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BMRA Position Paper on the BMAHC 2021 -2023 Budget Document

The BMRA wishes to provide our perspective on the recently released budget document by the BMAHC. We appreciate receiving the degree of transparency and detail that the document provides. We assume that the BMAHC was not in a position to do so until now. As an operating principle, we strongly encourage the BMAHC to be as proactive as possible in sharing material information with the public, in particular with regard to financial commitments.

There are a few specific points that we wanted to highlight;

The budget details the financial contribution the Town will be making to the Gateway development. This primarily comprises \$1.8 million in site land purchase and demolition costs, \$364,000 in planning costs, \$950,000 in waived Development Charges, and the Town's share of the related County Development Charges. The Town's contribution is therefore approximately \$3 million. While we are not surprised that Town support would be required to make the project viable - a number of recent news articles have made it clear that the development of below market rent accommodations cannot be created without it - this had not previously been identified in project financial models that we were aware of.

The \$1.2 million in TBM assessment charges that Grey County is returning to the Town to support Attainable Housing, as a result of the TBM Council pursuing those funds with the County, is being dealt with as an interest bearing Town loan to the BMAHC. We support this treatment, and would expect that the loan will be set up on the Town's budget for tracking repayment.

A construction cost of almost \$18 million has been budgeted. This is obviously a rough initial estimate, to be finalized based on the ultimate built form and design chosen, and the quotes received from the selected design / build bidders. This comprises the bulk of the project spend, and there are many variables to be defined before there is certainty regarding its accuracy. The inflation experienced in construction costs over the past few years is a cause for concern, and the BMAHC will need to provide full public disclosure when a firm build cost is determined. It is our understanding that the Town will not be a guarantor of construction loans that BMAHC will be accessing. We would ask for confirmation of that fact.

BMRA serves in an advocacy role with Town Council and staff on behalf of ratepayers to ensure and enhance our community's quality of life.

To this point, the TBM's financial exposure is limited. The purchased land will hold its value, and the other significant contributions from the Town only become relevant when the project moves to the building stage. We believe there remain outstanding issues to be resolved before the path forward can be confirmed;

- there is a requirement for complete financial projections, including a balance sheet and anticipated operating revenues. There is also a need to confirm the achievable number of attainable housing units across the various built form options, including those that adhere to the current OP three storey height limit, plus the model generated by the Community Design Task Force with a three storey / set back to four storey structure. These will be critical to making an informed decision as to the project's financial viability across the contemplated formats, and, taking into consideration the number of attainable units generated, ultimately determining the optimal built form.

- with firm construction estimates in hand, a final "go / no-go" decision will need to be made for Gateway, and the public must be kept engaged and informed through that decision process.

For your review,

Blue Mountain Ratepayers Association