

Building Our Community of Faith





Building Our Community of Faith St. Michael the Archangel Church

Current Status

- Most of the response to the waiting list campaign has come from ECC families eager to send their children to the school.
- The response from families currently on the waiting list has been almost non-existent thereby making the case for adding additional classroom seats very difficult.
- The lack of a waiting list coupled with the campaign's current cash position make it necessary to re-tool the project plan.
- The revised proposal that will be promoted to donors and presented to the diocese will be to proceed with the project previously proposed but now do it in two phases.
- Phase 1 has always been the school building that we have today. What was formally known as Phase 2 will now become known as Phase 2 and Phase 3.



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Phase 2

- Phase 2 will be the west wing as previously designed. This will include:
 - Multipurpose gymnasium/auditorium with an elevated stage, pull-out bleachers, and a full size basketball court.
 - A chapel near the entrance to the building with capacity for a class of up to 30 students.
 - Six new classrooms on two floors. This will allow us to re-configure some existing classrooms and provide much needed space for other programs including faith formation, accelerated programs, special needs classes, etc.
 - A general purpose conference room above the chapel for large parish meetings, specialty classes, adult education, etc.
 - A coaches office, locker rooms, and storage on the ground floor adjacent to the gym.
- The intention is that construction on Phase 2 will begin as soon as the necessary funds are raised, diocesan approval is obtained, and Town of Cary approval and permits are granted.



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Phase 3

- Phase 3 will be the east wing as previously designed. This will include:
 - Five additional classrooms (bringing the total number of additional classrooms to 11).
 - A dining hall with food service and storage area, capable of serving 250 students per seating.
- Phase 3 would be started when 100% of the funds are raised for this wing.
- If waiting list demand increases again and can be substantiated, the acceleration of construction on this wing would be reconsidered.



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Fundraising Update

- Fundraising is being re-started – focus on major donors and school families. Parish participation getting a separate team.
- Total pledges - \$1.7M. Approx. \$1.1M in the bank. Parish has spent ~\$550k on architect, other fees.
- Total project cost (Phase 2 and 3) is estimated as follows:
 - Construction: \$8M
 - Architect, fundraising, site prep, legal fees: \$600k
 - Town of Cary impact fees and traffic abatement costs: \$400k
 - Total project cost: **\$9M**
- The likelihood of raising the \$3M to apply for diocesan approval this year is poor unless we receive a huge donation. Even if these funds are raised, we must convince the diocese there is demand for more seats, which is unlikely.
- Project costs are estimates and may be slightly less as a result of the on-going economic difficulties in the construction industry and price competition.



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New Proposal

- We estimate that the cost of building each wing would be roughly 60% for the Phase 2 wing (gym/stage, chapel, classrooms) and 40% for the Phase 3 wing (dining hall, additional classrooms). This is just for the construction and impact fees costs.
- The estimated cost breakdown for Phase 2 is as follows:
 - Construction: \$4.8M
 - Architect, fundraising, site prep, legal fees: \$600k (no change as these costs have already been incurred)
 - Town of Cary impact fees and traffic abatement costs: \$320k
 - Total estimated project cost: **\$5.72M.**
 - Total “cash-in-bank” needed to approach diocese for approval: **\$1.91M.**



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New Proposal (cont.)

- We can no longer count on added tuition revenue to finance the project. Therefore, the REVISED financing plan is as follows:
 - Target cash amount of \$2M needed to approach diocese for approval to start construction on Phase 2. Goal is to have money by end of 2009.
 - Set new target for campaign at MINIMUM of \$3M. This can now include pledge payments over an extended time (2 or 3 years preferable, 5 years for those who prefer to extend their payments).
 - New mortgage would include existing debt plus new debt for Phase 2 wing. Total mortgage would be approximately \$5.75M repaid over 15 years (possibly less depending on construction costs and pledge payment totals).
 - Mortgage payments would be approximately the same as the current mortgage payments (even slightly lower) and extend for an additional 11 years.
 - All pledge payments received in excess of the amount necessary to achieve the targets noted above would be used to pay down the existing debt of the school or applied to Phase 3.



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Pros

- Project begins now – no more waiting
- Parish need for meeting space is satisfied – gymnasium and stage frees up parish center, provides another venue for large masses, programs, festivals, etc.
- New classrooms alleviate space issues for school and parish, allow rooms for special-needs, faith formation or other new programs
- Parish-wide athletic programs similar to those at StMM can be developed, drawing more parishioners to the campus and building fellowship
- Parish center can be used as a dining hall once gym is complete
- Debt can be repaid by the school tuition as it is today without any changes

Cons

- Additional classroom seats have to wait, class sizes stay at current levels
- Contributors who wanted more seats or a dining hall will be disappointed
- Future construction costs will undoubtedly be higher due to inflation and difficulty of accessing Phase 3 area
- Current school debt will not be paid off in 5 years as planned



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Actions

- Pastor has approved moving forward with this phased plan
- Need to get a fundraising plan in place ASAP and start contacting major donors with revised plan. \$2M is needed in the bank in order to begin construction.
- The Architect, WKWW, has been notified of new approach and is working with us to determine what modifications are needed to proceed and submit site plan
- The Contractor, Clancy & Theys, is being asked to provide a revised bid for this phased plan
- Need to develop communications plan to inform parish of revised approach and rationale
- Need to submit site plan to Town of Cary to begin the permit process
- Must prepare proposal for Diocesan Finance Council and Real Estate Council for final approval to begin construction
- Plan ground breaking with Bishop Burbidge for March time frame