

Appendix A: Detailed Financial Implications

Region of Waterloo – T2024-157 589 Langs – 7 Storey Residential Development
(Under PQ2023-06)

T2024-157 (includes construction contingency cash allowance of \$9,225,000)	\$ 52,064,600
Project Contingency	9,372,500
Consulting Services, Permits and Approvals	8,867,600
Regional Engineering and Internal Fees	<u>1,918,200</u>
Sub-total	\$72,222,900
Plus: Applicable Net HST of 1.76%	<u>1,271,100</u>
Total	<u>\$ 73,494,000</u>

Note: All figures are rounded to the nearest \$100.

The following table outlines required capital expenditure and funding requirements compared to the approved 2024-2033 capital program as a result of this award:

Capital Budget Requirements (\$000s)	2023 LTD	2024	2025	2026	Total
Expenditure					
Approved project budget	\$2,281	\$10,000	\$39,000	\$36,543	\$87,824
Required project budget	\$2,281	\$6,310	\$33,507	\$31,396	\$73,494
Expenditure adjustment		\$3,690	\$5,493	\$5,147	\$14,330
Financing Required					
Housing General Res.	\$2,131	\$5,869	\$0	\$0	\$8,000
CMHC SEED Grant	150	0	0	0	150
Regional Debentures	0	441	33,507	31,396	65,344
Total Financing		\$6,310	\$33,507	\$31,396	\$73,494

The project budget for the Langs project is now estimated to be \$73,494,000 which is below the total approved capital budget of \$87,824,000 by \$14,330,000. Accordingly, debt financing needs are reduced to \$65,344,000 for this project and the 2025-2034

capital program will be drafted to reflect these reduced expenditure and funding/financing needs.

Construction prices have come down recently due to private projects being deferred as interest rates remain high, resulting in a more competitive marketplace. In addition, staff will continue to pursue any new grant funding opportunities should these become available.

Based on the estimated capital cost of \$73,494,000 as noted above, the net operating budget impact inclusive of debt servicing costs is estimated at \$4.3M for 2027 (twelve months). This estimate is based on occupancy commencing January 2027. The table below outlines projected operating budget revenue and expenditure impacts for 589 Langs Drive, Cambridge over the next few years:

ANNUAL OPERATING BUDGET Estimates (\$000s) Housing Services				
	2024	2025	2026	2027 annualized
Administration and Building Expenses:				
Facilities Management (on-demand maintenance)				\$30
Utilities, Property taxes, Security				\$410
Maintenance, service contracts (janitorial, waste, grounds, snow ploughing, etc.)				\$174
Debt Servicing costs (20 yr. @ 5%)	\$35	\$2,724	\$5,243	\$5,243
Lifecycle, insurance contributions				\$1,133
Total Expenses	\$35	\$2,724	\$5,243	\$6,990
Less Rent and other revenues	-	-	-	1,747
Net Levy Impact	\$35	\$2,724	\$5,243	\$5,243
Incremental Levy Increase	35	2,689	\$2,519	\$0