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Grande Spirit Foundation

"We serve seniors, families and individuals by providing quality affordable housing"

February 8, 2022

To: all Grande Spirit Foundation Member Municipalities

RE: Request for Continued Support Motion - Spirit River Seniors Self Contained New Build

The provinces 92 unit continuing care and lodge project in Spirit River continues to progress quickly with shovel in ground expected in Spring/Summer of 2022.

Aligned with this project is the Seniors Self Contained (SCC) new building project Grande Spirit Foundation staff and consultants have been working on to be constructed beside the provinces building. Renderings and a Class D estimate for the SSC project have been completed and provided clearer estimates for construction budgeting.

Our effort with this letter is to create transparency to all our member municipalities regarding this new construction estimate and to highlight this project continues to be revenue positive with these changes.

Our board has reviewed and approved application to the Canadian Mortgage and Housing Corporation's (CMHC) Co-investment program that is part of the National Housing Strategy. CMHC provides a low interest rate and longer amortization period than regular commercial banking facilities providing a revenue positive on an annual basis for the building. This further aligns our strategic plan to create sustainable projects for Grande Spirit Foundation.

Staff and consultants identified the ability to add two more units to the building space from 24 to 26 without changing the original building structure that was planned for 24 units. Adding these extra units further increases positive annual revenue for the building.

Over the course of the past two years residential construction inflation has increased as shown in the table below.

Original Construction Estimate	**$4,000,000**
Contingency estimate increased from 5% to 10%	+ $400,000
Addition of 1000 square foot multipurpose room and two additional suites	+ $500,000
Building size increased for circulation and building services	+ $500,000
Residential construction inflation	+$2,000,000
Updated Construction Estimate	**$7,400,000**

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To clarify, GSF is not requesting any extra funds for this project from municipalities, rather we are requesting a motion from your council that provides continued municipal support to the project recognizing the increase in capital budget required for construction.

In summary, the addition of the two units and accessing CMHC mortgaging continues to show positive revenue annually for this new build.

Please discuss this at your next Council meeting and provide a letter of support to our CAO, Steve Madden, via email smadden@grandespirit.org. We are happy to discuss this opportunity and assist with any questions with your perspective councils in person if requested.

Sincerely,

Judy Kokotilo-Bekkerus, Chair
Grande Spirit Foundation

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Municipality Letterhead

Date:

To: Grande Spirit Foundation

Re: Spirit River Seniors Self-Contained project

The municipality of ..... Agrees with continued support of this project including borrowing and provide financial support (based on Equalized Assessment) for any future deficits, if needed, including any deficits resulting from the borrowing for the construction of the 26 new units adjacent to the new Pleasantview Lodge in Spirit River, Alberta.

Signed by the CAO or the Mayor/Reeve