

Introduction

To everyone who donated to Redeemer's RENEW campaign:

Thank you again for your partnership in the RENEW campaign. In this brief report we wanted to give you a summary of:

1. What our goals are with the RISE campaign and explain how RISE is connected to the RENEW Campaign,
2. What came of the RENEW Campaign and what we learned from it (good and bad) and
3. Why I think RISE is the right next step for the gospel ministry in New York and why I think we are ready for this.

We could have made this report much longer, but we wanted to do this at a length that had details but was still readable. I hope you find it helpful.

In Him,
Tim Keller

First, What is the RISE Campaign? (and how does it fit Redeemer's long-term strategy?)

The goal of the RISE Campaign is to accelerate the growth of the body of Christ in New York through the expansion of church planting, leader development, and real estate development. This vision is hews to Redeemer's historical mission and expands it.

Redeemer was started with the aim of reaching professionals and artists in the center city of Manhattan. Over our first decade we were one church in a single location but as we grew we came to believe our calling was to become a network of congregations, rather than a single large site. In Spring 1998, we launched our first fundraising campaign to start a Church Planting Center and to move Redeemer from a single-site church to a multi-site church by adding worship services on the West Side.

In 2005, we expanded this strategy, by launching the Vision campaign. We raised funds to begin putting down roots with our first building on West 83rd, and to launch the Center for Faith and Work and City to City. We strengthened Redeemer by moving the number of people in community groups from less than 25% to over 50% of the congregation. We also invested in our families and children by creating a much stronger family ministry.

The RENEW Campaign in 2009 really kicked off Redeemer's move from being a single multi-site church with East and West sites to become three affiliated but independently run churches. In RENEW we moved from a multi-site church to a multi-*congregational* church where each congregation was still united to the whole but began to function independently. We raised money to complete the construction of the W83 building and began the process transitioning into the three congregations.

Our belief has been, and still remains, that no single church, no matter how big, can reach all of New York. We need a movement of churches reaching every neighborhood of the city, led by gospel-centered pastors and lay leaders, and that is anchored with a few large, real estate-owning resource churches.

The RISE Campaign extends this ministry approach by setting the goal of tripling the number of gospel-centered churches and Christians in New York from 5% to 15% of the population, which we hope might amount to a tipping point of neighbor-serving, heart-changing, institution-building gospel influence. Specifically, we are raising money to see:

- 1. New churches rising:** Redeemer will become three separate but familial churches-- each congregation will plant a new site in the next 4 years. Beyond that, we will partner with Redeemer City to City (formerly the Redeemer Church Planting Center) to seed fund and incubate more than 80 new gospel churches of many denominations.

2. **New leaders rising:** To staff these new churches we will deploy money for internships and scholarships for attendees of our new seminary in New York, started in partnership with Reformed Theological Seminary, building out the pastoral pipeline we have long dreamed about. We are also making a major investment in our lay discipleship and leader development to train lay leaders with a movement vision.
3. **New buildings rising:** Finally, We plan to build out a worship and ministry center on the East side to provide further stability and vitality to our ministry for the long-term

2. What Came of the RENEW Campaign? (and what did we learn from it?)

How much did we raise and what was it for?

We launched the RENEW Campaign in 2009 with the goal of raising \$20 million. We actually raised \$18.2M in pledges, and we ultimately collected \$15.45M, so our giving was \$4.5M short of our goal.

The money was intended for these purposes:

- The first \$10 million raised was to complete renovation of the West 83rd ministry center.
- \$3.5M for Pastoral Leadership seed funding
- \$2.5M for Lay leadership initiatives and
- \$1M for mid-week ministry tental space on theEast Side
- \$1M for campaign expenses
- Plus we factored in a \$2M buffer (10%) for pledges that we might not collect

Why didn't we reach our goal of \$20 million?

No one can say for sure, but we think a few factors were at play:

- We did the campaign in 2009, on the heels of the global financial crisis, and the drops in the market as well as the uncertainty of the broader economy had a big effect on people's real and perceived ability to give.
- Half of the money was allocated to the W83 building project, and we had already raised funds for W83 in the 2005 Vision Campaign, which may have reduced the enthusiasm of some who had already given to the building.
- This was the first time many people were introduced to the idea of Tim stepping away from leading Redeemer and we did not yet have lead pastors in place.

What did we do with what we raised in RENEW?

Since we did not reach our target of \$20M in pledges, we needed to make choices about how to spend the money. I want to recount for you what we did and why, and how the Lead pastors and I evaluate it. The big picture view is that we decided to fully fund the W83 project and invest in pastoral leadership, while significantly cutting back on lay leadership investment and East side ministry rental space.

1. W83 Ministry Center

Money desired: \$10M (50% of \$20M goal)

Money spent: \$10M

Background:

In the 2005 Vision Campaign we raised money for the down payment on Redeemer's first property. That \$8.5M enabled us to search for, find and make a down payment on a property (parking garage) on the Upper West Side (West 83rd Street). We knew that the \$8.5M would not be enough for a building, so we to a small group of donors and raised an additional \$3M. They then encouraged us to go back to the congregation for the rest. This led to a goal of raising an additional \$10M from the RENEW Campaign to complete construction and bring our debt service below 20% of our operating budget.

What we did with the money:

We used the first \$10M raised, as per our plan, to complete the construction of W83. Without your sacrificial giving, we would not have been able to start construction.

What we've learned:

From 2005 (the Vision Campaign) to 2009 (the RENEW Campaign) we learned a lot about the intricacies that go into building a church and community center on the UWS. The lessons learned were primarily in the 2007 time period, just after we signed a contract to purchase W83 in December 2006. Specifically, our original construction budget in December of 2006 was based on a professional estimate of \$14.5 million and a building of approximately 39,500 sqft. We later found this estimate to be inadequate. The estimator had not accounted for the difference in needs that come from having an auditorium in the building. We replaced that estimator with a new one who was better able to assess those needs. The final construction cost increased to \$24.5M and the final budget was \$53M for a building of approximately 44,200 sqft.

The main drivers of the increased cost were:

1. A faulty plan on the size and design of the sanctuary. Our original architect did not consult a theater expert and had an overly optimistic plan for the number of sanctuary seats and was off by over 200 seats.
2. To make space for those seats, we had to redesign the plan and dig deeper into the foundation to create a sub-cellar for mechanical rooms, bathrooms, and storage area.

3. Doubling the number of bathrooms in the building to meet code requirements.
4. Delays caused by the environmental clean-up which the previous owner was required to execute and fund when the excavation discovered oil drums.

Why did we not know these things up-front? Some of the things we couldn't have known, like the presence of the oil drums, and although the owner of the garage paid for these costs, the delay in completing the environmental remediation moved back the schedule to start the project a full year which added costs due to construction cost escalation. The biggest cause of the above was that the architect we hired did not have experience with theater-style build-outs like this. When we discovered the problems, we replaced them with another firm, but we were already contractually committed to the project at that point.

So what, now what?

Our experience brings up two important questions to answer: 1. If costs overran the budget last time, how can we prevent that happening again in a new real estate project? and 2. If we knew then what we know now about the project cost, would we still have done it?

1. If costs overran the budget last time, how can we prevent that happening again in a new real estate project? I feel confident in our increased ability to manage a project like this but humility would require me not to overpromise here.

We know an awful lot more about this type of project now than we did in 2005. We are aware of many of the risks in a way we simply did not know before. More importantly, we know more about what we don't know and where we need help. For this new East Side project we are already working with an expert firm, Wells Hill, to advise us on acquisition and construction costs of potential properties and are having their recommendations reviewed by our elders and by a real estate advisory group of professionals from our congregation.

On the other hand, even when you know the risks, sometimes they are difficult to avoid. Many homeowners experience similar construction budget problems even on remodeling their kitchens. The reason our costs ended up being much higher than our original estimate was not because of mismanagement in the construction process. The reason for our escalated costs was that the initial estimate itself was wrong because it was based on an original design that was uninformed about the requirements of constructing a theater. We didn't have the specific expertise and experience we needed up front. Now we know much more about what we need.

2. If we knew then what we know now about the project cost, would we still have done it?

The answer is absolutely, yes. In so many ways W83 is proving to be an enormously beneficial asset for Redeemer - from providing a place to do mercy ministry through Free Indeed, to being a place where 100 elementary kids can gather each week for a Kids Community Group, to hosting innumerable Redeemer events, the building is giving life to our congregation by giving us space to meet and be together. We are thankful to God for it.

2. Pastoral Leadership Seed Funding

Money desired: \$3.5M

Money spent: \$3.5M

Background:

The goals of this bucket were to move from centralized to congregationalized pastoral staffing by identifying lead and assistant pastors for the three Redeemers, and to develop the beginnings of a pipeline of pastoral leadership.

What we did with the money:

First, we hired more pastoral staff for our goal of becoming three distinct congregations. The congregation : pastor staff ratio has decreased from 413:1 to 225:1, as the number of pastoral staff grew from 11.5 full-time employees to 24.5 full-time employees, despite the congregation growing by only 16% over that time. We increased the number of Community group directors and we have had 20 CG interns serve with us and have had several stay on staff. Second, Tim began a system of meeting with the lead pastors of the three congregations train and work together on preaching and pastoral ministry. The money spent on hiring these additional staff has been subsumed by our regular operating giving.

What we've learned:

While we have made some strides in developing a pastoral pipeline, we are not as far along on in this area as we would have liked or hoped. We are not strategically managing the development of our current assistant pastor staff to guide them toward long-term roles as assistant pastors, lead pastors or church planters. I have spent significant time with the lead pastors and but have not been able to invest as much time as I'd like or would be optimal with assistant pastors. With the RISE campaign, we are setting course for clear targets of launching new sites from each congregation that will require us to improve our recruiting and training of pastors. I will need to transition responsibilities from my role preaching each week to make time for this additional investment in developing pastoral leaders.

In the past couple years we have struggled to fill some pastoral positions, with vacancies remaining open for many months. This is partially due to the high standards we set, which limits the pool of candidates, and it is partially due to the complexities of drawing a pastor to New York City. This speaks to our limited success in building a pastoral pipeline thus far.

To reliably and quickly fill roles in our churches and in new churches we need to develop leaders from the inside. With the new partnership between City to City and Reformed Theological Seminary in New York City, it is our hope that we now will begin to have a real funnel of potential pastoral talent, beginning with the 18 students enrolled there this year. This is the partnership we are funding with the RISE Campaign by paying for scholarships for seminarians.

3. Grow and Equip Lay Leaders

Money desired: \$3.5M

Money spent: \$0.7M

Background:

We had hoped to develop a beginners discipleship program that could be used throughout the church, and give launch capital for lay-led ministry initiatives

What we did with the money:

Because we raised less money than our goal for RENEW, we cut from this area. We ran the Catalyst Labs on the East Side, West Side and Downtown to generate lay leadership ideas for our ministries. We paid for the 20th Anniversary celebration and Lead Pastor Commissioning Service at the Manhattan Center. We created and launched the Gospel in Life video series to introduce people to our values of gospel ministry in the city.

What we've learned:

Catalyst Nights and Catalyst Labs created many new connections between people, thinking together about how to do ministry in the city. We want to return to this type of energy in Neighborhood gatherings in this campaign. Gospel in Life was good content but ultimately was not well integrated into structures and annual rhythms of our church so we have not successfully integrated it into the annual life of our training. We are now working on building a discipleship program that is more holistic and more integrated with our current ministries. Perhaps the biggest lesson with Gospel in Life, which feels obvious in retrospect, is that we needed a leader to own the goal of lay development broadly to design the curriculum in a format that organically fits into the rest of church life. One of the big differences with the RISE campaign is we have a committed and passionate team working together to design training for lay people. That team includes Abe Cho, John Lin, Bijan Mirtolooi, David Kim, Susan Nacorda, Ed Sirya, Max Anderson and Amilee Watkins.

4. East Side Rental Fund

Money desired: \$1M

Money spent: \$0.0M

Background:

We didn't want to make the East Side wait til we could buy a second building to be able to do midweek ministry, so we proposed extra rental money to lease space to do mid week ministry.

What we did with the money:

Because of the budget cuts we needed to make, we did not secure consistent rental space for the East Side though we did support ad hoc rentals of venues for congregational gatherings such as East Side Leader's meetings and Good Friday services through our operating budget. We did use RENEW campaign funds to pay for East Side Catalyst Nights and Labs out of the lay leader development bucket.

What we learned:

We think the East side congregation suffered for not having this space. Seeing how fruitful the West Side congregation is within the W83 building is one of the reasons we are prioritizing an ES building in this campaign.

Communication

The last point I'd like to highlight about the RENEW campaign is about communication. We have received feedback that we as a staff have not done a great job communicating our thinking, decision-making and progress to those who invested in RENEW. We agree. We have made the mistake of assuming people outside the staff and officers knew more than they did or did not want more information than we gave you. We intend to improve.

As a steward of God's resources, it is your responsibility to wisely invest the money trusted to you. So if we are asking you to invest in giving to a special campaign, you need to know that the money is being used well and wisely. Our plan with the RISE campaign is to have regular updates about our progress as well as forums to engage so you can ask questions, get answers, direct your prayers, and see that we are making progress on this exciting vision. We will begin that with a report this Fall.

3. Are we ready for another big campaign?

The vision we have in the RISE Campaign is to build toward a tipping point of gospel influence in the city that will lead to a palpable expansion of changed lives, service to our neighbors, philanthropy and salt and light present in every business. Right now 5% of center city New Yorkers attend a gospel-believing church. Our vision is to grow that number to 15% over the next decade or so. To do that will require hundreds of new churches and leaders and it will take rooting another of Redeemer's congregations into the city with neighbor-serving space on the East side.

This is a bigger project than anything we've taken on before. It will take at least ten years and the first 3-4 years will require \$80 million. Our hope is to raise \$30-40 million from our congregation and another \$40 million from friends and supporters around the country. I'm happy to say we already have \$20 million in commitments from those supporters outside the church. That makes me believe that not only is this vision big, it is also doable.

Whether we achieve our financial goals or not, campaigns are always catalytic events. They produce change. They cause us to reflect on who we are and what we're doing in fresh ways. Redeemer needs this campaign not just as a means to the end of raising money, but as an end itself - to spark renewed understanding of and commitment to our vision.

In this campaign we have the benefit that David Bisgrove, John Lin and Abe Cho have taken over the leadership of the West side, Downtown and East side congregations. I am less needed than ever. Over the next couple years the churches will become fully separate but remain in a familial partnership and will begin planting daughter sites themselves. I'll be involved but I'll no longer be a bottleneck to our growth. I couldn't be more excited.

Thank you for your partnership with Redeemer and your gifts to RENEW. I hope you'll consider making a pledge to support RISE as well.