

Holy Rosary Tacoma Due Diligence Assessment



Holy Rosary Campus



Background/Timeline

1. Sheetrock from the ceiling falls into last few pews and the choir loft – October 6, 2018
2. Diligence plan laid out to assess the issue – November 7, 2018
3. Conduct Safety Assessment – Nov-Dec 2018
4. Meeting to review diligence plan and meet with contractors – December 13, 2018
5. Safety Assessment Completed – January 8, 2019
6. Detailed Due Diligence Completed – May 24, 2019
7. Review with Archbishop – June
8. Determine next steps based on Archbishop's decree - August



Scope of Due Diligence and Analysis

1. Building Assessment
2. Real Estate Assessment
3. Fundraising & Grant Assessment
4. Operations Assessment
5. Pastoral Planning Assessment
6. School Assessment



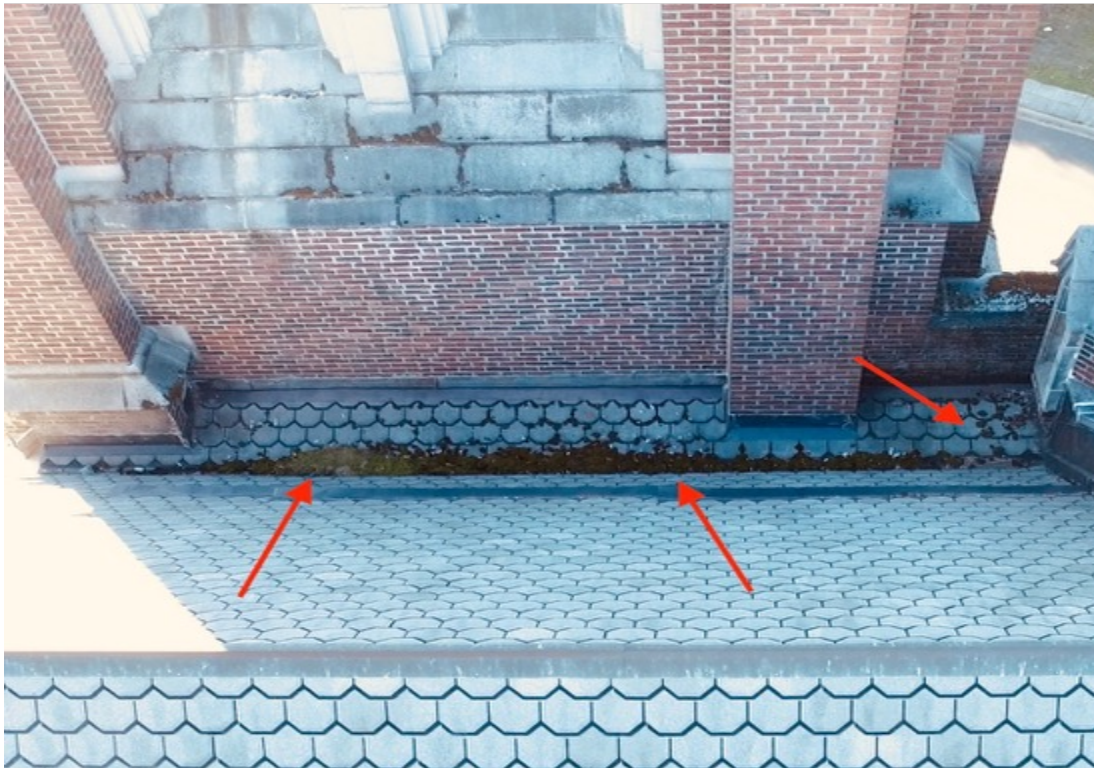
Building Assessment - Team

- Broderick Architects – Familiar with building from past work
- Hilger Construction – General Contractor
- Nexus Building Envelope Consultants – Specialist Contractor
- Swenson Say Faget Structural Engineers - Seismic



Building Assessment – Initial Issue

- Roof leak resulted in wet interior plaster. Section above choir loft falls to nave (approx. 35'). Adjoining areas of loose plaster and ceiling tiles. Area within nave closed off.



Building Assessment – Over Main Entry



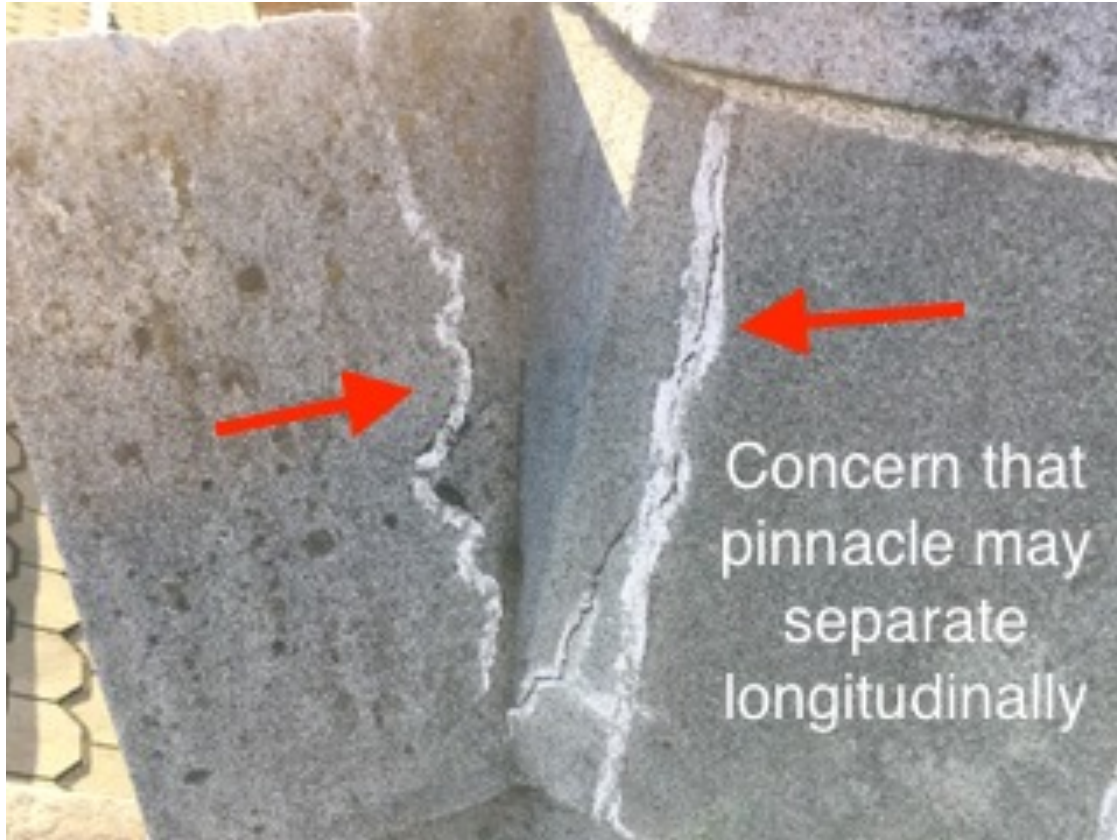
Building Assessment – Over Main Entry



Building Assessment – Above Bride's Room



Building Assessment – Bell Tower



Building Assessment - Total Cost *(in thousands)*

Repair Church Interior	562
Exterior Scaffolding	1,969
Exterior Repairs	2,126
Tower Structural Repair and Seismic Upgrades	3,945
Church Seismic Upgrades	5,142
Reroofing, Flashing, Gutters & Asbestos Abatement	1,292
Stained Glass Window Preservation and Caulking/Painting	643
Aging Mechanical and Electrical System Work	1,187
Storm Water Collection Repairs	99
Room Repairs	643
TOTAL	17,608

Note: Costs Estimated with 2021 Dollars; Excludes costs of approximately \$2 million for School, Rectory, and Convent.



Building Assessment: Minimum Cost to Re-occupy

(in thousands)

Repair Church Interior	562
Patch and Repair Roofing	138
North Façade Repair	502
Window Caulking	148
Storm Water Collection Repairs	99
Exterior Scaffolding	799
Re-Occupancy Repairs	<u>2,249</u>

Repair Church Interior	562
Reroofing, Flashing, Gutters & Asbestos Abatement	1,292
Exterior Repairs	2,126
Stained Glass Window Preservation and Caulking/Painting	643
Storm Water Collection Repairs	99
Exterior Scaffolding	1,969
Re-Occupancy Repairs with Building Envelope Sealing	<u>6,691</u>



Real Estate Assessment

- Estimate of \$650k - \$1.4M to demolish the church
- Cost to build new, smaller church is \$6-\$7M
- Potential value of church lot: \$1.7M - Entire site: around \$5M



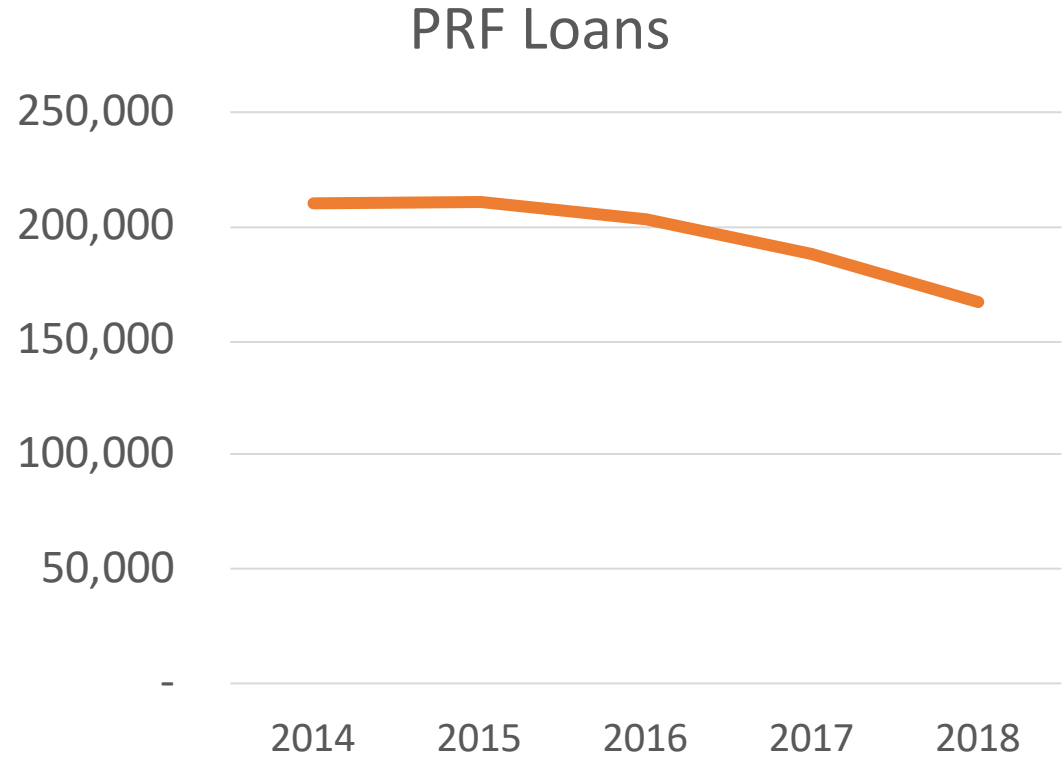
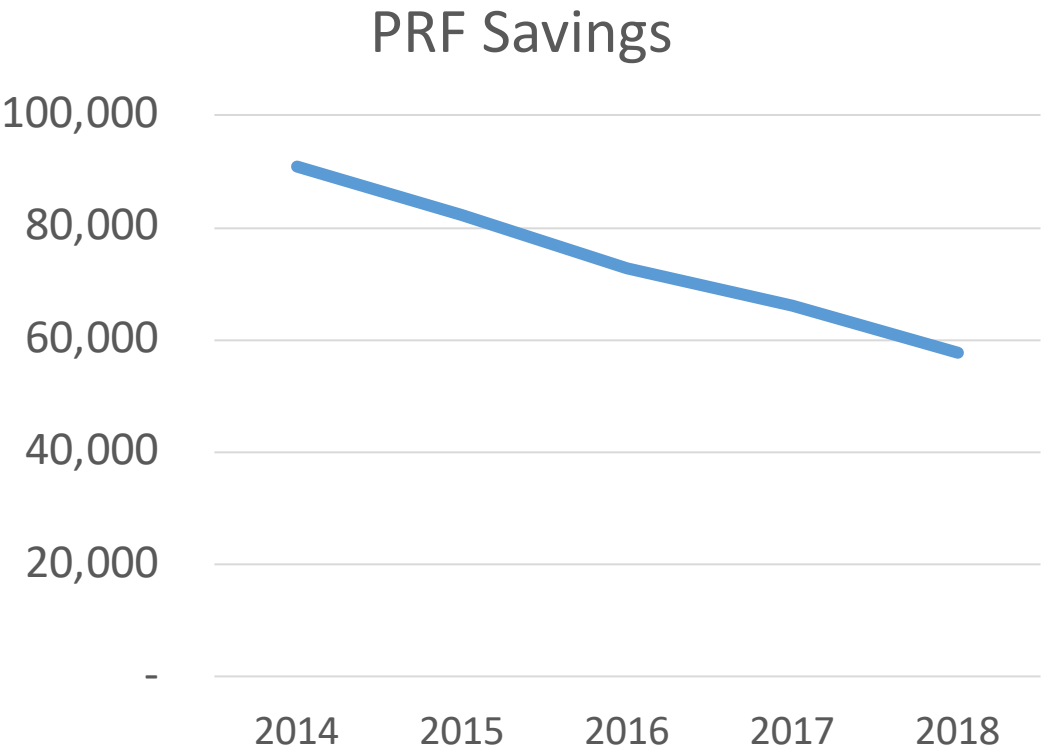
Operations Assessment – Revenue & Expense

<i>In thousands</i>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Ordinary Income	246	283	276	278	238
Expenses	313	386	323	353	321
Net – Operating	(67)	(104)	(47)	(76)	(83)
Bequests - Other					
Income	75	97	67	91	126
Net	7	(7)	20	15	43

For an old parish, at least \$50k-\$100K is needed for annual deferred maintenance



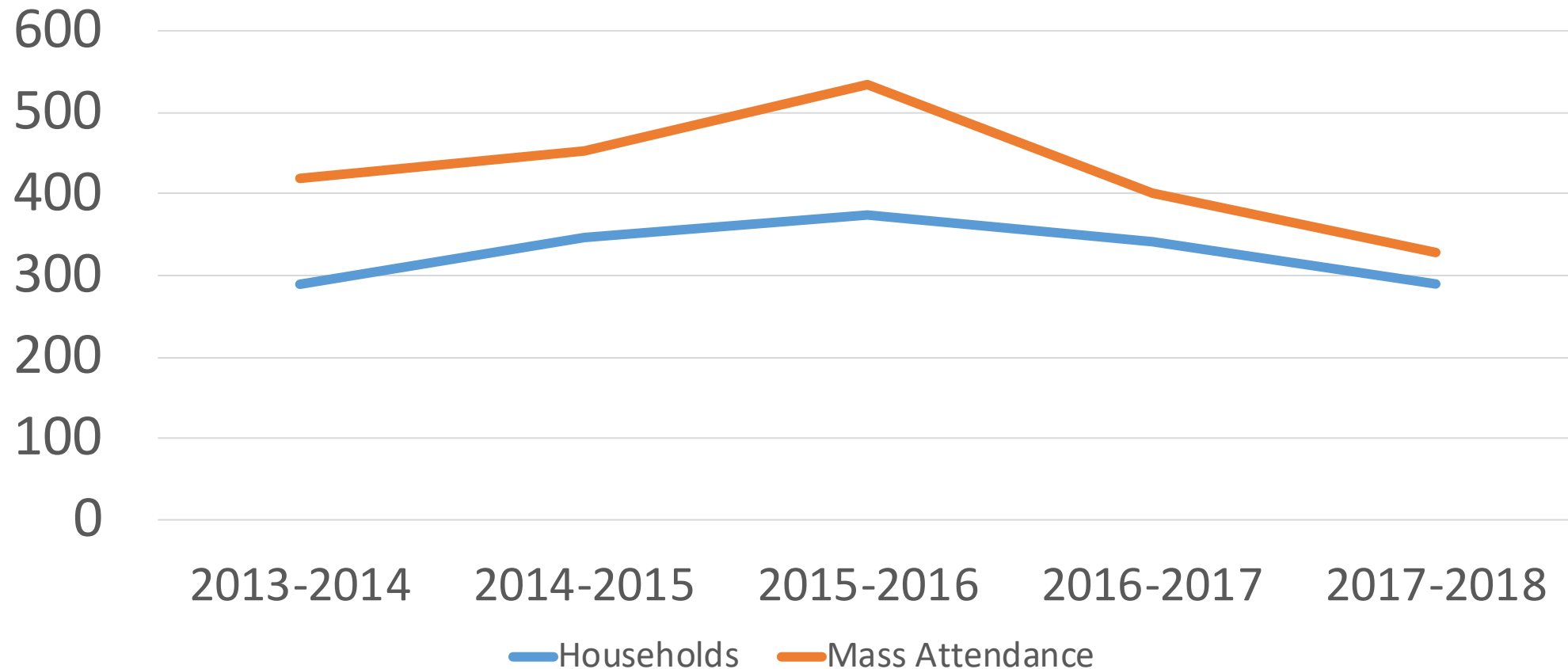
Operations Assessment – Working Capital



Net working capital deficit of \$100K



Operations Assessment – Household and Mass Attendance Numbers



Operations Assessment 18/19 Mass Attendance

July 2018/Feb 2019	5:00 PM	12:00 PM	Weekend Total	Weekend Avg
July	569	1205	1774	197
August	434	890	1324	166
September	553	1090	1643	164
October	478	890	1368	171
November	489	930	1419	177
December	650	1185	1835	153
January	306	725	1031	129
*February	226	465	691	86
March				
3rd	96	160	256	
10th	72	140	212	
*17th	86	95	181	
24th	92	165	257	
31st	58	160	218	
Total March	404	720	1124	112
April 7th	52	165	217	
April 14th	76	155	231	
*April 21st	98	225	323	

*Note: Feb 9th & 10th cancelled due to snow; Feb 23rd & 24th and March 17 & 18th held at Visitation; April 21st – no 5pm Mass, 8am on Easter morning instead



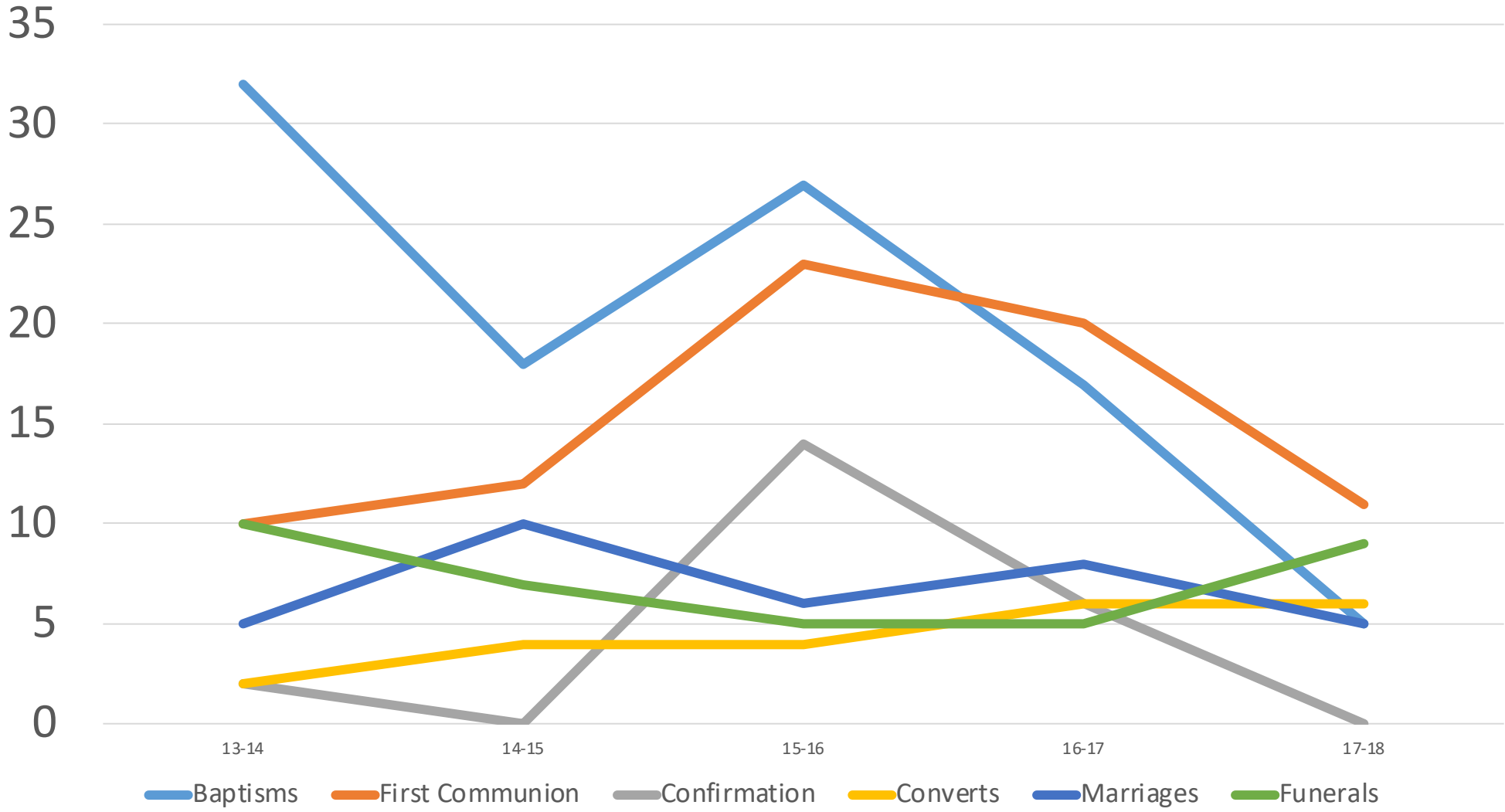
Operations Assessment 18/19 Income

Weekend:	<u>Collection</u>	<u>Running total of Collection Amt.</u>	<u>Needed Fiscal year to Date: \$5174 / per week</u>	<u>2018/2019 Budget Shortfall</u>
July 1, 2018 to Dec 2018		113,682	141,680	27,998
January 2019 Total	13,809	127,491	162,376	34,885
February 2019 Total	13,780	141,271	183,072	41,801
<i>March 3rd, 2019</i>	6,360	147,631	188,246	40,615
<i>March 10th, 2019</i>	14,264	161,895	193,420	31,525
<i>March 17th, 2019</i>	6,486	168,381	198,594	30,213
<i>March 24th, 2019</i>	6,967	175,348	203,768	28,420
<i>March 31st, 2019</i>	5,400	180,748	208,942	28,194
March 2019 Total	39,477	180,748	208,942	28,194
<i>April 7th, 2019</i>	4,448	185,196	214,116	28,920
<i>April 14th, 2019</i>	7,498	192,694	219,290	26,596
<i>April 21st, 2019</i>	11,050	203,744	224,464	20,720

*Note: Feb 9th & 10th cancelled due to snow; Feb 23rd & 24th and March 17 & 18th held at Visitation; April 21st – no 5pm Mass, 8am on Easter morning instead



Operations Assessment - Sacraments



Fundraising Assessment - Capital Campaign

- Capital Campaigns historically are likely to raise between 2x and 2.5x Ordinary Income
- Holy Rosary Ordinary Income is \$279K (average of last three years)
- Choosing the mid-range of 2.25x Ordinary Income, a best estimate of a Capital Campaign would be approximately **\$627K**
- Assessed feasibility of capital campaign with fundraising firm; feedback not positive in terms of ability to large amounts



Fundraising Assessment - Grants

Funding Source	Max Funds Available	Comments
Catholic Extension	\$100,000	Not likely to qualify – not “mission diocese”
National Fund for Sacred Spaces	\$250,000	May not qualify – parish life isn’t growing; community dwindling
National Parks Service – Save America’s Treasures	\$500,000	May not qualify – “national significance” required
National Trust Preservation Fund	\$5,000	Smaller grants
Johanna Favrot Fund for Historic Preservation	\$10,000	Smaller grants
The Oldham Little Church Fund	\$5,000	Smaller grants
Dept. of Archaeology and Historic Preservation (WA)	\$5,000	Covers about a dozen smaller grant programs
The Kinsman Foundation	\$80,000	Most grants were up to \$25,000
TOTAL MAXIMUM	\$955,000	<u>Likely amount could be \$100K or less</u>



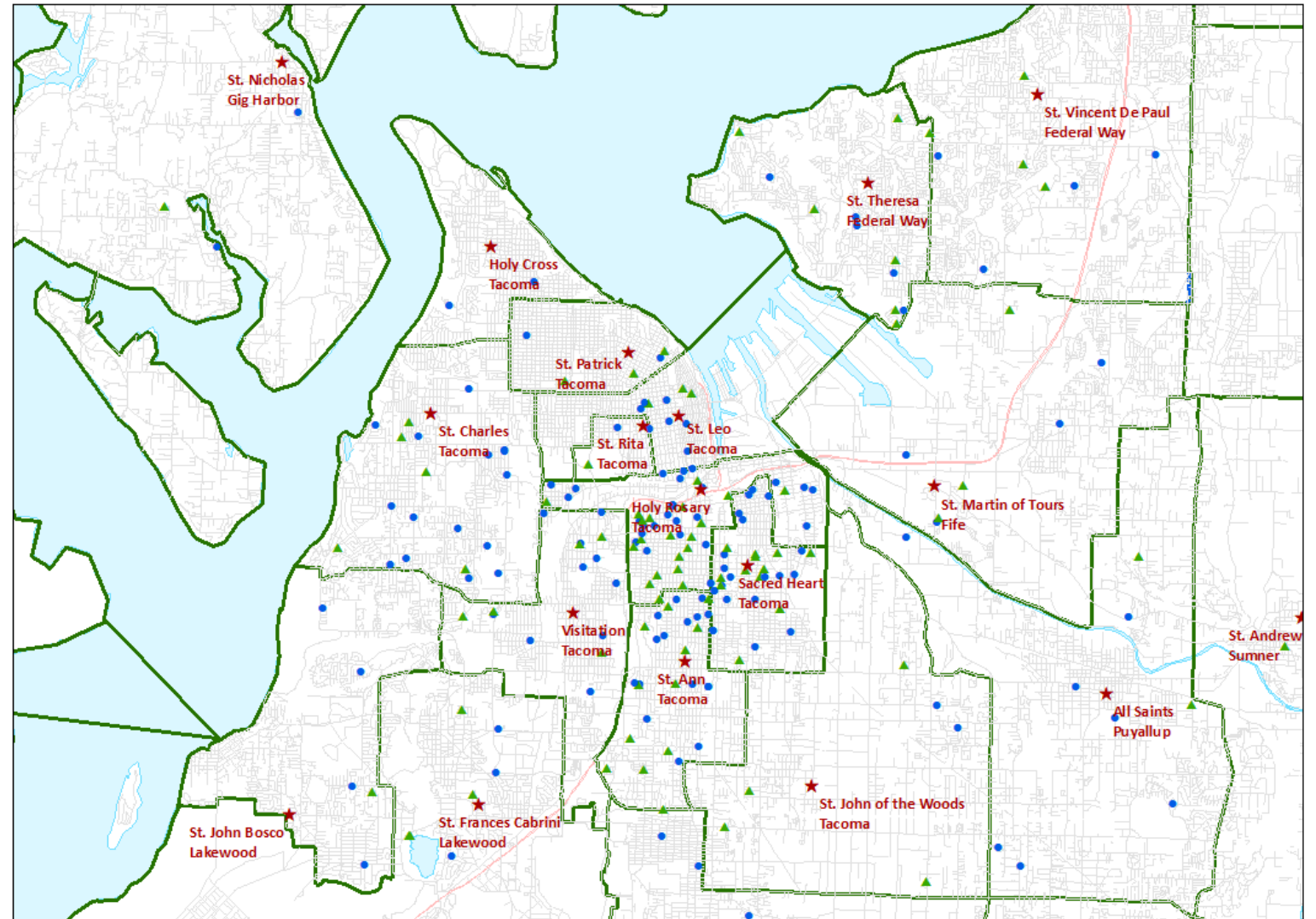
Pastoral Planning Assessment – Pierce Deanery

- March 2015 – Deanery’s initial work started
- November 2015 – Ongoing Committee Discussions
- January 2016 – Preparation for Deanery Consultative Leadership Convocation
- Fall 2016 – Initial Deanery Proposals for Pastoral Planning – Fall 2016
- April 2016 – Deanery Consultative Leadership Convocation
- April 2018 – Deanery questions viability of Holy Rosary in a report
- September 2018 – Deanery continues to question viability of Holy Rosary in their Quadrant reports



Pastoral Planning Assessment - Parishioner Distribution

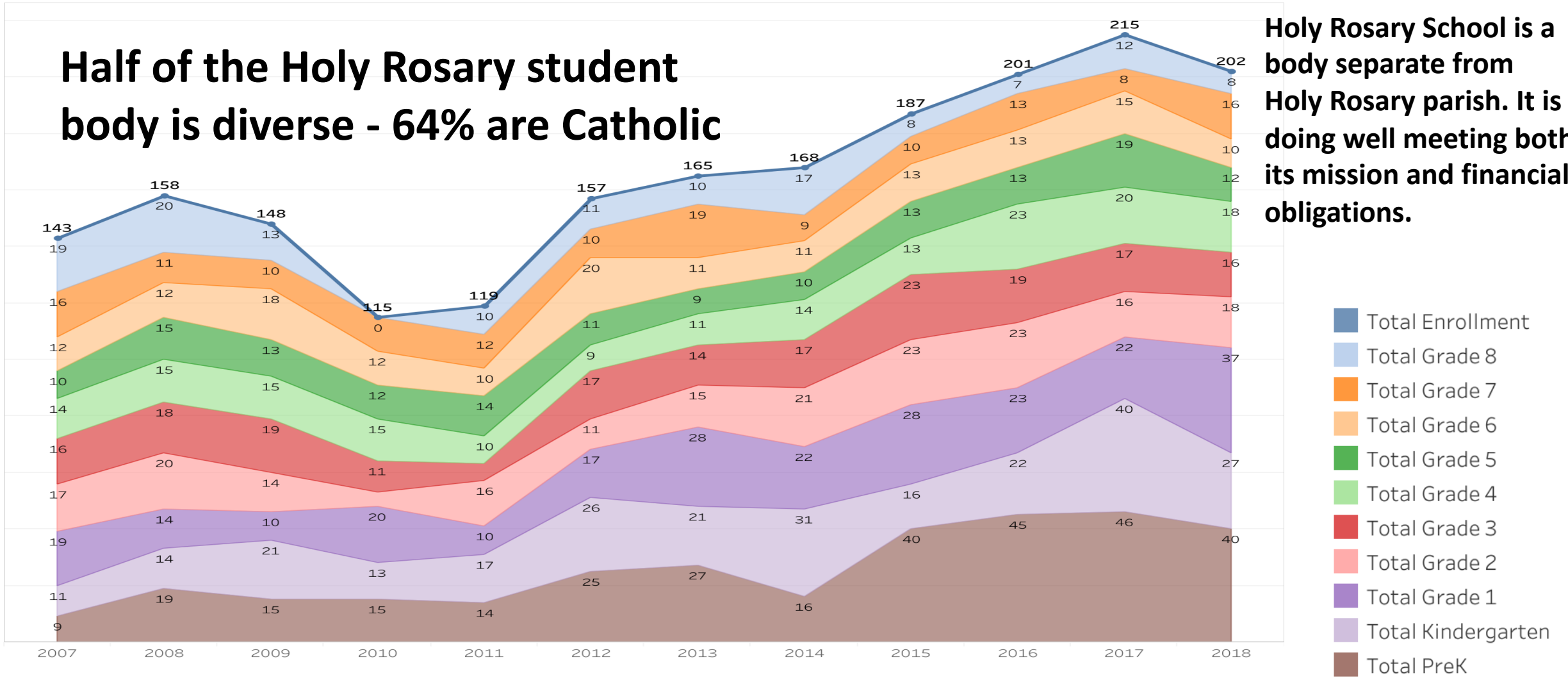
‘Destination Parish’ as over half of parishioners are outside parish boundaries



School Assessment - Enrollment

Half of the Holy Rosary student body is diverse - 64% are Catholic

Holy Rosary School is a body separate from Holy Rosary parish. It is doing well meeting both its mission and financial obligations.



Appendix

Initial Diligence Plan Presented on Nov. 7, 2018



Initial Diligence Plan – Presented on Nov. 7, 2018

Short-term (next two weeks):

- Continue gathering info on the assessment of the church's physical condition
- Assess safety of parishioners and determine if it is necessary to temporarily close down the church until we can be assured there are no safety concerns
- Determine what short-term mitigation costs should be incurred for immediate repairs based on the initial assessment



Initial Diligence Plan – Presented on Nov. 7, 2018

Medium-term (6 months; complete by May 2019):

- Get detailed cost estimates associated with permanent repairs and long-term deferred maintenance
- Complete detailed research analysis and financial modeling on not only Holy Rosary but also nearby parishes
- Review the priest staffing model for Tacoma
- Assess the ability to raise money from any significant donors or entities, both regionally and nationally, to help save and preserve this iconic building
- Assess the school situation
- Develop full presentation to Archbishop factoring in all of the above analysis



Initial Diligence Plan – Presented on Nov. 7, 2018

Long-term (12 months; complete by November 2019):

- Dependent on Archbishop feedback, spend the next 6 months developing and implementing any agreed upon plan



Building Assessment Narrative Description

Building Assessment- All Issues

1) Repair roof area around bell tower and interior plaster damage

- Building re-roofed in 1993. Prior asbestos containing roof encapsulated and new roof installed. Roof age 29 years with an estimated life 35-40 years.

Note: Remove both roofs when re-roofing.

- Further moisture related plaster damage is noted in church.

2) Re-Roofing needed

3) Building Exterior is brick with decorative concrete elements.

- No records of building tuck-pointing (Typ. 40-50 years replacement cycle).
- Consultants observe multiple areas of deterioration/damage to brick and concrete elements and failed flashing/gutters/downspouts.
- Fence is installed to prevent injury from falling concrete.



Building Assessment Narrative Description

Building Assessment – All Issues

4) Bell Tower structure has been compromised due to water leakage and lacks seismic upgrades

- Consultants recommend repair to brick, concrete elements, and flashing to stop water intrusion.
- Repair to original tower reinforcing.
- Upgrade tower structural system to avoid either collapse or tower falling onto church during a seismic event.

5) Church Seismic Upgrades

- Consultant found existing exterior masonry walls and roof diaphragm do not meet Life-Safety performance.
- Recommend retrofitting the building with additional lateral elements at each corner of the transept crossing.
- Anchor the south clerestory side walls to the tower.
- Anchoring brick and brace gable ends.



Building Assessment Narrative Description

Building Assessment – All Issues

6) Stained Glass Window Restoration

- Windows bowed due trapped heat between exterior “Storm Window” and Stained Glass.
- Remove and replace “Storm Window” with vented system.
- Clean Windows.

7) Electrical and Mechanical System installed in 1920.

8) Storm Water Collection Repair

- Surface water drains into building

9) Room Repairs Required:

- a) Brides Room
- b) Basement Social Hall
- c) Kitchen & Bathrooms

Note: Exterior Building Scaffolding (\$2M to set up); More sense to do all the work at once vs. separately

