BUILDING OUR FUTURE:
Beyond Ourselves

First UU Church

January 22 & 26, 2025
Building Update Forum

Congregational Vision

Welcome people with inclusive spaces and universal access.

Nurture spirituality and personal growth with beauty, art, and inspiration.

Practice justice with eco-restorative design.

Expand our community with flexible and multi-purpose space.

Create joy and resilience with places for play.

Care for sacred space to honor ancestors and nature.

Grow by embodying the intersection of public witness and preserved wilderness.

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Overview of this BOFBO Update

Status reports on:

- Easement negotiations with Jehovah Witnesses
- Status of the Site Development Plan Working
- Schematic design revisions
- Finances
- Questions & Answers

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Since the last update in October …

- Ongoing discussions with Jehovah's Witnesses and Widseth engineers
- Neighborhood Informational meeting, November 12
- Site Development Plan submitted to the City, December 12

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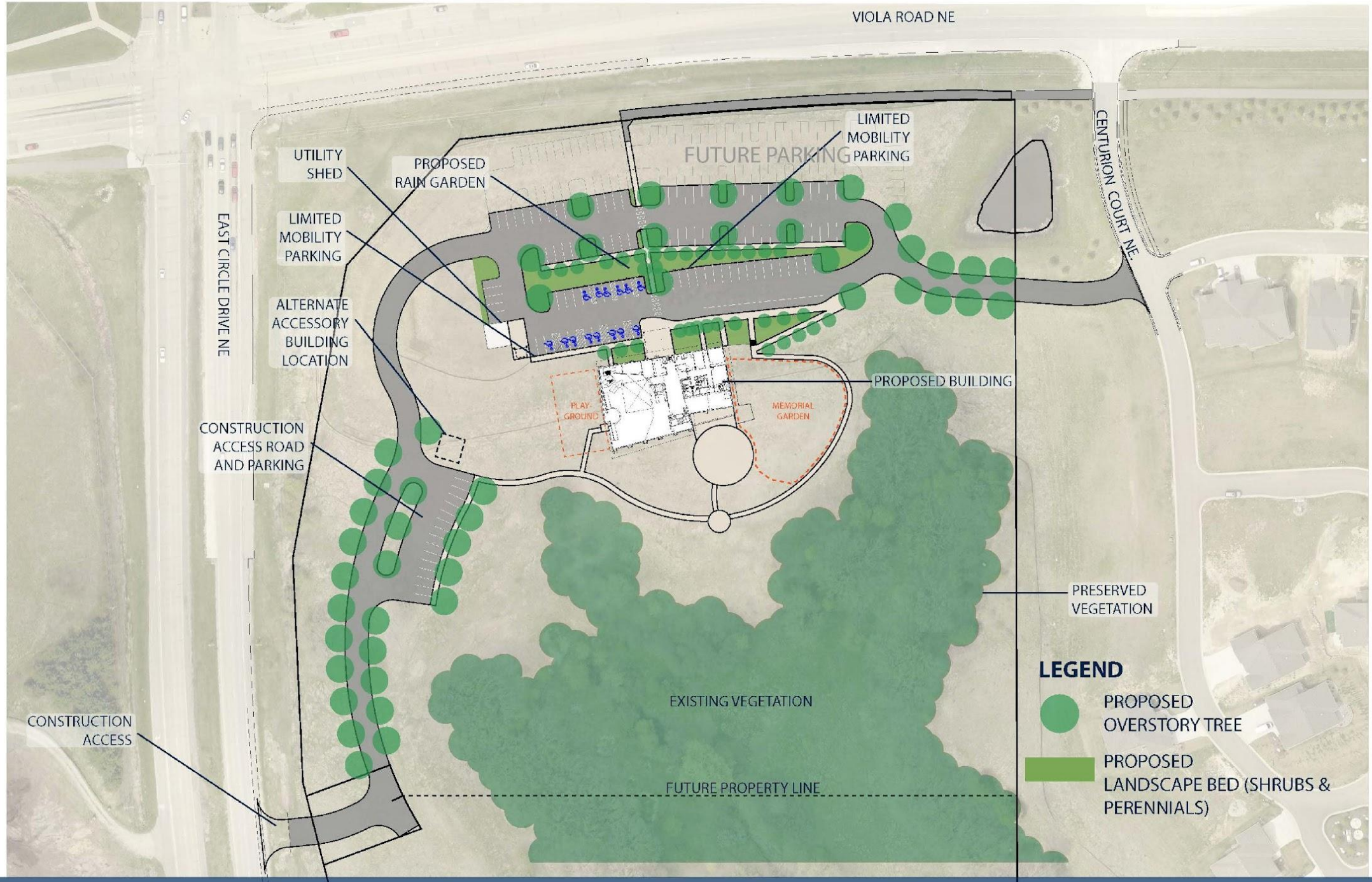
VIOLA ROAD NE
EAST CIRCLE DRIVE NE
CENTURION COURT NE
UTILITY SHED
PROPOSED RAIN GARDEN
LIMITED MOBILITY PARKING
FUTURE PARKING
LIMITED MOBILITY PARKING
ALTERNATE ACCESSORY BUILDING LOCATION
PROPOSED BUILDING
PLAY-GROUND
MEMORIAL GARDEN
CONSTRUCTION ACCESS ROAD AND PARKING
PRESERVED VEGETATION
EXISTING VEGETATION
CONSTRUCTION ACCESS
FUTURE PROPERTY LINE
LEGEND
PROPOSED OVERSTORY TREE
PROPOSED LANDSCAPE BED (SHRUBS & PERENNIALS)

As a result of initial City review …

- Working to respond with required changes and requests for more information ranging from:
  - Small tasks - adding trees on east border and lowering the height of the light poles
  - To large tasks - preparing a grading plan and a stormwater management plan

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The Process of Obtaining Site Development Plan (SDP) Approval

- ✓ The Site Development Plan (SDP) is developed by our civil engineer (Widseth) in consultation with our Building Our Future Team.
- ✓ The SDP is explained at a Neighborhood Information Meeting (NIM), held Nov. 12 at Century High.
- ✓ The SDP is submitted to city staff.
- ✓ The SDP is reviewed by the appropriate city, county, and state officials.
- If all requirements are met, the SDP is approved
  - If all requirements are not met, the SDP is sent back to Widseth to adjust the SDP based on what requirements were not met
  - The SDP is sent back to the city, county, and/or state officials as an amended SDP
- First UU completes other required applications (building permits, grading permits, etc.)
- First UU can proceed (calling for bids, awarding contracts, etc.)

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Since last spring's design …

- April design shared with subject specialists
  - Structural engineers, acoustical specialist, kitchen designer
- Began recommending the best materials
  - Good - Better - Best
- Kramer Contracting estimate
- Make changes while retaining the overarching integrity

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SCHEMATIC DESIGN PACKAGE

22 JANUARY 2025

Summarizing the changes …

- Changed size and design of front awning
- Single pointy dormer replaced with sleeker horizontal design
- Enlarged the front entrance airlock
- Reduced the volume of sanctuary and lobby by lowering the roof 5 feet
- Situated organ to maximize the acoustics

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Summarizing the changes …

- Removed the balcony
  - Eliminated the upper lobby catwalk
  - Change from a 3-stop to a 2-stop elevator
- Changed the sliding barn doors to the sanctuary to tall entry doors
- Enhanced the entry to the Heritage Room
- Eliminated the expensive folded room dividers in the Chapel-Heritage Room

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Financial Planning

- Operational finances and impact of BOFBO activities
- 5-year plan for finances is in development

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Factors affecting sale of 1727 Walden Lane

- 1727 Walden building is a niche listing with a smaller buyer pool:
  - our building is a church instead of typical commercial listings used for business, retail, warehousing, manufacturing, etc
  - our building is architecturally unique
  - may require major renovation expense by the buyer

- Current commercial mortgage rate is around 8%.
  - Buyer interest would significantly increase if rates would decrease 1% to 1.5%

- Uncertainty about inflation / future mortgage rates in light of new administration policies

Dan Groteboer will provide an update at a future forum, date TBD

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1727 Walden Lane - Buyer Interest History

	August 2023	Rochester Women's Shelter
*	January 2024	Dan Groteboer dialogue with multiple developers
	March 2024	Chabad of Southern Minnesota
	April 2024	Lowball offer from out-of-state developer
	October 2024	Individual interested in creating a homeless shelter
	October 2024	"Word On Fire" / Catholic media
*	January 2025	Ethiopian Orthodox Church

* *Still "active"*

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Capital Campaign Financial Update

- Current Number of Campaign pledges:
  - 193 pledges; total of all pledges: $3,266,564
  - 131 pledgers have paid something
    - 29 of 131 have paid in full
    - Paid pledge income: $1,152,111 (35.3%)
- Expenses since Jan. 1, 2023:
  - $352,844
    - 88.8% paid for architect, engineering & consulting professional fees
  - $435,787 mortgage
- Non-pledge gifts and other BOF income: $291,777

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Financial Update, continued

- Upcoming Professional expenses (as yet unpaid)
  - Architecture - January services
  - Engineering - schematic design revisions
    - City Of Rochester site development plan
  - Construction Consultant - schematic design revisions
  - UU Capital Campaign Consultant

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Estimated Viola Funding **Snapshot**

$ in millions & not final amounts

1. 1727 Walden Lane sale ..... $**3.75M**
   currently listed at $4.75M, $3.75M is a placeholder amount
2. Capital Campaign & non-pledge gifts.....$**3.56M**
   assumes 100% of pledges received by end of 3-year period
3. Construction Loan / Mortgage..... $**1.50M**
   conditional on collection of Capital pledges & 15% increase in yearly operating budget per F&M Bank
4. Investment Income (yearly)..... **$0.03M**
   assumes 4% interest rate from $750K CD ladder

Total Funding Estimate: $8.84M

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Estimated Viola Expense **Snapshot**

NOTE: does not include material & labor cost increases due to inflation prior to start of construction

5. Viola Building & Site Construction Estimate…….
   $9.55M
   Original 'All-In' estimate was $12M
6. Other non-construction expenses (past & future) ……
   $1.40M
   professional services; relocation; organ; solar panels; furniture/fixtures/equipment; etc.
7. Payoff 1727 Walden Lane Mortgage……
   $0.44M
   building used as collateral for the Viola land purchase
8. Real Estate Commission (based on $3.75M selling price) …… $0.24M

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Total Expense Estimate:	$11.63 M
Less Funding Estimate:	- $8.84 M

Shortfall: Next Steps

- Locus Architects services will be paused pending the sale of 1727 Walden Lane

- BOF team will continue work to reduce the budget shortfall with:
  - Kramer Contracting (Value Engineering)
  - 1st UU staff & Board of Directors
  - Congregational input

- Locus Architects services would restart after:
  - sale of 1727 Walden Lane (with dependency on sale amount & terms)
  - The final building design will be defined by the total funding amount available using the actual sale price of 1727 Walden Lane

Capital Campaign Status

Capital campaign team is exploring options for:

- Canvassing members who have not pledged.
- Increasing and/or extending capital pledges/gifts.
- Identifying additional funding sources (grants, matches, community partners, etc.)

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Your questions and suggestions are welcome!

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