Our Campus, Our Finances

September 19
The Rev. Dr. Noelle York-Simmons, Rector
Jilinda Crowley, Treasurer
John Weaver, Fowler House Committee

September 26
The Rev. Dr. Noelle York-Simmons, Rector
Ed Mills, Chair, Finance Committee
Jim Coakley, Fowler House Committee
Reviewing Our Resources
Financial support for our mission and ministry

**Sources of Funding for Our Church**

- **Average Revenues** $2.2 million
- **Pledges & Offerings** 68%
- **Foundation Disbursement** 9%
- **Events & Other** 4%
- **Ross Income** 19%

*Five-year average*
Financial support for our mission and ministry

Worshipping God through services, prayers, and music, and forming disciples of all ages in faith and fellowship

Providing expertise and tools to enable our ministries

Deepening relationships with our neighbors, the diocese, and our partners around the world

Caring for our beautiful property—the foundation of our worship, programs, outreach & mission

What Pledges and Other Revenues Support

- Worship & Programs: 37%
- Buildings & Campus: 32%
- Outreach & Mission: 20%
- Accounting & Admin: 11%
- Providing expertise and tools to enable our ministries

- Worshipping God through services, prayers, and music, and forming disciples of all ages in faith and fellowship

- Deepening relationships with our neighbors, the diocese, and our partners around the world

- Caring for our beautiful property—the foundation of our worship, programs, outreach & mission

- Providing expertise and tools to enable our ministries
## What our buildings & campus offer

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Size</th>
<th>Example Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church, Churchyard &amp; Cemetery</td>
<td>4,400 sq ft Church 1.15 acres Churchyard 1.15 acres Wilkes St</td>
<td>Worship, services, sacraments, events and performances, community green space, graveyard</td>
</tr>
<tr>
<td>Parish Halls</td>
<td>25,098 sq ft</td>
<td>Parish activities, Parish events and meetings, clergy and staff offices, recovery ministries, gift shop, Lazarus ministries</td>
</tr>
<tr>
<td>Fowler House/Ross</td>
<td>36,485 sq ft ~14,000 sq ft Fowler House</td>
<td>Sunday school, One Sock On, Teen Center, Choir rehearsals, Parish events and meetings, English Language Learners</td>
</tr>
</tbody>
</table>
## Maintaining our buildings & campus

<table>
<thead>
<tr>
<th></th>
<th>Average Annual Utility &amp; Maintenance Costs</th>
<th>Expected 1-3 Year Expenses Above Usual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church, Churchyard &amp; Cemetery</td>
<td>$180,000</td>
<td>Steeple repair</td>
</tr>
<tr>
<td>Parish Halls</td>
<td>$222,000</td>
<td>New roof: ~$240,000 Technology upgrades</td>
</tr>
<tr>
<td>Fowler House/Ross</td>
<td>$300,000</td>
<td>New roof: ~$300,000 Cooling Tower Relocation</td>
</tr>
<tr>
<td><strong>After reimbursements from Ross</strong></td>
<td><strong>$161,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Annual costs shown represent a rounded average of costs over the past four years (2017-2020).

We are grateful to the volunteers who help maintain our properties, particularly the churchyard and the Wilkes St cemetery.
A Look at the Fowler House/Ross Building
### Updates to Ross lease

- Due to coronavirus hardship, we forgave 3 months of Ross rent in 2020

![Rent Table]

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Expected</td>
<td>$309,761</td>
</tr>
<tr>
<td>Rent Received</td>
<td>$232,321</td>
</tr>
<tr>
<td>Difference</td>
<td>($77,440)</td>
</tr>
</tbody>
</table>

- Under Ross lease extension to Jan 31, 2023, rent is reduced
  - Previous monthly rent: $25,813.42
  - Current monthly rent: $20,348.42
  - Difference: -$5,465 per month

- Within 16 months, we may lose Ross rent and assume all associated expenses with 112 N Washington St ourselves
Near-term finances of the property

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2020</th>
<th>2021 Projected</th>
<th>2022 Projected</th>
<th>2023 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$232,321</td>
<td>$247,016</td>
<td>$244,182</td>
<td>$20,348</td>
</tr>
<tr>
<td>Reimb of taxes, partial reimb of utilities and maintenance</td>
<td>$207,856</td>
<td>$160,960</td>
<td>$160,960</td>
<td>$4,905</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td><strong>$440,177</strong></td>
<td><strong>$407,976</strong></td>
<td><strong>$405,142</strong></td>
<td><strong>$25,253</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2020</th>
<th>2021 Projected</th>
<th>2022 Projected</th>
<th>2023 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>$71,466</td>
<td>$83,500</td>
<td>$83,500</td>
<td>$66,000</td>
</tr>
<tr>
<td>Taxes &amp; licenses</td>
<td>$88,350</td>
<td>$87,000</td>
<td>$87,870</td>
<td>$88,749</td>
</tr>
<tr>
<td>Direct maintenance</td>
<td>$10,799</td>
<td>$42,845</td>
<td>$43,273</td>
<td>$43,706</td>
</tr>
<tr>
<td>Direct maintenance paid by Foundation distribution</td>
<td>$15,365</td>
<td>$18,342</td>
<td>$18,342</td>
<td>$18,342</td>
</tr>
<tr>
<td>Allocated maintenance</td>
<td>$66,647</td>
<td>$56,676</td>
<td>$57,243</td>
<td>$57,816</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td><strong>$252,627</strong></td>
<td><strong>$288,363</strong></td>
<td><strong>$290,229</strong></td>
<td><strong>$274,612</strong></td>
</tr>
</tbody>
</table>

| Net Revenue | $187,550 | $119,613 | $114,914 | ($249,360) |

These projections do not include any capital improvements.
What’s Next for 112 N Washington St?
Time line of efforts to date

1998
Purchase of Building for $1.85M and 15-Year Lease with Ross

2012
Formation of Fowler House Committee in anticipation of end of Ross lease in 2013

2013
Ross exercises option for 5-year lease extension (to Jan 2018)

2014–2016
FH Committee moves forward on two paths: (1) finding new tenant (hired Rappaport as broker), and (2) ground lease with developer, including space for church ministries

1Q 2017
Based on Rappaport’s research, conclude leasing to new tenant is not feasible; negotiate 3-year lease extension with Ross (to Jan 2021)

Nov 2017
Hire Savills Studley as broker to market property

Mar 2018
Broker contacts 280 investors; 9 ultimately respond to RFP

Nov 2018
FH Committee presents to Vestry developer’s proposal for multi-family apartment complex

Feb 2019
Parish information sessions held; on Feb 24, parish votes to approve ground lease and provide density rights to developer

Jul 2019
Initial Developer declines to pursue project

Nov 2019
Vestry enters into LOI with second developer who plans a memory care facility

Mar 2020
Second Developer declines to pursue project

Jun 2020
Finalize 2-year lease extension with Ross (to Jan 2023)

May 2021
Kick-off of Our Campus, Our Calling
What we’ve learned over last 3 years

• No new retail user of the existing space has emerged, and being a landlord is not a strength of the church

• The commercial value of the space for other uses is decreasing over time

• To interest a developer in ground leasing or buying the property, the amount of square footage Christ Church can have access to has decreased
  • ~14,000 sq ft in Fowler House today
  • 10,000 sq ft negotiated in deals that fell through
  • 0-4,000 sq ft looks more likely for any future deal

• The building continues to age and, if retained, will require a new roof, exterior painting, and system upgrades

• It’s not only the property next door that is aging. Our Parish Halls are also aging and at some point will need to be reconfigured, at a potential cost of $6,000,000 – $8,000,000
## Ballpark figures for possible futures of 112 NWS

<table>
<thead>
<tr>
<th></th>
<th><strong>Ground Lease / Sale</strong></th>
<th><strong>Convert to a Ministerial Use</strong></th>
</tr>
</thead>
</table>
| **Ballpark Initial Costs** | ~$400,000 legal, administrative, brokerage, environmental, closing costs  
~$600,000 to build out our space in building (3,000 sq ft at $200/sqft) | ~$300,000 to repair roof  
~$$,$$ to other repairs  
~$$,$$$ to reconfigure Ross/FH to another use |
| **Ballpark Ongoing Maintenance** | ~$24,000 annually  | ~$275,000 annually |
| **Ballpark Reserve for Annual Maintenance** | $0  | ~$50,000 annually |
| **Ballpark Potential Gross Income** | ~$300,000 annually  | $0 or ? |
| **Ballpark Potential Net Revenue** | ~$276,000 annually  | ~($325,000) annually if usage is not income generating |
Discussion Questions

• What are you excited about as you think about the future of our parish and our properties?

• What did you learn about our campus properties that surprised you?

• What do you think the church needs to keep in mind as we discern the future of 112 N Washington St?