

6/1/2023

BUILD more room for God FAQ

*Frequently asked questions and
answers about our journey to BUILD
at Centre Street Church.*



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Central Campus Expansion Opening Questions

1. When is the Central Campus expansion opening?

We are praying for our Central Campus expansion to open in Fall of 2023. If we experience delays with our construction or city approval of our Occupancy Permit, that will push our move-in dates to the Winter or even into the new year.

When we move in, we will undertake a phased move-in approach.

2. What are the renovation timelines and how will these impact our plans to move into the expansion?

There are several renovation projects in our *existing church facility* set to occur this Summer and Fall that incur varying degrees of interruption.

For more details on renovation and move-in timeframes and how they might impact you please visit www.buildmoreroom.ca/timelines

3. Will all the facilities and features be available when the expansion opens this fall?

The play structure will not be ready upon move-in, and we are estimating its completion will occur early in 2024. As we recently learned when moving into the new Bearspaw campus, it takes a while to learn the operations of a new building. Please be patient as we all go through a learning experience when we move into the Central Campus Expansion. Your prayers for this transition are appreciated.

4. How should we be praying?

Join us in praying for God's help in guiding the future of our church, and His strength in carrying out His will in all our lives. Specifically:

- Pray for good relations with the City of Calgary as we work through some issues that have the potential to delay the Occupancy Permit.
- Pray with us that God's hand would continue to be in all our timelines as we embark on the renovations in our current facility at Central Campus¹ and that people will have patience, excitement and grace for us during those renovations.
- Pray that God will inspire an army of volunteers to rise up for the move-in and to serve in the Children's Ministry once the expansion opens; we are expecting growth in this ministry. Pray that more children will make decisions for Christ and develop life-long relationships with Him through seeds of Biblical truth planted in the hearts of our children.
- Pray for the Project Manager and all who work with him as we hope to complete new construction this year, and renovations later this year or early in the new year.
- Praise the Lord that through the generosity of our congregation to April 2023 God has provided \$20.4 million (Chapter 1 \$15.7M, Chapter 2 \$4.7M) in our journey to BUILD more room for Him. We have \$5.1 million more to go to complete payment for these projects. Pray that the Lord will

¹ Not including the fourth floor which will be completed at a future date.

enable our congregation to complete the remaining giving sooner than our current projection which is the fall of 2025.

- Praise the Lord that we can see that in His Providence he is bringing many people to our church at all our campuses and some of them are making commitments to Jesus.
- Pray that staff and volunteers will be energized and focused on our mission to introduce people to Jesus and help them become fully devoted followers.

5. Are there ways that I can serve to support this project?

- **Pray:** Stay up to date on our prayer needs listed above and [here](#).
- **Serve:** We need an army of people to pitch in and help – especially on July 29, 2023, and beyond.

Before we move into the expansion we need people to:

- move boxes and supplies to the new spaces,
- assemble furniture,
- help with cleaning the new spaces, and
- other miscellaneous move-in needs.

Additionally, God is bringing more people to Children’s Ministry, Youth Ministry, and other discipling ministries across CSC! But we are also turning children away due to lack of space and volunteers. Once the expansion opens, we will have the space to serve the children, but will we have the people?

We estimate that we will experience 20% growth in the first few weeks following the expansion opening. But growth may only be temporary if we have to turn children away due to lack of volunteers.

To sign up to serve visit [here](#).

- **Give** - Join us in [giving](#) so that these projects can be fully paid by or before the Fall of 2025.

General Questions: BUILD more room for God

6. What projects have we already completed our journey to BUILD more room for God?

Completed projects:

Bearspaw Campus (Northwest Campus): We built a permanent facility called Bearspaw Campus, on CSC-owned land in Bearspaw. The doors opened in September 2021. This project is now drawing an attendance of up to 1000 people every Sunday, which is more than double our attendance when we were gathering in rented facilities.

Other campuses: We provided \$300K in needed upgrades to our campuses in Bridgeland, South Calgary and Airdrie to enhance our ministry environments.

- At our Airdrie Campus, soundproofing was added to the worship area, and more space was added for Children's ministry.
- At our former South Campus location we added better electronic security on the doors we accessed and enhanced the kitchen facility.
- At our Bridgeland Campus we updated the roof. Additionally, the gym is being renovated with a new rubber floor for a new sports ministry.

Please join us in prayer about whether at some unknown future date the Lord may direct us to build other facilities such as for our Airdrie Campus and South Campus. Our desire is to be in the centre of Gods will on all things including this.

Global Mission projects: 10 per cent of all proceeds from the BUILD campaign will go to Global Mission Capital projects, which we expect to total \$4.1M. We have been able to help several Global Ministry partners transform their God-given visions into reality including:

- **South Africa | Reconciliation Road** is a church in South Africa that is tearing down racial divisions and now planting other churches with support from CSC, training and equipping an entire team of church planters. Their new church building sits on the border between an affluent, predominately white urban community and a deeply impoverished community of black people, serving like a bridge by providing a library, soccer field, free wifi and a safe place where kids come and play.
- **Four churches in Ukraine:** A church in Rivne Ukraine was one of four churches in Ukraine in various stages of development being supported by funds from BUILD in partnership with Humanitarian Aid Response Team (HART). Two of these churches are being built to transform lives in poverty-stricken gypsy villages, Kherson and Berezhany. They will be used not only as churches but as a community centre and a school where people will learn how to read and write.

During the war in Ukraine, the facilities we funded are being used to shelter refugees. Please be praying for our church partners and all those impacted by the events in Ukraine.

- **Ministry Centres in SE Asia:** BUILD funds were put towards resourcing a training centre in a country (we can't name) where church buildings are not allowed, and Bibles are being destroyed and replaced with alternative texts espousing political ideology. The facility provides Bible training to house church pastors, verse by verse and chapter by chapter, allowing pastors to go back and replicate scripture with other pastors and church members. BUILD funds supported the resourcing of this training centre with beds, projectors, air conditioning units, desks, computers, and a library.

A portion of this is funding construction of the Centre for the City which will have space in the Central Campus expansion.

7. Which projects are still in process?

We are praying for our Central Campus expansion to open in Fall of 2023. If we experience delays with our construction or approval of the Occupancy Permit, we may change our move-in dates to the Winter or even into the new year.

Regardless of when we open, we anticipate moving into the expansion in stages that are coordinated with renovations in the existing Children's Ministry spaces, as detailed in the [Central Campus Expansion Opening Section](#) of this FAQ.

Additionally, we have a Global Ministry project that has yet to be completed. The Canadian province of Quebec has become increasingly secularized. It is becoming more and more difficult to construct a church building in this Canadian province. We have previously communicated our desire to establish a local church with a proper building so they can be equipped to pursue discipleship, mission and relationships with their community. However, our partners have struggled for a few years to get municipal approval to build. For God to provide the right location and approval is a matter of urgent prayer for our global BUILD projects.

There are still more projects to be completed across the world, and we're excited to let you know what those projects are as they develop.

The Centre for the City, which is part of the Central Campus expansion, is partially funded from the Global Missions Capital fund because it will be a significant local asset in our global missions.

8. Why are we expanding and renovating our Central Campus?

We are expanding our Central Campus and renovating existing spaces because:

- We were desperately short of Children's Ministry space to minister to children and parents during our Sunday morning services. Sadly, we have had to regularly turn children and parents away due to lack of room.
- We don't have enough purpose-built space to effectively and safely serve our large Special Needs' Ministry children, adults and their caregivers.
- CSC's Compassionate Ministry to those in need and our New Canadian Friendship Centre, serving new immigrants would be greatly enhanced by a purpose-built Centre for the City at our Central Campus.
- We're very short on small, medium and large-sized meeting room spaces for ministry activities throughout the week.
- We don't have a regulation-size gymnasium to facilitate ministry to youth, young adults and the surrounding community.
- After the strategic sale of the West Campus, we had access to that facility for three additional years to June 2020. All of CSC's ministry activities that were located in that facility, including our Youth and Young Adults Ministries, will be relocated to the Central Campus expansion. We have been able to retain access to a portion of this facility beyond June 2020 for our Compassion ministry which will soon move into the Central Campus expansion to become part of the Centre for the City.
- We don't have a spacious on-site facility for large banquets and eating events. These must now be held in the Atrium, which was not purpose-built for such events and can only hold a maximum of 350 people.

9. What is the Centre for the City?

Our Evangelism Ministries including Monday Night Evangelism (MNE) as well as our Ministries to people in need (Compassionate Ministries), as well as to new Canadians (New Canadian Friendship Centre) will be moving and growing into the Centre for the City once our doors are ready to open in our Central Campus expansion, hopefully in the Fall of 2023.

Think of the Centre for the City as everything God can do for the city, through us! The facility will serve as a resourcing hub empowering all of us to serve people in need, new Canadians and all of Calgary with greater impact. It will provide a place of welcoming and belonging, access to clothing and food support, classes for new Canadians and refugees, job training, interview help and resume support, and opportunities for life change in the name of Jesus. And we are not alone. We are linked arm in arm with community partners to make a deeper impact for God's kingdom, forming a missional network that can empower all of us. All of our campuses. All of our partners. And each of us as individuals and families.

10. Why did we build a new facility for our Bearspaw Campus (Northwest Campus) congregation?

CSC began implementing a multi-site vision in 2008 and the Northwest campus which originally met in the Crowfoot Theatres was the first "remote" campus. Permanent facilities give us a presence in the community from which to conduct ministry, so when the Damkar family donated a parcel of land on which to build a permanent church facility, that was one indication that God was affirming our multi-site vision. We are grateful for the vision and generosity of the Damkar family.

This campus was always set to inevitably grow with an average weekly service attendance of 300-400 people. Tuscany also is one of the largest communities in Calgary and it does not have a physical church building – the Bearspaw Campus would be the closest one. We also wanted to accommodate growing crowds of visitors coming from increasingly further regions north of Calgary, including Bearspaw, Cochrane, Canmore and even Banff.

In 2023 we have seen up to 1000 people attending this campus on some Sundays, which validated our calling to BUILD on land that was gifted to us in 2017.

Other reasons for a permanent facility include:

- It enables a broad spectrum of ministry activities for all age groups throughout the week as we engage our surrounding communities in meaningful relationship helping them find meaning and hope. This is something which is not possible in rented facilities.
- A permanent campus building acts as an important visual symbol of the church's presence and the love of Christ in Calgary's northwest communities, where people can come and find help, meaning and belonging.
- Suitable rental facilities for a church campus are increasingly hard to find, are costly and create uncertainty for our long term planning. Each year, we spent tens of thousands of dollars on rental costs for this campus. It made more sense for us to spend this money on operating costs for our own permanent facility. Now we are "masters in our own house," not bound to the priorities of the owners of a rented facility.

11. How can families and individuals support these projects financially?

Individuals and families can contribute to this fundraising campaign by making a commitment to contribute a sum of money in a variety of ways. These include:

- **Credit Card or debit (you can give online using Tithe.ly)**
- **EFT Withdrawal:** Set up payments to be automatically withdrawn from your account at cchurch.ca/EFTwithdrawal
- **E-transfer:** Using the email account giving@cchurch.ca enter the amount you wish to give. In the message line please include your full name, address (this information is necessary if you wish to receive a tax receipt)
- **Cheques or Cash:**
 - Place it in the envelope, designated BUILD and put it in the offering boxes along with your donation.
 - Donations may also be mailed to our Finance Department:
Centre Street Church Attention:
Finance Department
3900 2nd Street NE
Calgary, AB
T2E 9C1
- **Planned Gifts:** Wills, Securities, Real Estate, Memorial Gifts, and Gifts in Honour.

For more info visit www.buildmoreroom.ca/give or email finance@cchurch.ca or call 403-520-1225

12. Can people contribute shares, securities, land, or other types of gifts to the BUILD journey?

Yes, gifts other than cash are welcome: a gift of real estate, stocks, bonds, life insurance, matching gifts through your employer, tax refunds, inheritances and bequests. Once these gifts are received, CSC will seek to convert such gifts to cash as soon as possible. We would be happy to discuss these giving options with you.

13. Am I being asked to redirect the money I'm already giving to CSC to support this campaign?

It's important that we all continue to donate our regular tithes and offerings to help meet CSC's annual ministry and missions budgets. As such, any funds we contribute to the "BUILD more room for God" campaign should be over and above our regular giving to CSC so that the needs of our day-to-day ministries continue to be met, and we can continue to carry out the work God has called us to. This will require sacrificial giving from us all.

14. Why are we expanding on the west side of Central Campus? Wasn't Central Campus designed to accommodate construction of additional floor(s) on both the SE and SW corners?

Our Central Campus was originally constructed with the option to build an additional floor on the southeast and southwest corners of the building; however, after considering all the options available to us, there are several reasons we decided back in 2017/18 not to move forward with this option:

First, and perhaps most important, proceeding with this option (and at the time, this would have been while we were at maximum capacity) would have been extremely disruptive to our Central Campus ministries during construction. Construction would be particularly disruptive to our Children's and Special Needs' Ministries, which would need to be moved on Sunday mornings to an alternate location during the construction of an additional floor. Hundreds of parents and caregivers would have to drop off their children and special needs' family members at the alternate location, an inconvenience that could last for two years or more. It's very possible that some parents would transfer to other churches that provided a more parent/child-friendly ministry option.

Secondly, constructing an additional floor on this side of the building would require some renovations on the lower floors, adding to the overall construction costs.

Finally, an additional floor on this side of the building would not provide adequate space to address all our Central Campus space challenges, and we would still need to build more space on the west side of our building.

15. What additional upgrades did we apply to our worship centre? If these changes were not part of our original BUILD plans, why did we choose to do this?

The expansion required extensive welding to strengthen the roof trusses/beam along the west side of the worship centre. However, because COVID afforded us a narrow window of opportunity to perform intrusive construction work, we decided to go beyond the BUILD project and resolve some issues to bring the 18-year-old worship centre up to new building code standards. We also saw an opportunity to remove some barriers and make enhancements that serve to improve our gathering and worship experience, and improve the video feed to our campuses and the online congregation. Specifically, those four opportunities were:

- Improving lighting for events of various sizes.
- Improving sight lines and visibility from all campuses – we wanted every seat to be a good seat.
- Increasing usability for tech and other ministries
- Creating consistency in the spirit of One Church in Many Locations. The new design of the worship centre is very similar to the new Bearspaw Campus.

The majority of the costs were paid from our BUILD more room for God fund as they related to getting the existing facility ready for the expansion and bringing the facility up to current building codes. A smaller amount was paid from our Sustaining Capital fund which is used to keep existing facilities up to date.

16. Who is giving overall leadership to this campaign and to our building projects?

Several years ago, the Campus Development Committee was formed to make recommendations to the CSC Executive Team and the Board of Governors regarding future capital projects.

In 2017 a Building Committee was formed to give leadership to this specific campaign and building projects.

The Building Committee reports through its Chair, Myles Hamilton, and CSC's Executive Pastor, Gentry Stickel to CSC's Senior Pastor and the Board of Governors.

17. Who is building these projects?

In 2018, CSC hired Larry Fournier to act as CSC's Project Manager for these two projects. He works with the architect, Alvin J. Fritz, to finalize costs, develop plans, and oversee bids from construction and trade firms. He hires and oversees Site Supervisors for each project. This is the same construction model CSC used when it built its Central Campus in the early 2000's. Mr. Fournier has more than 30 years of experience in the construction field and has most recently served as owner/manager of NVR Construction. He has been a project manager for various large-scale projects, including the recent large-scale renovation for the Cochrane Alliance Church. Larry attends Foothills Alliance Church in Calgary.

Architect Alvin J. Fritz, headquartered in Lethbridge, has more than 30 years of experience as an architect and has planned numerous church, non-profit and commercial facilities. He attends a Baptist church in Lethbridge.

18. Why does CSC want permanent buildings for our campuses? How will these facilities help us achieve our mission?

Many years ago, God gave us a vision for one church in many locations, and in time, permanent buildings for each of those locations. We envisioned each building as a hub for local kingdom work, a place of gathering to be fed by the Holy Spirit, and a place of equipping to send us out into the community, connected to a powerful network of Christians united on mission locally, nationally and internationally as one CSC family.

We believe a church in the community is a visible sign of God's presence in that community, lived out through His people. Unlike a rented facility, a church building serves like a lighthouse, a visual reminder of the call to pursue God, and that anyone seeking help, meaning or belonging is welcome... all week long.

A big part of our approach to evangelism and discipleship is building strong relationships inside and outside the church. Permanent buildings serve as bridges from the community to the church, providing purpose-built spaces to serve people in need (such as our planned Centre for the City), and for the community to join us in learning together, growing together, and having fun together.

Additionally, permanent church buildings create greater planning certainty and autonomy in how and when we use facilities than do rental facilities. Buildings empower us to make decisions in the best interest of our church, our community and our mission.

19. What are our long-term plans for permanent buildings?

In the future after Central Campus is complete we believe God will later lead us to dream about continued growth in the following ways:

- A permanent Southwest Campus facility
- A camp location for camp ministry
- A permanent Airdrie Campus facility
- Build out the fourth floor of the Central Campus expansion
- Acquire land adjacent to Central Campus for expanded parking.

Financial Questions about the journey to BUILD more room for God

20. What is our Giving Goal in the journey to BUILD more room for God and what has already been given to date?

As of February 2023, we have \$5.5 million left to raise out of our Chapter 2 Goal of \$9.8 million, and out of a total of \$25.5 million² to cover the cost of all the construction projects in our journey to BUILD more room for God here and around the world. We are grateful that God has already provided \$20 million through your generosity since we took those first few steps of faith in 2018!

We hope to complete payment for these projects by or before the Fall of 2025. We are so close. It will take all of us to pray, to give and to serve for these important missional projects. Please seek God for what He is calling you to give!

21. Are we on track to meet our goal Fall of 2025?

Our projections show that we could achieve our giving goal by the Fall of 2025. We are praying that God would enable our congregation to reach the goal significantly sooner than that.

22. What happens if giving does not continue as anticipated?

Giving to the project has slowed from when we started in 2018. Our projections are based on this slower pace of giving and show that we could achieve the giving goal by the Fall of 2025.

We have arranged for Bridge Financing, a Line of Credit (LOC) from a financial institution, which will allow us to complete the construction work while we wait for the giving goal to be achieved.

In addition to praying that our congregation can achieve the giving goal sooner than the Fall of 2025, we are pursuing other options to reduce financing costs including:

Internal Financing: Potentially use money available in other funds to reduce the amount that would need to be borrowed from the financial institution.

Interest Free Loans: If we become aware of individuals who would be interested in providing interest free loans, we would consider taking those loans and repaying them as the giving goal is achieved.

We are managing expenditures to ensure we get the best pricing. We have been experiencing cost pressures and we anticipate we will need to use all the contingency included in the budget.

23. What is our history of Giving Goal updates and why did they keep changing?

² Combination of our Chapter 1 Giving of \$15.7 million and our Chapter 2 Goal of \$9.8 million.

You can see our history and timelines of cost increases and giving goal updates by visiting [here](#).

At the beginning of the Build more room for God project in 2018 we started with some seed money, a gift of land, the sale of our West Campus, some rough concept drawings, a step of faith and a minimum Giving Goal of \$15M over three years. That was updated to \$18M in 2019. By the summer of 2021 \$15.7M had been given toward this goal. We call this our Chapter 1 Giving.

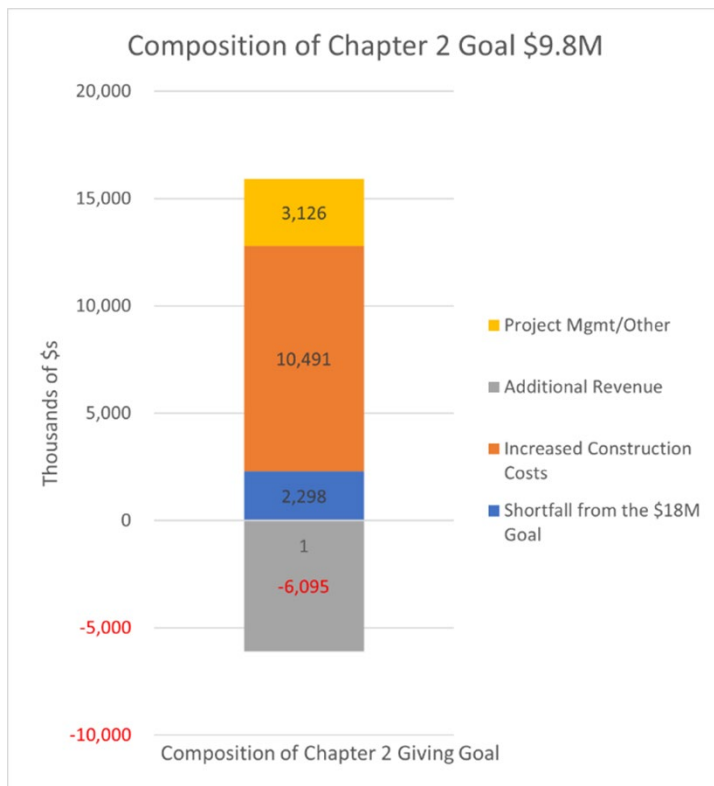
Also in the summer of 2021, after completing a comprehensive analysis we determined costs had increased due to factors both in and out of our control. It was determined that a further \$9.8M was needed. We call this our Chapter 2 Giving Goal.

The Chapter 2 goal of \$9.8 million is comprised of:

- \$2.3M - the shortfall from the Chapter 1 goal.
- \$7.5M - the net cost increase for the entire project including Bearspaw, Central, Global and Other Campuses. One Project, Many Locations.

A list of the factors causing the increase is here: <https://www.buildmoreroom.ca/2019/06/17/scope-changes-update/>

The following summarizes the Chapter 2 Goal



Our use of the word “minimum” was an acknowledgement that cost estimates could change as the project unfolded. Having undergone a thorough cost clarification process for the remainder of the projects over the summer of 2021, we had the information we needed to complete the project and provided the Chapter 2 goal. The total of both goals is \$25.5M.

24. What are the estimated full costs and revenues of the project?

The table on the next page shows the estimated full costs and revenues for the project. These are the best estimates we have as of **August 2021**.

Budget vs. Actual based on CSC Accounting Books			
CITY MISSION BUILD FUND			
BUILD Project Forecast (Includes some estimates) Covers the period from July 2017 to ~September 2024 (Note 5) Aug 2021 Results, plus forecasts to completion	Millions to 1 Decimal		
	City Capital BUILD	Global Capital BUILD	Grand Total BUILD
Fund Balance at July 1 2017	9.9	0.6	10.5
Revenue			
Pre BUILD Offerings July 2017 to Apr 2018 (Note 4)	1.3	0.1	1.4
BUILD Offerings May 2018 to August 2021 (Note 4)	14.1	1.6	15.7
BUILD Offerings September 2021 Until Complete (Note 4)	8.8	1.0	9.8
Interest from Investments	1.1	0.0	1.2
Sale of West Campus	8.5	0.0	8.5
Partner Donations	13.6	0.2	13.8
Transfer from Global Mission Capital (Note 2)	2.4	-2.4	0.0
Transfer from City Mission (Note 2)	1.5	0.0	1.5
Transfer from Global Mission General (Note 2)	0.0	0.6	0.6
Borrow from Sustaining Capital (Note 2)	1.0	0.0	1.0
	52.5	1.1	53.6
Costs			
Bears paw Land and Land Servicing	13.1	0.0	13.1
Bears paw Construction	16.8	0.0	16.8
Central Expansion Phases 1, 2 & 3	29.8	0.0	29.8
Airdrie, South, Bridgeland Campuses	0.3	0.0	0.3
Global Projects	0.0	1.7	1.7
Project Management	2.2	0.0	2.2
Bridge Financing (Note 3)	0.1	0.0	0.1
	62.4	1.7	64.1
Estimated Fund Balance after Giving to the project is complete	0.0	-0.0	0.0

Estimated completion is September 2024 (Note 5).

Note 1: We are grateful for the vision for a NW Campus, and for the significant gift of Land from the Damkar Family.
 Note 2: To the extent possible, other funds are helping to pay for these projects.
 Note 3: Bridge Financing Costs will help pay for completion of Central Campus Phases 1, 2 & 3.
 We estimate the cost of Bridge financing to be 0.25% of the total cost.
 If giving continues at current rate we expect Bridge Financing to be fully repaid by January 2024, approximately a year after construction is complete.
 Note 4: Donations to Build more room for God are allocated to the City Capital Fund (90%) and the Global Capital Fund (10%).
 Note 5: The project will be considered complete when Bridge Financing is fully repaid.

25. What caused higher costs than the original estimates?

Some of the cost increases were due to changing global realities impacting material costs and timelines and some of the increases were in response to community/ministry consultations, county requirements, new information arising on the construction site or the tendering process. And, finally, some of the cost increases were due to decisions made for the long term benefit of the church and our ministries, designing with the future in mind as new insights emerged.

Specific cost increases by project or cause are outlined below:

Bears paw Campus

- Increased costs driven in part by community consultations and requirements by Rocky View County, including:
 - Changing from a wood to steel structure
 - Revising building location on the property

- Lowering building height
- Redesigning the roof
- Landscaping additions
- Unexpected costs for soil removal
- Increase in atrium size to facilitate community and fellowship

Central Campus

- The expansion was not fully designed when we launched BUILD. In the finalization stages we decided it made economic sense to add a 4th (top) and 2nd (interstitial) floor allowing us to obtain the best value for the additional structure and ensure the best functionality for the foreseeable future, always planning to phase the interior development.
- Added renovations in the existing facility:
 - Worship Centre upgrades to bring the 18-year-old facility up to new building code standards while addressing barriers to the gathering and worship experience.
 - NE Corner – added 2nd floor.
 - SE Corner – converted 2nd floor office space to 2 meeting rooms.
 - NW Corner – Centre for the City.
 - SW Corner – Special Needs, Children’s Ministries.
 - East Entry/Library & Bookstore – relocate reception from second floor to main floor by the east door.
 - After a flooding event in 2020, we were alerted to design flaws in the existing building and the upcoming expansion, and redesigned both to mitigate future flood risks. We see Gods leading as he allowed us to identify this before any major work had been done and, although there were increased costs, they were less than they could have been if this flooding event had happened after construction had started.

The pandemic resulted in some unforeseen impacts to our financial plan, including:

- Cost savings from our early tenders for Central Campus Phase 1 but also higher costs at Bearspaw and for the remaining Central Campus tenders.
- Increased costs due to delayed schedule (later delivery of materials, concrete work being done in the middle of winter, etc.).
- Saving money by releasing contracts in the summer of 2020 when costs were low. In the first half of 2021, costs increased as much as 15% – 30% or more in many areas and we were able to avoid those increases for the work that was released in the summer of 2020. Work released after the summer of 2020 generally speaking has been subject to cost pressures from inflation etc.

26. What are the cost increases in total per project?

Based on 2021 cost update numbers:

- Central Campus expansion, including renovations: from \$19.2 million (April 2018) to \$24.9 million (June 2019), to \$29.6 million (May 2020) of which \$20.2 million was for Phase 1, to \$27.5 million (March 2021). The March 2021 costs exclude full development of the 4th floor which is deferred to an undefined point in the future. Cost clarifications during the summer of 2021

added \$2.3M to the estimated cost of Central Campus resulting in a total budget for Central Campus floors 1 to 3 of \$29.8M, including some extra contingency.

- Bearspaw Campus: From \$12 million (April 2018) to \$15 million (June 2019), to \$16.2 million (May 2020) to \$16.8 million (March 2021).
- Global Mission Capital projects, (international and local projects, including the Centre for the City): From \$2 million to a total of \$4.1 million, with \$1.7 million going to national and international projects AND \$2.4 million going towards construction of the Centre for the City, which is part of the Central Campus Expansion. The Centre for the City will house our Compassion ministry and our New Canadian Friendship Centre and will be a significant asset in our Global Ministries.

All cost estimates include contingency. We are experiencing cost pressures and it's likely that we will need to spend the contingency. Please pray that God would guide the remaining construction.

27. What are some examples of the cost increases these projects experienced?

Bearspaw Campus Unexpected Soil Work and Removal \$307K

Bearspaw Campus Landscaping including Walls, Trees etc. \$319K

Bearspaw Campus Roof Redesign \$299K

Bearspaw Campus Community Consultation & Other Miscellaneous Items \$215K

Central Campus Energy Code Change \$445K

Central Campus Flood Mitigation \$401K

Central Campus Two Additional Floors \$5,520K

Central Campus Sanctuary Renovation \$250K

Total \$7,756K

Note: this is not an exhaustive list of items leading to cost increases. These are the top items.

28. Do we have an estimate of how much it will cost to complete the fourth floor in the future?

Based on the work completed during the summer of 2021, we estimate development of the 4th floor could cost \$3.1M. When a decision is made to develop the space in the future, a new costs estimate will be developed and it could be different depending the economy and yet-to-be-made decisions about how to develop the floor.

It is not known when this space will be developed.

29. If we did not hit our chapter 1 giving target in 2021, why didn't we just stop building?

We weighed out the advantages and disadvantages of stopping construction. We found that the disadvantages of stopping construction outweighed the advantages, so a decision was made to proceed with construction including development of the first three floors of the expansion. Development of the 4th floor is deferred to a future unknown date.

Advantages and disadvantages of stopping construction

Advantages

- We are debt free
- We can complete future phases as we have funds

Disadvantages

- Limited utility with shelled space.
- Cost to delay future phases.
- May lose project manager and team.
- More difficult to re-start. Lose energy, momentum.
- Will lose trades and advantages of already negotiated volume discounts.
- Will need to re-tender at greater cost.
- Disappointment. Not getting the use of undeveloped space in the expansion & losing utility of some existing space.

The advantages of moving forward with our construction include:

- Accomplishing the BUILD vision
- Ensuring maximum ministry space is available
- Taking advantage of volume discounts
- Taking advantage of low interest rates
- Proceeding with Phases 2 & 3 at a measured pace, deferring costs where possible.
- Minimizing the cost of delay
- Retaining the project team
- Bridge financing costs are less than the cost of delay

30. I thought we were never going into debt. Are we going into debt for this project?

Many years ago, when the original campus was built, CSC went into long term debt to help pay for it. Over time, that debt was repaid due to the faithful giving of our congregation. Since then, we have occasionally used short-term bridge financing when it makes financial sense to do so. For example, when we built our current Central Campus, we took some short-term bridge financing to help complete that construction project, and that financing was repaid quickly due to the ongoing faithful giving of our congregation.

We have determined that the use of short-term bridge financing makes sense for the Central Campus expansion because the cost of bridge financing is less than the cost of delaying the Central Campus expansion.

31. Was there any contingency funding included in the project?

Yes, but in hindsight, facing the global realities we did - there was not enough contingency funding included. At Bearspaw the budget was increased in March 2021 to \$16.8M to add more contingency and we are projecting to finish the Bearspaw construction on budget. At Central where we have increased it to 12.3% contingency, we have already seen a trend where it will be necessary to spend some of it,

perhaps all of it, as costs are increasing (examples: the increased carbon tax and an almost doubling of plywood costs). With another several months of construction and renovations ahead of us, it is too soon to tell.

Due to cost pressures at both Campuses, we anticipate using all of the contingency.

32. How is it that our expansion of Central Campus is going to cost more than the cost of the original building?

Construction costs have gone up over the decades due to increased costs of materials and labour, which is largely due to inflation. We are seeing an inflationary trend that is likely to continue into the future.

33. Why did we sell our West Campus instead of just continuing to use it indefinitely?

In 2017 we sold the West Campus, for the exceptional price of \$8.5M, to the Wing Kei Christian Nursing Home Association for the following reasons:

- The sale price was very attractive.
- Costs of maintaining the older West Campus would have escalated over time.
- Keeping the West Campus would not solve the current ministry pressures at our Central Campus. Selling the West Campus freed up the funds needed to consolidate Ministry space at Central Campus to enhance overall impact of several important ministries.