

Cathedral Redevelopment Project FAQs

Why are we even thinking about redevelopment?

The Cathedral has been stewarding its resources very carefully over the past many years. In spite of having a very lean staff and cutting expenses as much as possible, we are now in a deficit budget year that we anticipate will worsen every year making it incredibly difficult to close that gap without major budget cuts. Expenses are rising faster than income, and our annual stewardship campaigns are not keeping pace.

Who is Stewardship Realty?

Stewardship Realty is a private mission-driven development firm initially formed by the professional property development team from the Diocese of Long Island. Their mission is to help churches to maintain *their* missions through excellent stewardship of their greatest resources. For many, and for us, that greatest resource is our land. They work exclusively with churches and assume the financial risks of the projects they propose.

What is this vote, exactly?

If it passes, the vote on March 15 would authorize the Cathedral staff, vestry, and trustees to work with Stewardship Realty to negotiate the terms of the proposal with the goal of drafting agreements to both sell and develop portions of the Cathedral's property. Cathedral leadership will engage legal counsel, tax attorneys, and a local development advisory firm to assist with negotiations and begin the work of crafting the agreements to the best possible financial benefit of the Cathedral

Then what?

Once our teams (internal and external) believe that the financial and legal terms of the proposal meet our needs and an agreement has been reached with Stewardship Realty, and new documents are drawn up, the congregation will be gathered again for a final vote. A yes vote at that time means we are definitely moving forward with the full project. We will have information sessions ahead of the vote to make sure everyone has a chance to receive the same information. At that point, the agreements must be approved by the diocese to include the Chancellor, Trustees, Standing Committee, and Bishop.

What is the scope of the proposal?

The scope is three-fold: 1. A portion of our land that sits on the Pearl Street side, largely behind 3 Cathedral Square and our Memorial Garden would be sold to a developer, with the sale brokered by Stewardship Realty. The developer would be limited to developing either housing or a hotel on the land; 2. A portion of our land (Cherry St. parking lot and hill) would be developed by Stewardship Realty as a mixed housing and retail building, six floors total. We would enter a ground lease agreement with them, retaining ownership of the land and, eventually, any improvements attached to the land. The ground lease agreement includes an annual fee to the cathedral that would rise regularly on negotiated terms; 3. Stewardship Realty would give a certain amount of cash to the cathedral to be used for renovations or any purpose the cathedral chooses. This cash would come from the loans and grants that Stewardship would line up for the building project.

If I vote “yes” this Sunday, does that mean we’re doing the project?

No, it does not. A “yes” vote means we are continuing down the path, getting professional advice, and negotiating terms. It only binds us to that. Once financial terms have been negotiated, another parish-wide vote will be taken to approve those terms and move forward with the project.

What will doing this project do for us?

When this project is fully complete, the Cathedral will be in a much healthier financial position. Initial income from the sale of the land on Pearl Street, as well as the later cash influx, will be invested in the endowment to increase our benefit from that endowment. The annual income from the ground lease will be used toward our operating budget. From a community standpoint, this project is in line with city leadership for their vision of downtown Burlington, increasing density to the downtown core, addressing the housing shortage, and beautifying the lakeside border of Burlington. Initial conversations with city representatives have been very positive. Longer term, we anticipate that we will likely also need a smaller capital campaign to augment the endowment which will set us up very well for the foreseeable future.

What does this do for our mission?

We envision that we will not be just a few buildings clumped here on the corners of Battery, Pearl, and Cherry Streets but will be creating a new community, Cathedral Commons. We envision that we will share green space, gardens, and more. We envision a community that cares about each other – senior living, church, residents, and visitors, striving to make our little corner of Burlington a better place for everyone. Stable, sustainable income will enable us to make small grants out to the community to further the mission work already underway. And, of course, we pray that we will be able to add part-time staff as time goes on.

What happens to Stewardship Realty once the project is complete?

They remain the Lessee for the ground lease for the terms of the ground lease, and so our partners here on the Cathedral Commons for years to come.