

Saint Mark's Cathedral
March 27, 2022

Agenda for the evening

- Land acknowledgement
- Opening prayer, welcome, summary of the agenda
- Presentation of report (~ 40 minutes)
 - ** Overview of St. Nicholas Exploratory Committee process
 - ** The Committee's conclusions and recommendations
 - ** Vestry action in response to report
 - ** Future possibilities for St. Nicholas and the Cathedral campus
- Q&A and opportunity for parishioner input (~ 35 minutes)
- Summing up
- Closing prayer



St. Nicholas Exploratory Committee

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Advisors

Gerry Johnson

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Historical recap

- St. Nicholas purchased in 2003
- Planned for renovation as Parish Life Center
- Rent from Gage Academy and Bright Water School (now Amistad) pay for building mgmt
- The Cathedral uses mezzanine spaces for classrooms and Choir School and Skinner Auditorium



St. Nicholas Exploratory Process

Conclusions and Recommendations

- Market rate housing? No.
- Make every effort long-term to directly use St. Nicholas for mission-related purposes.
- Continue the leases to Amistad School and Gage Academy of Art (or a successor) through July 2031.
- Affordable housing on St. Nicholas site not possible while leases continue; affordable housing on south parking lot is not within the Committee's charter.
- The major financial challenges of the St. Nicholas building will remain, but there are significant benefits to delay for several years the decision about long-term use of the St. Nicholas property.



Building systems room on lower level
(Photo Taken on December 4, 2018)

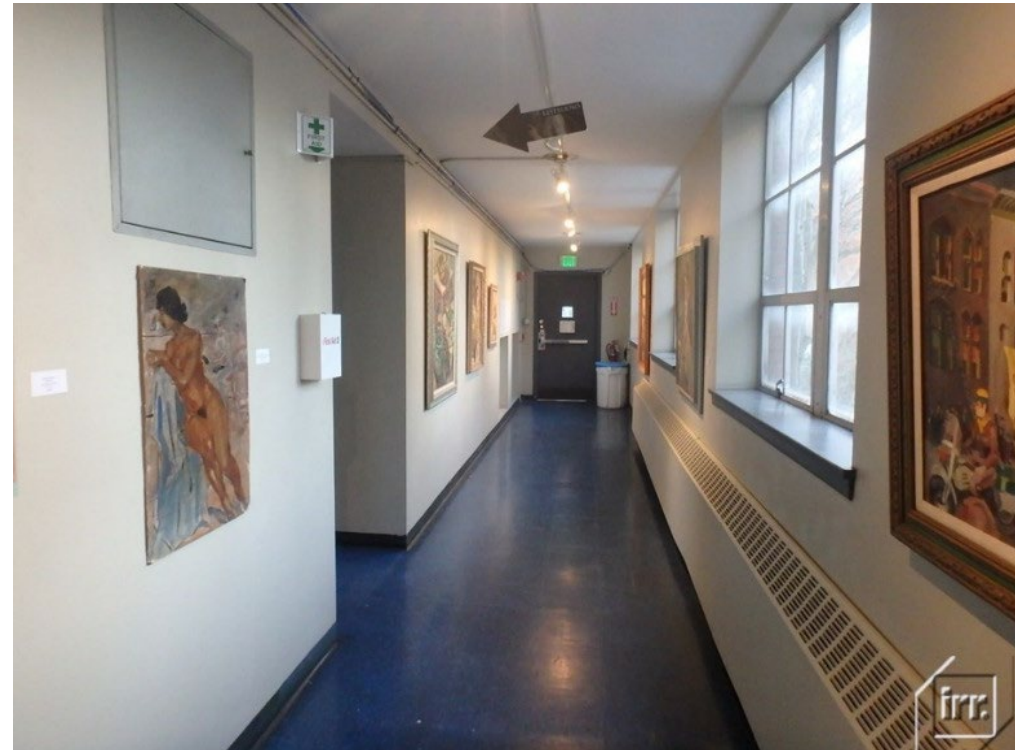
Potential Benefits to Postponing Development

- Likelihood of positive cash flow through July 2031
- St. Nicholas building is currently suited for school use
- Delays the need for another major capital campaign for several years
- Allows us to experience Cathedral life for several years before deciding best design for a Parish Life and Ministry Center.
- We can develop a better understanding of need and cost for seismic retrofitting, and increase possibility of governmental funding help for retrofitting.
- Allows more time to determine carbon-neutral use of St. Nicholas



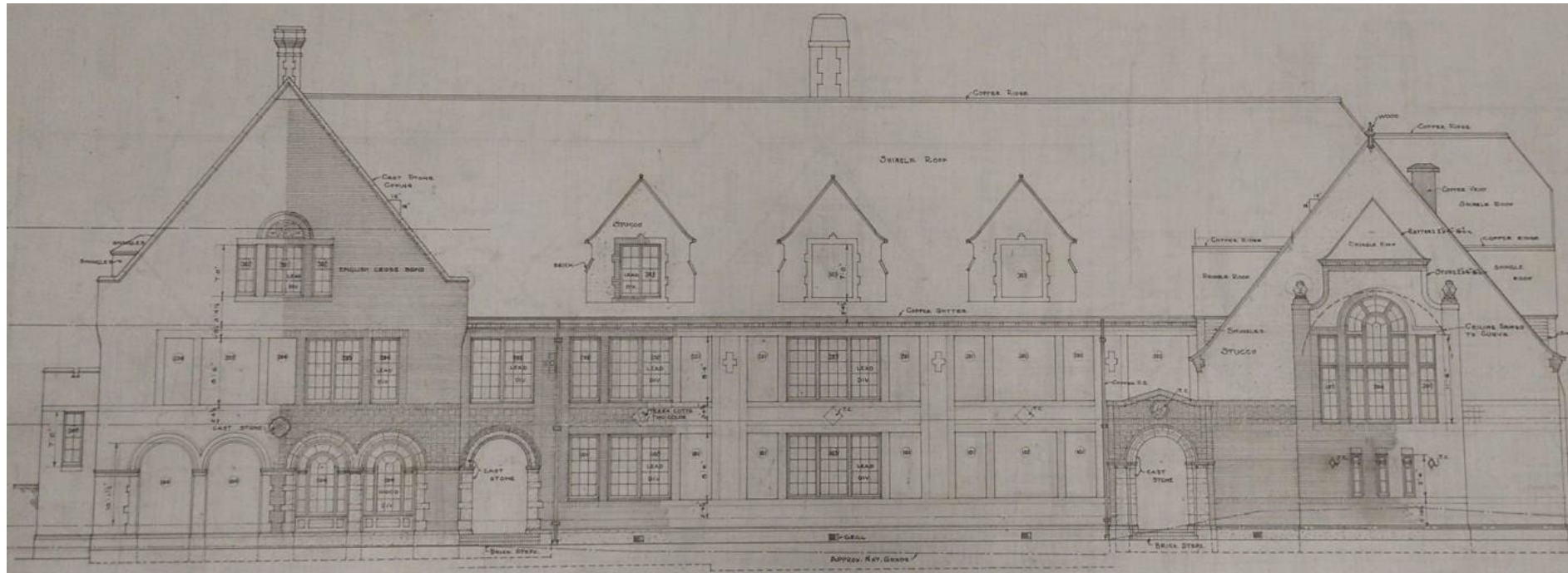
Financial modeling for extending leases until 2031

- Rental revenue from Amistad/Gage (or successor) leases, 2022-2031--\$9,227,893 anticipated (with cost-sharing expenses included)
- SMC expenses for St. Nicholas Building, 2022-2031—est. \$4,020,135 (includes new roof at \$1.1 million)
- Roof to be replaced summer 2022 or 2023 (Will require loan from Banner Bank, to be repaid from rental revenues over a short-term period)
- Net over 10-year period, 2022-2031--\$5,207,758 (enough to pay for seismic upgrades as mandated by City—code requirements TBD)



Vestry Actions

- At February 12 retreat, received the report and approved the core recommendations
- Preliminary thinking of Vestry about next steps



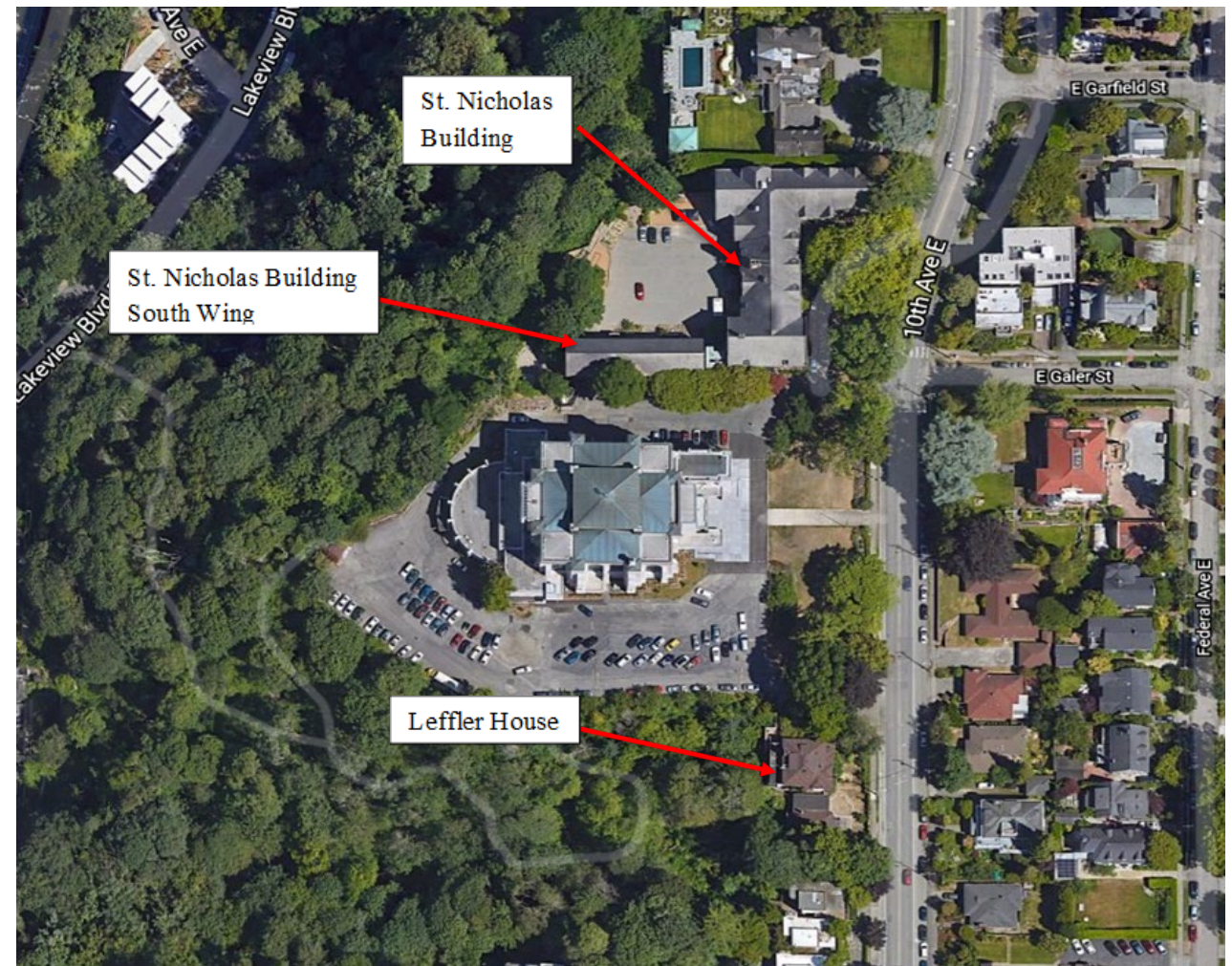
Strategic Visioning Work beyond 2030

- Mission and ministry focus should guide post-2031 use of the St. Nicholas property and the overall Cathedral campus.
- Missional use should include both parish-focused benefits and benefits for the broader community.
- The Cathedral campus currently is underutilized as an urban center for ministry.
- Possibilities for community-related engagement (and these are not mutually exclusive):
 - Serving as a hub for nonprofit organizations
 - Affordable housing
 - Sharing space with the Diocese
 - Urban park/outdoor venue space



Parish Life and Ministry Center

- Important, mission-positive addition to the Cathedral campus, but not an urgent immediate need
- Before designing the PLMC, need to experience life at the Cathedral post-Covid
- Tentative vision for the PLMC
- Three most likely locations:
 - In place of the Gage (south wing) of St. Nicholas
 - On the easterly part of the parking lot south of the main Cathedral building
 - Within the historic part of the St. Nicholas building





Questions & Conversation