



## Our New Lodge:

# The Cost

WHMB is entering Phase 1 of a large, multi-part building and design process. As with any major project, there is much to consider and many moving parts. With each phase (there are 4) we will have clearer financials and hope for respect and patience during the process.

<p><b>How much will a new seniors facility cost?</b></p>	<p>Approximately \$53M. As with all large design and construction projects, costs will be refined with each phase of project management.</p> <p>The costing of the hospice within the building will be evaluated as a separate project and funded all through community fundraising.</p>
<p><b>How will this be paid for?</b></p>	<p>12% will be paid by our municipalities as capital (down payment) and over 50 years the Canada Mortgage and Housing Corporation (CHMC) loan repayment will be required (similar to paying a private mortgage).</p> <p>88% will be provided upfront by provincial and federal loans and grants intended to support general affordability of housing.</p> <p>We expect to obtain loans with interest rates about 2.8-3.8% for the first 10 year term, which is a great deal. Contributions by municipalities on the mortgage payments are estimated at \$700,000 per year. This value will be refined as construction costs are better aligned to time of market value, the interest rate is confirmed, and the proposed revenue model (rent and lodge services will generate income) is verified.</p>
<p><b>What if WHMB is not chosen to get provincial funding?</b></p>	<p>Our proposal is very strong. But the competition is tough for limited funds. If WHMB is unsuccessful in getting this portion then unfortunately we must consider increasing the upfront municipal portion (down payment). Or wait to see if the seniors housing program is renewed by future Alberta governments.</p>
<p><b>I hear the County is concerned because it needs to pay a greater percentage of the cost.</b></p>	<p>Yes. In <i>every</i> jurisdiction in Alberta tax assessment (land and upgrades) determine the proportion of funding each municipality pays for senior's housing costs. While it seems unfair because Wheatland County has less residents, their assessed land value is in fact greatest. Imagine hoping to pay taxes only on how few people live in your house, not what your house is worth.</p>
<p><b>Are we a priority for provincial funding?</b></p>	<p>No specific community has been identified as a priority.</p> <p>Proposals are evaluated on a scoring system based on:</p> <ul style="list-style-type: none"> <li>● Costs, Equity, Contributions, Value for Money</li> <li>● Project Planning and Design</li> <li>● Operations planning, Capability, and Financial Sustainability, Minimize operational and Maintenance life cycle cost.</li> <li>● Locations, Benefits to community, Service delivery to special needs groups, Proximity to complementary service providers, transit, and employment opportunities</li> <li>● Environmental sustainability and Accessibility</li> </ul>



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Project assembly of capital is demonstrated below:

Capital Funding Source	\$ Equity
CMHC Loan	\$ 36,917,429
CMHC (loan 'forgivable')	\$ 2,636,959
<b>CMHC Loan - subtotal</b>	<b>\$ 39,554,388</b>
<b>Province Partnership Program</b>	<b>\$ 7,140,000</b>
<b>Municipal Land Contribution</b>	<b>\$ 1,400,000</b>
<b>Municipal up-front equity</b>	<b>\$ 4,644,796</b>
<b>Total Resources</b>	<b>\$ 52,739,184</b>

Notes
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<i>CMHC maximum value at 75% loan to equity ratio</i>
<i>Maximum value based on stated program conditions</i>
<i>Estimated value</i>
<i>Remaining project equity required</i>
<b>Estimated Project Budget</b>

The one-time capital requisition is demonstrated below based on equalized assessment (the down payment):

	Equalized Assessment (current)	Land Equity Contribution	\$ Equity	Total Contribution
Wheatland	65.94%		\$3,985,914	\$ 3,985,914
Strathmore	32.53%	\$1,400,000	\$566,625	\$ 1,966,625
Rockyford	0.50%		\$30,224	\$ 30,224
Standard	0.75%		\$45,463	\$ 45,463
Hussar	0.27%		\$16,571	\$ 16,571
<b>One Time Requisition Total</b>		<b>\$1,400,000</b>	<b>\$4,644,796</b>	<b>\$ 6,044,796</b>

The annual requisition demonstrated below is based on 50 year amortization (paying off the mortgage):

	Equalized Assessment (current)	Annual Requisition 50 yr amortization	CMHC Loan Value and Municipal Allocation
Wheatland	65.94%	\$ 461,577	\$ 26,082,000
Strathmore	32.53%	\$ 227,739	\$ 12,868,695
Rockyford	0.50%	\$ 3,500	\$ 197,770
Standard	0.75%	\$ 5,265	\$ 297,487
Hussar	0.27%	\$ 1,919	\$ 108,436
<b>Annual Requisition Total</b>		<b>\$ 700,000</b>	<b>\$ 39,554,388</b>

Estimates are for up to \$100,000 surplus revenues generated by lodge rent, services, and loan forgiveness. The extra money could be used to pay the debt/mortgage faster or with lower requisitions.