

Greetings from my desk (It's Nik)!

It's with a certain mix of trepidation and Godly anticipation that I type this letter today. Also, please read this patiently because it's a lot of information. I want to be as transparent as possible so everyone can understand what's happening. Here goes...

We've been working diligently to figure out how to break ground ever since the Master Plan bids came back at the beginning of February. While we knew the bids would be higher after a year of unparalleled economic inflation, we didn't know how much higher. It was a moment of disappointment followed by praying for God's wisdom on how to proceed. Since then we've rolled up our sleeves and have been exploring every possibility to begin building ... all the while praying. Here's the latest...

We've been working with the City of Marysville, our Architects/Engineers, and the General Contractor (we're leaning toward for the job) on how to get the costs into a reasonable range. After asking the City about cutting scope and what they would require in the way of updating our renderings/plans and resubmitting they came back very favorably. They basically said we don't need to redo anything and that resubmitting wasn't necessary. That's HUGE and saves us a lot of money (and time)! That decision, in turn, affects what would be required from our Architects/Engineers. The changes with them are also minimal and do not require a major rework, again, saving us money!

Now, back to the phrase "cutting scope". What we mean is that we would wait to construct the lobby but still do the new auditorium/connected storage rooms, and parking (per city requirement). The ballpark cost is approximately \$9.3M without the lobby. Now I'll explain the numbers.

After the favorable membership vote in our March 2022 business meeting we agreed to a mortgage of \$7M. For the size of our church and annual income this is a reasonable amount that is doable month to month as a payment. After shopping for a loan, we locked it in with A/G Financial last April for \$7M at a 4.25% interest rate. (Considering how rates have increased over the past year this is a miracle, too!) We also have \$1.1M banked for the project. That means as of April 19th, 2023 there is \$8.1M available. If we have \$8.1M ready to use, and need \$9.3M to begin the project, the difference is \$1.2M ($9.3 - 8.1 = 1.2$).

We are working on getting the cost down through various avenues including value engineering—replacing certain products with less expensive products that still fulfill city code requirements. We are also partnering with commercial businesses connected to the Grove Church who have expressed an interest in donating materials and/or labor. This is called "Gift in Kind" donations. The win/win here is this: The Grove Church saves money AND the supporting business gets a tax deduction for their donation. We believe through value engineering and Gift in Kind donations we could bring the cost down by approximately \$550,000. That would leave \$650,000 needed to

begin building. I'll come back to that. But let me move to the timeline to build for a minute.

We've explained a few times that we need to begin the project in the summer months. This minimizes the need to remove/replenish dirt. When it's continuously wet there's a high chance the dirt turns to mud and it's impossible to do the excavation and dirt work in those conditions. The cost increases by literally hundreds of thousands of dollars if we end up having to remove mud and replace it with "good" dirt. Therefore the general contractor says we need to begin no later than July.

The second variable related to the timeline is the issue of the loan. As I said, we locked in a great rate in April of 2022 and signed the loan docs in late September. We've yet to use any of it since the project hasn't started. The caution is that the lender can call the loan and require us to resubmit for a new loan if we can't start the project in a timely manner. That would compromise our rate and set us back financially.

Finally, we don't know what the future holds but there's always a risk that if we pause and are forced to wait until the next dry season (summer, 2024) costs could increase in both materials and labor. So, while waiting helps us bank more into the Legacy fund, if we lose the loan and costs increase we get nowhere and could lose ground to start the project.

Therefore, we met as a board on Thursday, April 20th to pray once again and discuss all of these variables. The question was posed, "What do we do?" The board unanimously decided that we keep pressing forward, believing that God would have us do the project this summer. It also means that we need to come up with \$650,000 to get the project started. This was the genesis of putting together a Miracle Sunday on May 21st before summer hits and people head out on vacations, sports tournaments, etc.

For all of us I know that's a big number. I also know something else: We have over 1,000 people on any given Sunday attending the Grove Church. We also serve a big God—the one who multiplies loaves and fishes, who owns the cattle on a thousand hills, and who has blessed us with influence in the community far beyond our walls. So yes, we need to make room for the mission to continue making an impact!

We are a church that has risen to the challenge of throwing an annual party on Oct. 31st where thousands attend. I'm proud of a church that offers community and a meal twice every Tuesday night (5:30 and 6:45pm) through The Neighborhood. I'm proud when the Mayor expresses his concern for our students struggling to succeed in school and a group of "Grover's" come together to tutor students every Wednesday throughout the school year. I'm proud that our GroveKids team helps kids receive the school supplies they need every August with 1,000 backpacks handed out last year at Back to School Bash and a vision to hand out 2,000 this year. I'm proud of the hundreds of us that show up every July during a 4-day outreach called iHeart to improve parks, schools, streets, ball fields/dugouts, community buildings, etc. I'm proud to partner with countless organizations in Snohomish County to serve the hurting, the homeless, and

the less fortunate. We also have a Champions Club for special needs kiddos every Sunday, a youth ministry of over 100 kids weekly, a GroveKids ministry averaging over 200 every Sunday, and Connect Two/Three and Connect Four/Five to disciple kids every Wednesday. We've been able to shine the light of Christ and we've seen the result. We don't strive for recognition but this week we were awarded the *Community Champion Award* at the Marysville Business Summit. We have 4 gatherings every Sunday—8:15, 9:25, 10:35, 11:45. And it's hard to find seats in the middle two! It's a great problem to have, but it requires us to make room. We need empty seats during optimal times. We've been trying for 10 years and we're sooo close.

May 21st is Miracle Sunday. It's about hitting our goal of \$650,000 raised to start the project and make room in our church family. By the way, just since Sunday, April 23rd we've seen \$115,000 come in. Another miracle! That means as I type this, we need \$535,000 to get there. Soooooo close!

Would you prayerfully consider your part for Miracle Sunday? If you've already made a pledge to the Legacy Campaign, and can fulfill part of the amount sooner, that would be awesome! If you haven't made a pledge, would you prayerfully consider doing something financially on May 21st as part of Legacy? Someone once said, "No one person can do everything, but everybody can do something." I'm asking you to join Heather and me in giving sacrificially, because when God multiplies what we can do, we'll see the miracle happen.

If you have questions and want to talk, email me and I'd be happy to talk over the phone or in person if you'd like. My email is nbaumgart@grove.church.

Thank you so much for being a part of the Grove Church family!

With trepidation AND FAITH in Christ,
Pastor Nik