

The "year two" report covers April 2009-April 2010, and will be published in a series of articles, following the six primary Road Map recommendations, though not necessarily in order. This report is for recommendation #6. (The "year one" report was published in the June 26, 2009, Hawaii Catholic Herald.)

ROAD MAP REPORT: YEAR TWO

The report to Bishop Larry Silva and the Diocese of Honolulu in the implementation of "Witness to Jesus: Diocesan Road Map for Pastoral, Program, and Facility Needs 2008-2013"

Road Map Recommendation #6: New Parishes and Facilities and Management of Land Assets

Desired outcome: Catholic churches are accessible to all to strengthen their faith and share in the sacramental life of the Church in appropriate worship facilities; physical infrastructure supports the spiritual, educational, and social ministries of the parishes and the diocese.

By Marlene R. De Costa

Diocesan Director of Land Asset Management and chair of the diocesan land asset management and acquisition committee

Planned actions and their implementation

ACTION: Update land inventories.

IMPLEMENTATION: As of 6/30/10, a consolidated land inventory was completed comparing various independently compiled schedules. Each parish and mission will be inspected by June 2011. Where there are multiple ownership entities, the intent is to establish land ownership by 2013.

ACTION: Study parish facilities and land needs.

IMPLEMENTATION: Reviewed parish, mission, and school facilities and land for the Kauai, Maui, East Hawaii, East Honolulu, and Windward and Central Oahu Vicariates. The remaining vicariates are scheduled for completion by June 2011. To support this effort, an action plan has been established to implement a Consolidated Parish Utilization Plan that will address recommendations for underutilized parcels (expected March 2013).

ACTION: Consider best use of existing land.

IMPLEMENTATION: Completed a review of diocesan property leases for the Kauai, East Hawaii, East Honolulu, and Windward Oahu Vicariates. The remaining vicariates are scheduled for completion by March 2011. Diocesan property disposition criteria have been established. The real estate section of the diocesan gift policy has been reviewed, and an action plan that will accomplish the objectives of a July 2012 Consolidated Land Asset Management Plan has been established. This plan will address the highest and best use of each of the 52 properties in the investment portfolio.

ACTION: Work with parishes and schools to acquire land.

IMPLEMENTATION: Working with six parishes and three schools to acquire appropriate land parcels. These parishes and schools engaged in the planning required by the diocese to establish their needs, including parish consultation.

ACTION: Give attention to the realignment of existing parish boundaries, establishment of new parishes, building of new churches, and replacement of existing churches, and consider mega churches in areas of high population and density.

IMPLEMENTATION: A review of parish boundaries is under development. A draft of a diocesan boundary plan was completed in 2009. In November 2009 completed consultation with a mainland archdiocese on expansion and contraction criteria. Established an action plan to accomplish the March 2013 final release of all parish boundary plans. These plans will address recommendations for all 66 parishes and diocesan missions and will consider the 2010 census, population demographic trends, and the last five years of October parish attendance counts.

ACTION: Give priority attention to overcrowded areas on Oahu and Maui.

IMPLEMENTATION: The committee is working actively with parishes in high-demand areas—Immaculate Conception in Ewa, Oahu; St. Jude in Makakilo, Oahu; and St. Rita of Haiku, Maui.

ACTION: Consider building retreat facilities.

IMPLEMENTATION: Compiled a "wish list" and an associated planning budget for the acquisition and building of retreat facilities, youth and young adult centers, and conference centers for Kauai, Maui, Big Island (East and West), and Oahu (Leeward, Windward and Honolulu). These needs will be addressed in the July 2012 Consolidated Land Asset Management Plan and the March 2013 Consolidated Parish Utilization Plan.

Other activities:

■ Actively working with Road Map #4, Homelessness Committee. Three members of the Land Asset Management and Acquisition Committee (LAMAC) serve as advisory members of the Homelessness Committee. Engaged in evaluating the investment portfolio lands that would be appropriate as possible locations for affordable housing.

■ Actively working with the Diocesan Planning and Building Commission. Interacting with vicariate representatives on parish land and expansion issues. The goal is to have a coordinated effort to assist parishes in all real estate planning and related transactions.

PARISH STORY:

Immaculate Conception, Lihue, Kauai Property Lease Experience

The pastor at Immaculate Conception in Lihue, Kauai is Fr. William Shannon, a planner who successfully followed the best practices summarized below.

The parish elementary school had been closed for several years. By considering this property asset and parish goals, it became evident that the former school was only needed for religious education. Looking at the situation, it was clear that the building had several assets. It is a one-story structure with an internal grass courtyard; it has a commercial kitchen, adequate parking, and is located away from the parish.

Evaluating building assets helped Fr. Bill locate the type of tenants who found this location a perfect match with their needs. Father consulted with a parishioner active in the Kauai commercial real estate market to get updated market leasing rates and information about the type of non-profit tenants who were in the market for a new location. Simultaneously, he discussed his plan with other affected parish leaders, the diocesan real estate director, and finally with the diocesan legal counsel. All these steps helped him prepare a fact sheet document for discussion with possible tenants. After completing all of these preliminary steps, he began the advertising process by utilizing word of mouth and calling on prospective well-established non-profit organizations whose needs could match the parish asset.

Once prospective tenants were found, Fr. Bill began the process of meeting with them, showing them the space, discussing fact sheet details, the timing for occupancy, and alternatives if the prospect had special needs. He continued this process until the right tenant was secured. Throughout this process, he discussed all the details with the diocesan real estate director and subsequently with the diocesan legal counsel, who prepared the lease document that detailed all of the elements of the mutual agreements. Once all documents were signed by all parties, Fr. Bill happily welcomed the new tenant. By



Fr. Bill Shannon

keeping constantly in touch with his tenants, Father knows when it is time to start planning all over again for a new tenant.

If all of this parish activity seems like a great deal of work, it is. But Immaculate Conception's reward is a revenue stream of approximately \$86,000 a year, all of which helps this parish continue to meet its parish mission!

Best Practices for Successfully Leasing Property

1. Always plan ahead.
2. Match parish goals to parish assets. Identify voids.
3. Evaluate assets for potential revenues and liabilities.
4. Define underutilized/excess buildings and land.
5. Seek counsel from experts in planning, real estate, and legal matters at the parish and diocese.
6. Do research: identify market rates and comparable offerings.
7. Analyze possible tenant demands and match these to parish needs and assets: type of tenant (always non-profit); time available; desired rent; other considerations: utilities, parking, and common area use. Prepare a Wants and Needs Fact Sheet.
8. Market the asset. Get the word out—word of mouth and discussion with affected parishioners. Place the Wants and Needs Fact Sheet in the parish and surrounding parish bulletins and call on possible tenants.
9. Contact the diocesan Director of Real Estate, who will help the parish with its plan, assist in the negotiations, and assist with the preparation and execution of legal documents and with lease management issues.
10. Welcome the tenant and continue to plan ahead.

LAMAC Committee members:

Marlene De Costa, MBA, CPM, Chair

Joseph "Joe" Vierra, PE, Vice Chair
Robert Braig, MAI, SRA
Norb Buelsing, CPM
Raymond Cabebe

Sam Callejo
Kimo Lee
Daniel Ornellas, MURP
Scott Unger

Melvin "Mel" Ventura, BME, MBA
Roger Wall
Albert S. P. Wong, CCIM
Harlin Young, MAI, SRA