

A CASE STATEMENT

Capital Campaign to Fund Facility Improvements and School Expansion for Holy Cross Lutheran Church and School

Through an in-depth, multidisciplinary feasibility study accomplished with our lender, financial consultant, and owner's representative, The Lutheran Church Extension Fund (LCEF), Holy Cross has determined it needs to both improve its existing facilities AND has the ability to accomplish a school expansion.

In order to accomplish both renovation and expansion (a \$14 million total project cost), Holy Cross needs to raise at least \$4 million. We are asking supporters to make a prayerful, generous, three-year financial pledge to make this project possible.

Holy Cross could see the start of this scope of work happening as soon as June 2024 with the first phase of the project which could include HVAC and roof replacement and some interior renovations.

GOD HAS BEEN OUR HELP IN AGES PAST

Holy Cross was born in the years that followed the second world war. Part of Fort Wayne's post-war resurgence was growth to the north. First a school, then a congregation. Those who came before us recognized as a top priority the words of the psalmist: "One generation shall praise Your works to another, and shall declare Your mighty acts" (Psalm 145:4).

Christian education and innovation are part of the DNA of Holy Cross. Consistently we have been a large, quality provider of preschool through grade eight parochial education. At the same time, our congregation has been a leader in outreach ministries such as Worship Anew, Cross Border Partners, Friendship Ministry for the developmentally disabled, Mission initiatives led by ethnic pastors (Roma, African-American), partnership with an African-immigrant congregation (St. Augustine), ministry to historically resistant peoples (The Garden, The Greenhaus), recruitment of second career men for pastoral ministry, comfort dog ministry (Jared), and purchase of the North Anthony Shopping Center for future expansion and neighborhood impact.

OUR NEED (CONGREGATION)

Our congregational space for learning and planning is confined to two highly used spaces: the Welcome Center (narthex) and Aulick Center. Childcare and restroom facilities are shared with the preschool program, a “temporary fix” that is now in its 22nd year.

CONGREGATIONAL FACILITIES: A SOLUTION

The congregational elements of this work include:

1. modernized, adult-appropriate **restrooms**;
2. **Meeting room** (50 capacity);

The proposed meeting room will provide a comfortable and technology-rich venue for gathering and studying God’s Word and will for our lives together at Holy Cross and individually.

3. **Quiet room/nursery**;
4. **Warming kitchen** for Welcome Center gatherings.

These spaces will be available immediately to the north of the Welcome Center. They will be placed in reconfigured space now being used by the school for children in preschool and younger.

OUR NEED (SCHOOL)

Our school building is dated and cramped. Windows and roofs leak. Space is extremely limited for students who require additional learning resources due to Individualized Education Plans/Section 504 (4% of our students), English Language Learners (10%), Speech (3%) and Title 1 tutoring (14%) Our current gymnasium lacks space for physical education and competitive athletic

equipment and activity, cannot hold our student body, and provides challenges for handicapped accessibility.

SCHOOL FACILITIES: A SOLUTION

School facilities plans reflect at least two past congregational planning efforts. The school elements include a renovation to create spaces appropriate for 21st century learning, both in graded classrooms and auxiliary services (see #1-6). The other element is additional classrooms & gymnasium in anticipation of future growth (see #7-10).

1. **Classrooms** relocated and updated with new windows and interior finishes (including flooring, paint and ceilings)
2. **New Preschool Restrooms**
3. **Updated current restrooms for lower grades (K-5)** with ADA compliance
4. Reconfigured **freezer space** for cafeteria (*This will be located in the current and outdated athletic locker rooms.*)
5. New **nurse and clinic room** closer to the school entrance
6. Reconfigured **administrative space for school staff** (work, lounge and office space)

This, along with the existing administrative office, will house principal and assistant principal, recruiter, administrative assistant, and provide a mobile office for pastor(s) and other church workers housed outside of the school building. Improved administrative space will accommodate the multiple students and parents present at any given time for various purposes. Confidentiality, health, safety, and Gospel witness will be enhanced in this professional environment.

7. **Ten new classrooms** for an expanded Middle School (grades 6, 7, 8) program
8. **New restrooms** for Middle School

The above-mentioned LCEF group expects growth in Middle School, especially as a feeder to Concordia Lutheran High School, in light of the future of school choice dollars and continuing issues in Fort Wayne public middle and high school education. Ten additional classrooms will be built east of a new gymnasium that will extend north & east from the existing cafeteria and existing gymnasium. These will allow us to house the existing double-graded middle school (grades 6, 7, 8) and provide additional classrooms for each middle school grade level in anticipation of future growth.

9. New additional gymnasium and new locker rooms.

10. Concessions and gathering space

The original Holy Cross gym was built when interscholastic sports were primarily male-only and primarily for Grades 6-8. HCLS now has at least twice as many interscholastic sports for both boys and girls, and extends to include Grade 5, increased teaching of lifelong healthy activities in school curriculum, and adult recreational and social activities. We will have space in addition to the sanctuary for gathering our entire student body. Competitive athletics, viewed as a co-curricular activity since it involves important learning (e.g. delayed gratification, goal setting and achievement, forgiveness, edification, sportsmanship, etc.), will have space that will meet or exceed those of our peer Lutheran schools.

GOD IS OUR HOPE FOR THE YEARS TO COME

We believe that the above-described facility improvements and expansion will position us to be the best possible witnesses for the life-transforming Gospel of Jesus Christ. Our national Lutheran Church Extension Fund has walked us through a business model that is financially sustainable. By God's grace, we are prepared to challenge ourselves to raise a minimum of \$4 million needed to undertake this effort. Most importantly, we recognize that "Unless the Lord builds the house, those who build it labor in vain" (Psalm 127:1). Confident in placing our future in His loving and sufficient hands, we seek your prayers and financial support to make this effort possible.

(Please check out potential schematics/images at www.holycrossfw.org)

SOME QUESTIONS

Conversations with the Holy Cross community have uncovered several initial questions. We will continue soliciting and responding to questions prior to a formal congregational voters meeting to decide how to proceed with capital improvement and expansion.

1. Can we have more detail?

The schematics and images at www.holycrossfw.org address our overall needs while giving congregation and school stakeholders opportunity for further input and shaping. A series of meetings in the first quarter of 2024 will dig deeper into the details.

2. What will happen with our existing facilities?

Caring for the roofs, windows, HVAC and completing necessary improvements are included in our planning.

3. How are we going to pay for this?

The total project cost for the scope of work is projected to be at least \$14 million. Holy Cross has hired and is working with LCEF to establish the following capital stack for the project: Holy Cross will raise \$4 million through a capital campaign. The remaining \$10 million will be accomplished through a loan with LCEF. For more information on LCEF role please see slide #1 of schematics/images on our website www.holycrossfw.org.

Some historical perspective: Holy Cross eliminated all debt, including repaying our internal lines of credit, at the conclusion of 2011. When we launched a debt reduction plan in late 2010, the operating plan included the following commitment:

*“The Holy Cross Senior Leadership Team is committed to sound, disciplined financial management. We will not spend more than we receive. We will operate with margin. We will avoid debt. Debt stifles ministry; hence we cannot afford to have it. With God’s help and provision, we will build and unleash our financial resources here at Holy Cross to equip and send our people to make a Christ-like difference in the world.” ***

*** Except for one year – and this anomaly was corrected right away in the following year – we have kept this commitment.*

4. What is our current debt and how does this project make an impact?

Holy Cross owes \$1.36 million on the following properties: 3221 Crescent Avenue (church office building), 3409 North Anthony Boulevard (“North Anthony Shopping Center”), and 3308 North Anthony Boulevard (“The Garden”). These are capital expenditures with costs approved by the congregation before proceeding with purchase and remodeling. Our budgeted revenue handles this debt, so we do not include it in this proposed funding campaign for proposed congregation-school renovation and expansion.

5. Why isn’t anything being said or done about the North Anthony Shopping Center?

This is a completely different project that will be addressed at a later date. Right now, we are able to operate the facility with a positive cash flow by means of rental income.