

3948 Wallace Point Rd

Building Project Update

Oct 13, 2021

The purpose of this document is to provide our donors and church family with a much-needed update about the recent progress and plan revisions for our new church property.

On March 24, 2021 - we purchased 3948 Wallace Point Rd for \$500,000 with the intention of renovating the building in the following ways:

- flat roof repair
- asbestos removal
- new washrooms
- interior renovations (carpeting, paint, ceilings)
- expanding the small gravel parking lot to increase capacity
- ESTIMATED RENOVATION COST → \$450,000 TIMELINE → 3-4 months

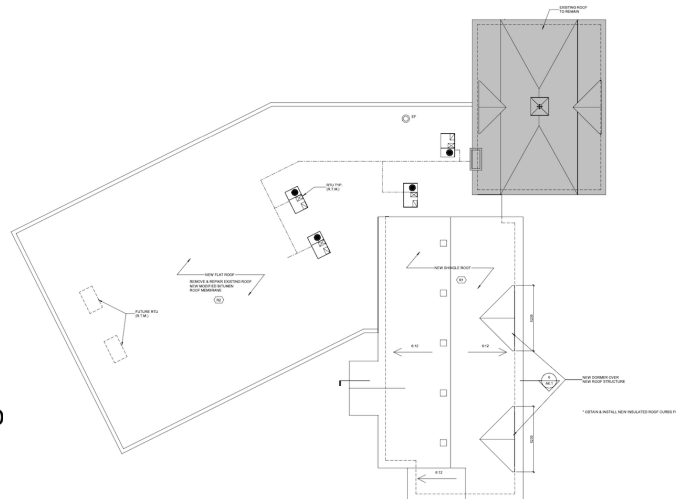
This low-cost plan was contingent upon us using the existing: heating system (gas boiler and radiators), septic system, and electrical system (200 Amp service). This would allow us to start using the building much sooner without triggering a new site plan with the city. It was our hope that we would be able to defer much of the work and cost into our future Phase 2 auditorium addition. At that time, we would have to have a site plan approved, upgrade all three of these major systems in the original building, all while funding the construction of the new auditorium and parking lot.

As we took steps in that direction it became increasingly clear to our Board and Staff that this would not be the best approach in the long term. In addition, there have been multiple expedited or additional items that the City of Peterborough has asked us to address in Phase 1 instead of Phase 2. Because of this, the scope and cost of our Phase 1 building renovation project has undergone significant changes. Due to delays with permits and COVID restrictions, this is taking longer than we had initially anticipated.

Here are some of the significant changes we have made to our Phase 1 plan.

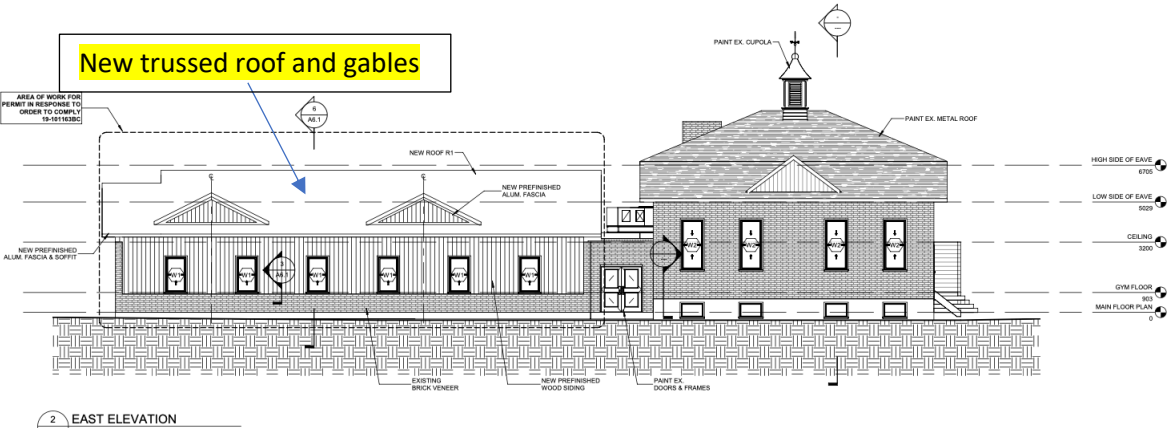
Heating and Air Conditioning:

As we continue to learn more about COVID-19 and how it is transmitted, it has become increasingly clear to us that installing a new forced air heating and cooling system immediately would be advised - if not required. Our new Phase 1 plan includes 4 - rooftop heat and air conditioning units that will allow us to efficiently heat and cool the existing 10,000 sq/ft in 4 programmable zones with proper air flow. We will be able to remove the old boiler system and radiators.



Roof Upgrades:

The entire roof will be properly insulated during our Phase 1 renovations. The rear portion of the building will have a new flat roof installed. We will install a new trussed roof on the road side section which will allow us to: properly insulate the ceiling in those two rooms, install HVAC lines, and improve the visual appearance from the road (see diagram below).

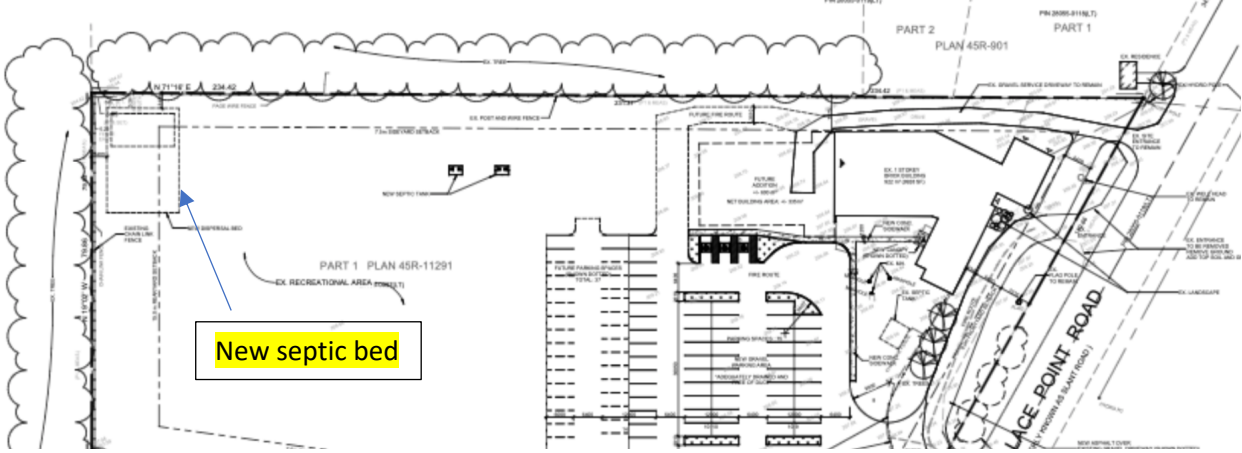


Window Upgrades:

We are installing 14 new energy efficient windows across the road side of the school (see image above) which have been generously donated by FCI windows.

New Septic:

The City of Peterborough is requiring a new septic system on the property. We have a new system designed with the capacity to accommodate our future Phase 2 addition. The new septic bed will be located on the back corner of the property. When the new addition is constructed, they will simply tie into the system.

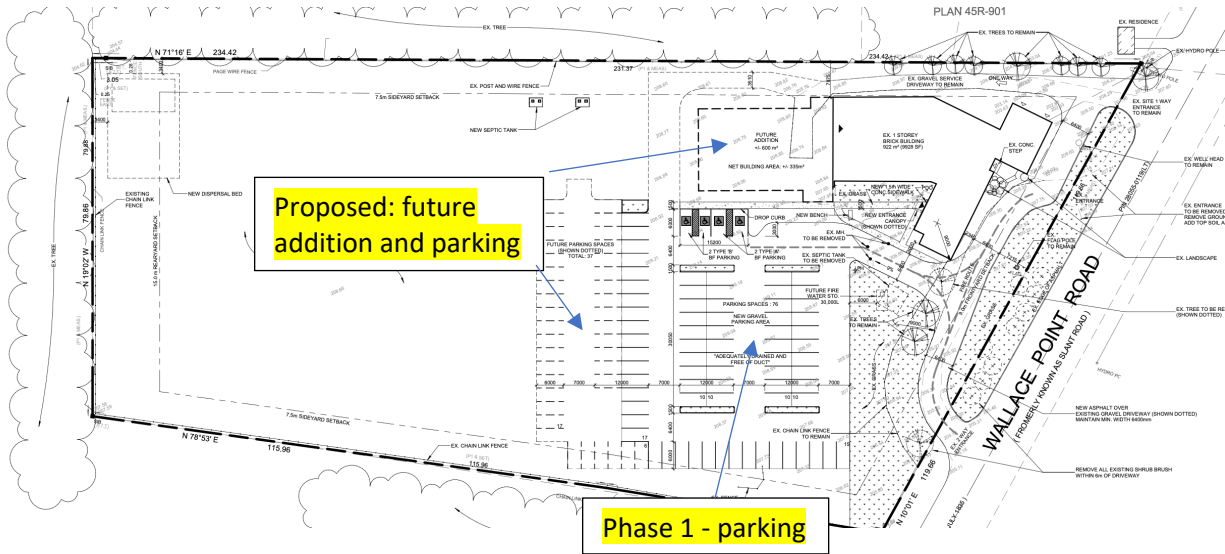


New Electrical System:

We will replace the existing electrical panel and bring in additional service to provide the capacity for the new air conditioning system and the future addition. All of the lighting in the current building will be replaced with high efficiency LED lights. The existing lights have been removed and will qualify for energy rebates which will help pay for a portion of the new fixtures.

Site Plan:

Since our new Phase 1 plan now includes many of these significant upgrades, a new site plan must be approved by the city before proceeding with construction. Dickson and Hicks Architecture Inc. has begun the application process with the city of Peterborough on our behalf. The new site plan includes our Phase 1 parking lot, road access, new septic system, sidewalks, accessibility spaces, and the future addition and parking. We expect this process to take 3-4 months to complete before construction can begin.



Parking Lot:

The new site plan will require a proper parking lot including accessibility parking spaces, curbs, and sidewalks. The future addition and the additional parking requirements for Phase 2 have been included in the site plan which is a big process right now, but it will prepare us well for Phase 2 to get started when the time is right.

Projected Cost:

Every item we are now including in our Phase 1 renovations would have to be done eventually. While the cost of doing all of this work now is significant, we expect that it will cost even more a few years from now. When Phase 1 is complete, everything will be in place for the Phase 2 addition. The work we are doing now will speed up the process and save us money in the long run.

The site plan, septic system, electrical upgrades, heating system, and parking lot have increased our project costs from our initial estimate of \$450,000 (fix up and use as is) to approximately \$1,400,000. This large increase is due to us moving items originally planned for Phase 2 into Phase 1. This will greatly reduce the cost of Phase 2.

Since we announced the purchase of this property, we have already received over \$180,000 in donations towards the project. We will have approximately 6 months to raise some additional funds in house, and we are investigating a number of lending options to ensure completion of Phase 1 as proposed.

What has been completed?

- √ Asbestos removal has been completed and paid for
- √ Volunteers have completed almost all of the demolition (walls, ceilings, drywall)
- √ Light fixtures have been removed and rebates requested
- √ Phase 1 design process complete and paid for
- √ Septic system design complete
- √ New property survey complete
- √ Site plan application in process

What's next / timeline:

- We expect the site plan to be complete in February which will allow us to apply for building permits and get construction underway.
- In the meantime, the City of Peterborough has approved a building permit that will allow us to replace and repair the entire roof (including the new truss roof on the road side), front wall, windows, and siding. We will begin the roof as soon as material and trades are available.
- There are a number of other additional projects we will be able to work on while we wait for the site plan to be approved. These include refinishing the interior of the original schoolhouse, framing office walls, and running data cables through the building.

We would love to be in our new facility by the summer and will continue to work towards that goal. While we wait, we are grateful to continue meeting at Rhema until renovations are complete.

We are working on a clear financial strategy for completion of Phase 1 and will continue to provide updates and clarifications as this process moves forward on our website - www.pathwaylife.com/building.

Thank you for your continued support and co-operation. If you have any questions related to the building or renovation plans, or if you would like to volunteer on one of our construction days, please email todd@pathwaylife.com.

Nathan Blais
Lead Pastor