



Capital Campaign Financial Feasibility Update and Campaign Recommendation Report

November 19, 2007

First Unitarian Universalist Church of San Diego

Rev. Dr. Arvid Straube, Lead Minister

Recommendation for Capital Campaign of \$3.5 - \$3.75 million

First Unitarian Universalist Church of San Diego retained Aggie Sweeney, a Congregational Stewardship Consultant through the Unitarian Universalist Association (UUA), to update the capital campaign financial feasibility assessment completed a year earlier and advise the congregation on how to best proceed. The consultant reviewed the results of the November 2006 Financial Feasibility Study, gathered extensive input from First UU Church members regarding the new campus master plan and specific plans for Bard Hall and campus improvements, met with combined campaign and congregational leaders and completed a series of 20 confidential interviews in early November. The consultant recommends that the congregation move ahead with plans for a combined campaign in winter/spring 2008 with a goal of securing \$3.5 - \$3.75 million in capital gifts and grants to complete \$4.8 million in capital projects related to campus improvements and a new and larger Bard Hall. Securing this much in gifts will require significant effort and generosity in giving.

Consultant's process to update feasibility of previous capital campaign goal

The First Unitarian Universalist Church of San Diego completed a new master plan for its 50+-year old Hillcrest Campus in June 2007 and is preparing for a combined capital and annual campaign in spring 2008. The projects supported by the capital campaign include required infrastructure improvements to shore up the aging campus and increase accessibility and safety; a significant renovation or new and larger Bard Hall to provide better and more space for fellowship, meetings and offices, and possible additional campus improvements for a memorial garden, playground, etc.

The Campus Renewal Team (CRT) is working with Southern Cross Property Consultants and Platt/Whitelaw Architects, Inc. to further develop specific capital project plans and cost estimates. With a congregational vote scheduled for December 9, 2007 to approve a spring 2008 capital campaign, it is possible to break ground in fall 2008 and have the projects completed early in 2010.

The current plans and cost estimates provide two scenarios:

Scenario A: \$3 million to renovate (but not expand) Bard Hall and complete required campus infrastructure improvements

Scenario B: \$4.6 - \$4.9 million to build a new and larger Bard Hall with a 2nd floor and additional meeting rooms, complete campus infrastructure improvements and add a Memorial Garden, narthax at the Meeting House portico, and play yard improvements

Both scenarios include Building Green elements, including native landscaping and Photovoltaics (solar) panels.

The capital campaign financial feasibility study completed in November 2006 indicated that the congregation had a capacity and willingness to contribute \$2.3 million, or a bit more, to the capital campaign. Today plans are better defined and the congregation has clearly stated that renovating Bard Hall at a cost close to \$2 million and not making it larger and significantly better "is not worth it." Financial experts in the congregation have determined that long-term debt could be taken on to complete the capital project without unduly impacting future annual operations.

Aggie Sweeney met in confidential interviews with 20 members/couples rated as having the capacity and potential interest to make a lead gift (\$18,000+ payable over 3 years) to the capital campaign. The purposes of the interviews



were to gauge knowledge of the planned projects, determine level of interest in having the campaign move forward and willingness to be involved in it, and determine level of potential capital gifts.

Statistical results:

- 18 of the 20 donor units participated in the 2006 capital campaign Financial Feasibility Study
- 100% indicated interest in making a gift to the capital campaign
- Of those participating in both the 2006 and 2007 interviews, 1 donor indicated their gift would decrease due to a change in their personal financial situation, 2 indicated that their gift would stay the same, and 17 indicated that their gift could increase
- On average, for the 20 donor units, the early indication for their new capital campaign gift is 9.5 times their current annual budget drive commitment and approximately 55% higher than the capital gifts indicated a year ago. While it is important to not expect this ratio to continue in the general gifts phase, it is a healthy indication of support from the congregation's top donors

Maximizing Your Potential for the Capital Campaign

Maximizing your potential through the capital campaign will require:

- All of your lead donors to be fully invested in your plans and stretch in their personal giving,
- Building excitement among your 800+ members and friends for the capital plans and the positive difference that a new Bard Hall and campus improvements will have on your capacity to fulfill your mission in the years and decades ahead, and
- Engaging 120 or more members and friends of First UU Church in carrying out the campaign, primarily in the role of Visiting Stewards to ensure that 100% of your members and friends can be engaged through personal visits

Immediate Next Steps

1. Campus Renewal Team along with your professional advisors Southern Cross Property Consultants and Platt/Whitelaw Architects, Inc.: move ahead with developing plans for a new Bard Hall and phase I campus infrastructure improvements.
2. Combined Campaign Leadership
 - a. Develop key messages for the campaign: what do we get as a result of the capital projects—the “so what” messages; what is important to present for the annual messages for the 2008 drive?
 - b. Develop and implement a communications plan to engage all key bodies and affinity groups in talking about the capital plans and building excitement, starting right now and continuing through the campaign
 - c. Utilize your existing communication channels to reach every member and friend with information
 - d. Start the recruitment of 120 Visiting Stewards
 - i. Ask all board trustees and Ministry Team leaders to commit early and set the example
 - ii. Ask all that participated in 2006 to recommit
 - iii. Ask for volunteers in every communication and especially during the December 2 informational meetings and December 9 congregational meeting



- iv. Set a goal of recruiting 80 Visiting Stewards by Dec 9 and 120 by mid-January
 - e. Complete recruitment of Combined Campaign Executive Team
 - f. Develop campaign fundraising budget
3. Governance: Develop the announcement for and motions for what the congregation will be asked to approve at the December 9th congregational meeting regarding moving forward with capital project plans and a combined fundraising campaign in 2008; be prepared to consider policies regarding allocation of unrestricted gifts, debt and naming opportunities and donor recognition as campaign and project plans move forward
 4. Finance Leaders: Review level of debt that could be taken on without negatively impacting church programs and operations, and review policies regarding allocation of unrestricted gifts and

Preliminary Thoughts on Campaign Plan

To maximize success, here are a few early recommendations for the combined campaign:

- 100% personal visits is key to success—and recruitment of 120 Visiting Stewards is needed to ensure campaign success
- Develop strategies for each of the 20-30 lead donor asks to maximize the potential of each
- Develop a strategy for a \$250K - \$500K challenge that would kick in when overall giving to the campaign reaches a set point
- Develop policies and process for providing space naming opportunities in the new Bard Hall, and also for recognizing gifts given in honor of UU leaders. It is suggested that these special recognition opportunities start at a minimum of \$25,000 and naming of meeting rooms, if not even a new name for the new Bard Hall, start at \$100,000 and go up from there
- Communications will be key to success. Engaging all of the members and friends of First UU Church of San Diego in learning about the exciting plans for the future is important for success.
- Consider engaging Past Presidents early in effort—ask all of them to be Visiting Stewards, to consider their gifts early, to give stretch gifts or to commit to planned gifts if they haven't already
- Ensure that general gifts phase of campaign reaches all of the involved families, including the 50-100 that have kids in RE that do not pledge and the hundreds of Adult RE participants that are non-members
- The “ask” for the general gifts phase:
 - Consider making a “fair share” financial commitment to support the annual budget
 - Double your financial commitment for the next 3 years—half to capital and half to annual operations



Campaign Timeline

Dec 2007	Congregation decides to move forward with Combined Capital + Annual Budget Drive Campaign in 2008 and to advance capital project plans for the new and larger Bard Hall and campus infrastructure improvements <ul style="list-style-type: none">• 12/2 Information meetings following both services• 12/9 Congregational meeting and vote
Now – May 2008	Combined Campaign planning under the leadership of Campaign Co-chairs Everett Howe and Kay Chandler and Generosity Ministry Team Chair Iris Masotti <ul style="list-style-type: none">• 120 Visiting Stewards volunteer and are oriented• Combined Campaign Committee active with several sub-committees engaged
Jan – Feb 2008	Quiet, early phase of campaign
Mar 8, 2008	Kick-off event for combined campaign—look for exciting news
Mar – Apr 2008	General gifts phase of campaign—all invited to participate and consider making a financial commitment to the future
May 2008	Wrap up and celebration

About the Consultant

Aggie Sweeney, CFRE, Congregational Stewardship Consultant with the Unitarian Universalist Association of Congregations (UUA), is one of a dozen consultants working with UU congregations throughout the country. In addition she is also co-owner and a principal consultant with The Collins Group, a fundraising consulting firm based in Seattle providing annual and capital campaign counsel to a wide variety of nonprofits with campaign goals from \$200,000 to \$200 million. She is an active member of her UU congregation in Woodinville, Washington.

Closing

I have appreciated the opportunity to work with you on your campaign planning to date and look forward to future.

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