

FACILITY DEVELOPMENT UPDATE – October 2012

The following is a summary of the actions over the past several months. It is recommended that a summary report be made available to the congregation with the offer of providing this more complete if requested.

Following are the main activities over the past several months

- Naming
- Getting better idea of costs
- Proforma financial review
- Rezoning

As well this report will provide a more complete perspective of the current status of the financial component of the project.

Naming

Over the past while we have been working to find a name that in a word, underscores the hour goals. You will recall that for several months we were the “Caring Place” – to many this sounded too hospice like ... “palliative” was the pronouncement from one individual so then we settled on “Cornerstone” – a descriptor that evoked “essential component” or “strong base”. Unfortunately after some months we were made aware that this was the name of the new professional building on 2nd and Victoria. After “kicking the tires” on a few other names we settled on **Centrepont** - something that evokes a sense of place of centering oneself both in the spiritual sense (Squamish United) and in the physical sense (SSCSS). While it took some getting used to, we are very happy with this name and look forward to it becoming a vital component of downtown Squamish.

Getting a better idea of costs

Last year a professional estimating firm was contracted to provide an initial estimate of costs for our project. As is usual in the process of development of this type, often knowledgeable contactors are also queried about their view of the anticipated costs – these folks do this as a courtesy with the full knowledge there is no undertaking or promise of future work on the project. But because it is not an official estimate they cannot be held to it in the future or used officially in a specific quote – really it’s a way of developers trying to get an initial handle on the approximate costs prior to the official proforma being undertaken. There will be plenty of time later on to get “official” cost estimates and I’ll explain more about that later.

Pro forma Review

A pro forma estimate is the initial costing overview of the project by folks with a history of planning and construction of development projects. In this component, the project is considered from the costing perspective (planning/development costs, rough construction costs as well as servicing and offsite costs). Often different options are presented to either address different cost/benefit scenarios or other project objectives. This third party evaluation is required by lenders to support decisions related to the financial risk to the project.

The Facility Development Team was initially working with Terra Housing Consultants who came recommended by VanCity Credit Union (who are prepared to lend (and I am sure, gift as well) to

SSCSS significant funding to assist with the SSCSS component of the project). However at the same time the Squamish United Church team approached Conference to seek financial support. While Conference indicated general approval for the project and a willingness to assist, they indicated funding was not currently available for capital projects of the nature of our project. However they indicated a willingness to support in other ways including through the Property Resource Team (comprised of Terry Harrison from Conference and Justin Harcourt of the real estate firm Colliers International) to provide professional expertise as a way to support projects of the type we were pursuing including that of a pro forma cost analysis.

The Property Resource Team was very excited by the project and completed the pro forma analysis in October. In addition to identifying costs for different elements of the project as planned, the Property Resource Team also encouraged the consideration of other options as well including

- considering extensive architectural modifications to provide sizeable office space for an anchor tenant (with the objective of reducing long term costs for the SSCSS component of the project) or
- increasing the housing to add one or two more stories to the project.

Their report is included as an appendix to this report.

At this stage it appears it is unlikely there will be any changes from proposal that has been discussed. Squamish is a very limited market for office space and the type of rezoning being sought would only provide for government type space. Given the lack of market, the extensive modifications, the impact on SSCSS offices it was agreed we would stay with the plans as submitted.

The Squamish United Church component (as has been the case from early in the planning process) will continue to be a new sanctuary and offices; Sea to Sky component is two elements; a 3 story structure; 1st floor of meeting rooms (that we will have access to) with some SSCSS offices, 2nd floor of offices and 3rd floor of residential for individuals supported by Sea to Sky Community Services Society and the Community Hall (our existing sanctuary).

Rezoning

There have been some temporary holdups that we have had to deal with over the past several months. We encountered some issues that could not be resolved with the engineering firm contracted to undertake initial work; a new firm (Webster Engineering) has now been selected and engineering design work is well underway.

As well there have been some delays in the rezoning process; the cost analysis took longer than anticipated and District of Squamish has had some staffing changes within the Planning Department that we have now worked through. First and second reading of the rezoning application was voted on by Squamish Council on November 6 (passed unanimously) and the Public Hearing (another component of the rezoning process) is set for November 20 at the Council offices. The report prepared by District of Squamish staff as background information for Council highlighted the amenities the project would bring and the level of consistency with the objectives of the Official Community Plan. The rezoning report is attached as information.

Finances

Regarding finances, our current agreement commits us to having \$1.6M at the time we break ground for our project. We anticipated there will be adjustments to this as each of the specific

components of the project (building construction, electrical, mechanical etc.) are put to tender but for planning purposes the team suggests we use the \$1.6M.

The current status of the finances for the project are attached.

In summary

Our PHN account (as of Nov 8)	\$748,058
Sq United Fac Dev Account	\$117,132 (includes Pledge Drive - total of \$293,019.60 over 3 years – some of which is yet to come)

Attached also is summary of the project expenditures showing the withdrawals from our Facility Development Fund.

Regarding our own fundraising efforts, we have had some initiatives and these opportunities will be pursued as time, energy and opportunity permits. We do not feel the timing is right to put applications to funding organizations. We don't have the rezoning complete and final design work and cost estimates are not done so at this stage it is a bit wishful. And in our research we find this process challenging – there is a lot of competition for funds and with low rates of return on investments, granting organizations have had to reduce the amount of funding they provide so support tends to go to ongoing relationships. We think we can have a more compelling story if we actually have a cost that has to be serviced or a program that needs supporting. So working to secure funds from foundations and other granting institutions is still very much a work in progress.

In the event we do not have the funds, the agreement provides for time to extend the project, reduce the size of the project or terminate. Some have asked when that might be. Both parties (SSCSS and Squamish United) have not fixed a specific date; both of us are continuing fund raising activities. It is expected that within a 6 month period we will be at the stage where we will have to do this.

The Sea to Sky Community Services Capital Campaign for their share of the project is just getting underway. Their Capital Campaign Team is comprised of individuals within the community and elsewhere throughout the corridor (the team is co-chaired by Owen Carney and Anne Peters with a number of other committee members that include Corrine Lonsdale, Paul Lalli, Drew Meredith and Ron Anderson) who are well connected with the local philanthropic scene. Their first phase which is currently underway is to “quietly” solicit significant donations from businesses and individuals to get a very strong “base” of funds; subsequent steps will include a more public campaign to approach the community for lower levels of support will ramp up within the next few months.

This has been a significant undertaking and I appreciate the views of congregants and other interested parties if it feels that things have come to a stop. But as an engaged participant, I can attest to the myriad of details that have to be considered and settled upon from design plan to governance issues, from fund raising to the minutiae of dealing with rezoning issues and the time and money it takes to address each of these issues. I would ask for everyone's patience as we work to address each of these issues. In that regard, if you have any questions or wish to see any of the materials provided, please feel free to contact any of the committee members.

Submitted by: Bert lonson