



MARITIME

CHRISTIAN COLLEGE

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August 17, 2022

Announcement from Richard Jones, Chief Operating Officer About 503 University Avenue Property

In several communications to supporters in 2022, Maritime Christian College has provided an overview of the work done over the past three years to biblically educate and equip people to become disciples of Jesus who make disciples. The work MCC has been able to achieve during that time with our three “partners” (the Holy Spirit, staff and volunteers, and financial supporters) has set a strong foundation for MCC. Now our Board of Directors and staff feel we can confidently start to build on that foundation by increasing the scale and pace of our program offerings to support a revival of disciple making in the Maritime provinces, across Canada, and around the world.

One of the 2022 initiatives was the kickoff of MCC’s “Meeting The Challenge” Campaign, our bold plan to increase our annual income from individuals and supporting churches by \$1 million over the next three years. We believe that the Holy Spirit will motivate spectacular financial generosity to make this revival happen!

A core value of Maritime Christian College is to exercise faithful stewardship of Kingdom resources that we have been entrusted with. Our Board of Directors and staff are constantly evaluating the operation of the College with this core value in mind.

Over the past two years I have personally fielded dozens of questions from church leaders and supporters about the future of our facility at 503 University Avenue in Charlottetown. MCC is now offering all its degree programs and certificates in an online format, and for the second year in a row, the dorm rooms and apartments will be fully rented out to UPEI and Holland College students, as there are no MCC students seeking on-campus housing. The building itself is 62 years old and requires dedicated attention – and significant financial resources – to keep it in a safe and functional operational state that is expected by its users today.

Earlier this year the MCC Board of Directors made the decision to seek expressions of interest from several highly qualified property development organizations in Atlantic Canada about a potential purchase of the 503 University Avenue property. MCC’s Board of Directors recently approved an agreement to sell the property to one of these developers, subject to the successful clearance of several conditions on the sale. Should this sale agreement proceed to a successful transaction being completed, the closing date would be May 1, 2023. This means that none of the dorm room leases currently in place with residents would be affected prior to the transaction closing.

I am sure many of you will have questions about this transaction. In anticipation of those questions, we have provided a brief Question and Answer (Q&A) format on the following pages.

The sale of this asset is not one that was undertaken lightly. The property at 503 University Avenue was an important asset that MCC was able to use for almost three decades to help fulfill its mission to train men and women for Christian service. Those of us associated with MCC today owe a great deal to the men and women who made significant financial sacrifices to purchase this property, and their generosity has allowed MCC to benefit from having no debt today. Much has changed, however, over the past 30 years and this asset is no longer being used the way it was originally intended. Our Board of Directors, staff, and faculty are all aligned around a future focused on training disciple makers in an online format and a commitment to bringing higher education resources to students where they are, and when they need it.

This is a significant milestone in the history of Maritime Christian College, and I encourage all our supporters to celebrate our past history of using this property for Kingdom purposes. At the same time, I also want to encourage our current and future supporters to be excited about the future of MCC's role in providing Christian higher education resources to disciple makers around the world.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Jones". The signature is fluid and cursive, with a large loop at the end.

Richard Jones, P.Eng., CMC
Chief Operating Officer
Maritime Christian College



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Questions and Answers About This Property Sale

Q: *What will change about the way Maritime Christian College operates once the property is sold?*

A: MCC has moved all of its programming to an online format. This programming encompasses five certificates, two BA undergraduate degrees, and our new Master of Arts in Disciple Making & Ministry Leadership. The way the College develops and delivers all of these Christian higher education programs will not be affected in any way by the sale of the 503 University Avenue property.

Q: *What will happen to the property and the existing building once the new owner acquires it in 2023?*

A: The purchaser of the property has requested that MCC maintain confidentiality about the proposed sale as they work through the “due diligence” period for the next several months. We can disclose that the purchaser is a property development company with an excellent reputation. At the present time, we are not fully aware of their intentions on what they will do with the property and building once they take ownership.

Q: *Where will Maritime Christian College operate from after the property sale is completed?*

A: Our intention is to find commercial office space in Charlottetown. We will require a much smaller amount of space than what we currently have, since the majority of the 24,000 square feet of space in the building MCC currently owns consists of 24 dorm rooms and apartments and associated facilities for on-campus residents.

Q: *How much money will MCC get from the sale of the 503 University Avenue property?*

A: In order to respect the confidentiality of the purchaser, MCC is not releasing details of the transaction until all conditions on closing have been met. It is a matter of public record that the original purchase price of the 503 University Avenue property was approximately \$1.2 million dollars when purchased in two transactions in 1993/1994. The sale price in 2022 is above the original cost of the property but commercial real estate is not valued on the same factors as individual residential homes, and the final sale price does not track with the significant increase in residential property values seen in Charlottetown in recent years.

Q: *How will MCC use the funds from the sale of this property?*

A: This next statement may seem surprising, but the sale of the 503 University Avenue property will not result in a huge financial “windfall” for MCC that will fundamentally change the way MCC currently operates. Once all the closing costs are paid, the Board of Directors has determined that the remaining funds will be transferred into MCC’s investment accounts. The interest and capital appreciation generated from these investment accounts has been a significant source of income for MCC in the past decade. Once the funds from the sale of the property are added to its investment funds, MCC plans to use the additional interest generated to support the initiatives in our new “Meeting The Challenge” Campaign. It is also worth noting that MCC will have incremental expenses for new office space that will have to come out of the interest generated by its investment account.