was important to a number of contributors to the project. However, we did want to at least explore these options because some members of the parish family did raise the question whether these options might work.

We recognize that some of the options we have described here will not meet all of our original objectives such as a one-campus parish, a new facility eliminating all the problems of the 1950's vintage building, and a campus with playground and sports field space for recesses and parish activities; but since it does not appear we have the financial ability to afford the originally planned facility, we needed to explore what improvements we could provide to the parish with the level of funding we hoped to be able to receive from the parish family.

We expect to have layouts and cost estimates (not final designs and bids) for each of these options along with their pros and cons by the last week of November. Also before we come back to the Building Leadership Team and Parish Council with a recommendation, we must have at least an informal meeting with the City leadership to get an indication of whether they would likely grant a permit for any such expansions on the existing south site and what might be entailed to get such a permit. After these two steps are completed, hopefully by early December, we will present our results to the Building Leadership Team and Parish Council. Along with the estimates of what each option might cost, and the timing of each, we will present an analysis of how the cost of these options would compare with the cash we have already collected, what additional cash we might collect from completing existing pledges, and what we might get from the parish's share from the upcoming Archdiocesan Faith in Our Future campaign.

Assuming the concurrence from parish leadership for one of these lower cost options, we will have to come back to the parish family to describe the recommended option, to explain the benefits and any shortcomings and to determine whether there is sufficient financial support to allow us to firm up a schematic design and to go out for bids.

Thank you for your patience.

John Dorr, Trustee
Darryl Draeger, Director of Administration