

**Sacred Heart of Jesus Parish Sale of School and Parish Family Center buildings
to Yeshiva Derech Hatorah**

Summary and Frequently Asked Questions

SUMMARY. Sacred Heart of Jesus Parish and the Diocese of Cleveland have agreed to sell the Parish school and Parish Family Center buildings to Yeshiva Derech Hatorah, a Jewish education organization. This comes after almost three years of study and evaluation about the best use of the buildings

Yeshiva plans to continue to use the facilities as a school. The Parish will continue to use the gymnasium at agreed times for athletic and Parish special events.

The plan is to complete the sale as soon as agreed upon reviews and required approvals are finalized.

FREQUENTLY ASKED QUESTIONS:
OVERVIEW AND ALTERNATIVES CONSIDERED

1. Why are the buildings being sold?

- a. As announced in January 2016, Sacred Heart of Jesus Academy was merged with Saint Clare School to form Corpus Christi Academy. The Academy is housed in the former Saint Clare school building in Lyndhurst.

The Parish studied many options regarding the most effective use of the buildings. Being good stewards of Parish resources and having good neighbors were primary considerations.

While the Parish Family Center, especially the gymnasium, continues to be used regularly, the school building is empty. An empty building is clearly undesirable in the long term. In addition to security concerns, there are ongoing costs for insurance, utilities and maintenance of the school and PFC buildings. Future costs are likely to increase due to normal wear and tear over time requiring repairs to roofs, HVAC and other major structures.

2. Was sale to other organizations considered?

- a. The only other viable option was a proposal from a developer who proposed converting classrooms into about thirty five studio apartments and using the PFC classrooms for a daycare facility. Other “boutique” retail might have occurred.

Apartment proximity to the Church, increased noise during multi-year renovations and thereafter, traffic and parking issues, financing and other unknowns were considerations.

Ultimately it was decided that keeping the building as a school was in the Parish's best long term interest.

3. Could the Parish sell only the school building and keep the Parish Family Center?

- a. All potential purchasers or lessees had the PFC as part of their requirements. There were variations on the amount of the Parish's continued use of the PFC. Also, with the buildings being connected, splitting ownership would be very difficult if not impossible.

An agreement has been signed with Yeshiva for use of the gymnasium for various Parish events, for CYO and Corpus Christi sports and plays. Usage is based on a pre-agreed schedule and anticipates full communication and cooperation regarding needs.

In addition, possible renovations of the church basement/Knights Hall are being discussed. This would provide new and improved meeting space for the parish.

4. Why was sale to Yeshiva Derech Hatorah selected?

- a. The buildings were designed and built to be a school. In discussions with Yeshiva, it was clear they plan to use the buildings for their original intent. Yeshiva is an orthodox Jewish school which is committed to teaching fundamental, moral values to its students. They have the immediate financial resources to pay for the buildings, upon closing.

5. Are there other situations where a Catholic and Jewish institutions are in close proximity?

- a. Yes. There are several in the Diocese, including Saint Mary's Seminary/Telshe Yeshiva College and John Carroll University/Bellefaire children services.

6. What happened to the senior housing option that was discussed at the open Parish meeting in 2016?

- a. The Diocese Facilities office brought this option to the Parish. The developer would have applied for Ohio funding incentives to build a facility, primarily on the current athletic field. However, the school building was not deemed suitable for renovation into senior housing. That would have left the Parish with a vacant school building, which was not desirable, so senior housing was not pursued.

7. Was the Diocese involved in the decision?

- a. Since all parish properties are owned by the Diocese, the Bishop approved the decision to sell to Yeshiva. That decision was based on the recommendation of Father Ireland after extensive analysis by the Parish Finance Council and discussions with Parish Pastoral Council.

8. Did Notre Dame College consider buying or leasing the buildings?

- a. The Parish had numerous discussions with Notre Dame. There was some interest in use of the gymnasium and portions of the PFC, but not in the school building. Therefore the discussions did not move forward.

9. Was leasing the school and PFC to others considered?

- a. The Parish explored leasing but did not find lessees, except for small portions of the buildings for short periods of time.

CITY OF SOUTH EUCLID AND OneSouthEuclid COMMUNITY DEVELOPMENT

10. What is the view of the City of South Euclid regarding this sale?

- a. Officials from the City are aware that the Parish was considering various sale options. Although the Sale/Purchase Agreement was signed only recently, the City was aware that Yeshiva was a potential buyer before it was officially notified.

We are optimistic that the City will see the sale to Yeshiva as a benefit to the City. A previously vacant building will now be productively utilized as a school. Yeshiva employees will benefit the City, including economically.

11. The community development corporation, OneSouthEuclid, and the South Euclid City Planning department have prepared a redevelopment plan for the South Green and Mayfield Roads area. Was that considered?

- a. Representatives requested a meeting, which was held on November 19, 2018. Father Ireland, the Finance Council and Parish Pastoral Council heard details of this comprehensive plan for the first time at that meeting. The plan included use of the Parish school and PFC buildings according to a previously-known developer plan for use as apartments.

After the meeting, the Finance and Parish Councils had a full discussion with Father Ireland. It was concluded that the information learned at the meeting did not alter the previous decision to sell to Yeshiva.

We are hopeful that the City and OneSouthEuclid redevelopment plan can proceed, modified for the use of the buildings as a school.

12. There were news articles and City Planning Department meetings in December 2018 and January 2019 that indicated the Parish would sell the school to a developer for apartments. What happened?

- a. The articles and meetings did not always reflect the caution expressed by the Parish when talking to the City or OneSouthEuclid. Unfortunately there were some misleading statements included in those articles and meetings. The Parish could not immediately correct those due to confidentiality considerations.

13. Will approvals by the City of South Euclid be required?

- a. Parish and Yeshiva representatives and attorneys will have full discussions with the City to ensure all appropriate regulations are followed. For example, some redrawing of property lines will be necessary to separate Parish from Yeshiva owned properties.

COORDINATION WITH YESHIVA DERECH HATORAH

14. Will Parishioners and our school alumni have an opportunity to visit the school building before Yeshiva begins classes?

- a. Definitely! Planning has begun to have a visitation day.

15. Will Yeshiva use the Parish driveways and parking lot?

- a. Yeshiva is purchasing part of the parking lot next to the school and Tabor House. Parking spaces are required by city ordinance. The Parish will retain the large parking lot. Through education and experience, Yeshiva staff and parents, and our Parishioners will park in appropriately designated areas.

Driveways will be owned by the Parish but shared with Yeshiva. An agreement about sharing maintenance costs is part of the sale to Yeshiva.

16. What is the Yeshiva school schedule and will it impact Parish Masses?

- a. Yeshiva has school Sunday through Friday, generally from 8 a.m. to 5 p.m. There is no school on Saturday. Sunday therefore will be the biggest driveway and parking lot "joint use" day. The Parish studied the timing of school drop off compared with Mass times. With careful planning, patience and education we are confident that mutual use of shared driveways will be safely accommodated.

17. Will Yeshiva be using other Sacred Heart of Jesus facilities?

- a. An agreement for Yeshiva to periodically use the athletic field during its school day is part of the sale. Students will play in their own parking lot when weather permits.

18. Will there be construction as part of the sale to Yeshiva?

- a. Remodeling and construction will be minimal, since the buildings are already designed to be a school. Minimizing disruption caused by construction was one of the reasons Yeshiva was selected versus other options. There will be some removal of statues, a stained glass window and other minimally-disruptive changes.

19. Will the Parish continue to have use of the Parish Family Center?

- a. Yes. The Parish will have use of the gymnasium for Corpus Christi Academy and CYO sports. A tentative schedule of days and times has been agreed. Some changes will occur, such as activities beginning at 5 p.m. instead of 3 p.m. and on selected days.

The stage can be used for the annual CCA drama club practice and performances, with appropriate coordination with Yeshiva.

The PFC rooms will be used exclusively by Yeshiva for pre-school. The Parish had relatively few activities in those rooms, which will be moved to Mary's room or Knights Hall in the church.

Parish special events, such as the annual fundraiser and Bishop visits, can occur in the PFC with appropriate coordination with Yeshiva.

20. Does Yeshiva Derech Hatorah currently operate a school?

- a. Yes. Its elementary and middle school is on Taylor Road in Cleveland Heights. Yeshiva is outgrowing its current building and will move some of their students to the Parish school and Parish Family Center buildings.

FINANCIAL CONSIDERATIONS, TIMING AND APPROVALS

21. What is the sale price?

- a. The price in the signed Sale and Purchase Agreement equals the valuation determined by Valbridge Property Advisors, an independent real estate valuation company. As is ordinary practice, some of the transfer related expenses will be paid by the Parish and some by Yeshiva.

22. How will the funds be used?

- a. The net proceeds will fund facilities projects, repayment of recent deferred loans from the Diocese, and to build a reserve fund for future Parish needs.

Projects such as renovation of Knight's Hall in the church basement and exterior masonry restorations, costing several hundred thousand dollars, will be carefully evaluated. Funds will also be set aside for future projects such as roof and HVAC renovations, as they become necessary.

Funds will not be spent all at once and decisions will be made after careful financial analysis.

23. When will the Parish get the money?

- a. The Sale and Purchase Agreement has been signed. At the end of the Due Diligence period, the Closing will occur, including payment. The Due Diligence period could take sixty days, more or less. Many of the contingency matters have already been investigated. Matters less in control of the Parish or Yeshiva, such as changes to property lines and government approvals, will be expedited as much as possible.

TABOR HOUSE , CREDIT UNION and ATHLETIC FIELD

24. Will the sale impact The Lyceum's use of Tabor House?

- a. No. The sale does not include Tabor House. The current Parish lease to The Lyceum continues until mid-2022. Provision has also been made for continuation beyond that, should the Parish and The Lyceum so desire.

25. Will the sale impact Sts. Margaret and Gregory Credit Union?

- a. No. The Credit Union has a very long term lease on the Parish-owned property. The Credit Union owns its building.

26. What are the plans for the athletic field behind the Parish Family Center?

- a. The field continues to be owned by the Parish. It will continue to be used by Corpus Christi and Catholic Youth Organization for sports. A Rental Agreement with Yeshiva allows them to use the field periodically during the school day. No additional plans or studies are currently underway for additional uses of the field.

September 13, 2019