

Municipality of Jasper  
**Committee of the Whole Meeting Agenda**  
June 27, 2023 | 9:30 am  
Jasper Library & Cultural Centre – Quorum Room

**Notice:** Council members and a limited number of staff are in Council chambers for meetings. Members of the public can attend meetings in person; view meetings through the Zoom livestream; or view archived Council meetings on YouTube at any time. To live-stream this meeting starting at 9:30 am, use the following Zoom link: <https://us02web.zoom.us/j/87657457538>

**1. Call to order** Deputy Mayor Waxer to chair meeting

**2. Additions to agenda**

**3. Approval of agenda**

3.1 June 27, 2023 Committee of the Whole agenda attachment

**4. June 13, 2023 Committee of the Whole minutes – approved June 20, 2023** attachment

4.1 Business arising from minutes

**5. Delegations**

**6. Correspondence**

**7. New business**

7.1 Municipally Controlled Corporation Governance and Business Plan attachment

7.2 Extended Producer Responsibility attachment

**8. Motion Action List**

attachment

**9. Councillor upcoming meetings**

[9.1 Council appointments to boards and committees](#)

**10. Upcoming events**

NETMA – 5-7pm, Wednesday, June 28, Tourism Jasper Visitor Experience Center, Heritage Firehall

Canada Day Pancake Breakfast – 8:30-10:30am, Saturday, July 1, Commemoration Park

Summer Break – no Council meetings July 25 or August 1

Jasper Yellowhead Historical Society Homecoming 2023 – August 27-29

Alberta Municipalities' Convention & Trade Show – September 27-29, Edmonton Convention Centre

**11. In-camera Session**

11.1 Personnel matter: CAO performance feedback – FOIP, S. 17(4)(f)

**12. Adjournment**

Municipality of Jasper  
**Committee of the Whole Meeting Minutes**  
 Tuesday, June 13, 2023 | 9:30am  
 Jasper Library and Cultural Centre, Quorum Room

Virtual viewing and participation	Council attendance is in Council chambers at the Jasper Library and Cultural Centre. This meeting was also conducted virtually and available for public livestreaming through Zoom. Public viewing and participation during Council meetings is through Zoom livestreaming and in person attendance.		
Present	Mayor Richard Ireland, Deputy Mayor Kathleen Waxer, Councillors Wendy Hall, Helen Kelleher-Empey, Rico Damota, Scott Wilson and Ralph Melnyk		
Absent	none		
Also present	Bill Given, Chief Administrative Officer Christine Nadon, Director of Protective & Legislative Services Natasha Malenchak, Director of Finance & Administration Christopher Read, Director of Community Development Emma Acorn, Legislative Services Coordinator Chris Timmons, WSP Bob Covey, The Jasper Local Peter Shokeir, The Fitzhugh 12 observers		
Call to Order	Deputy Mayor Waxer called the June 13, 2023 Committee of the Whole meeting to order at 9:31am and began with a <a href="#">Traditional Land Acknowledgement</a> .		
Additions/ deletions to the agenda	none		
Approval of agenda #265/23	MOTION by Councillor Hall that Committee approve the agenda for the June 13, 2023 Committee of the Whole meeting as presented.		
	FOR 6 Councillors	AGAINST 0 Councillor	CARRIED
Business arising from May 23, 2023 minutes	none		
Delegations	none		
Correspondence	none		
Recreation Renovation Budget Update	Committee received a report from Administration including a briefing note from WSP regarding the Activity Centre Renovation Project. Director of Community Development, Christopher Read, reviewed financials, timelines, resource challenges, and project scope. Chris Timmons of WSP and Director of Finance & Administration, Natasha Malenchak		

were also present to provide further details and background.

Mayor Ireland joined the meeting at 10:18am.

#266/23 MOTION by Councillor Wilson that Committee direct Administration to return to the next Council meeting with a list of costs of items tied to grant funding as well as costs associated with items outside of the grant scope and any additional information on how the project scope grew over the last year.

FOR	AGAINST	
7 Councillors	0 Councillor	CARRIED

Recess Deputy Mayor Waxer called a recess from 11:04-11:11am.

#267/23 MOTION by Mayor Ireland that the request for decision presented today be returned to Council for the June 20, 2023 Regular Council meeting.

FOR	AGAINST	
7 Councillors	0 Councillor	CARRIED

Hose Tower Repairs Committee received a report from Administration detailing repairs needed at the Emergency Services Building. Director of Protective & Legislative Services, Christine Nadon, shared information on damage incurred due to a water leak and the effect this has had on the building and staff.

#268/23 MOTION by Councillor Melnyk that Committee recommend Council approve capital funding in the amount of \$50,000 for the Hose Tower Repairs project at the Emergency Services Building, funded from the appropriate reserve.

FOR	AGAINST	
7 Councillors	0 Councillor	CARRIED

Council Delegation to Hakone 2023 #269/23 Committee received a report from Ms. Nadon updating Council on the interest shown by the public in joining a delegation; and, the next steps to secure flights and accommodation for a fall trip to Hakone.

MOTION by Councillor Hall that Committee receive the Council Delegation to Hakone 2023 report for information.

FOR	AGAINST	
6 Councillors	1 Councillor (Councillor Damota)	CARRIED

Community and Economic Development Fund Applications Committee received recommendations from Administration regarding applications to the Community & Economic Development Fund. Mr. Read reviewed the applications received, the criteria used, and the amount of funding available.

#270/23	<p>MOTION by Mayor Ireland that Committee recommend Council award \$2,500 in Community &amp; Economic Development Funding to each of the following groups:</p> <ul style="list-style-type: none"> <li>• Jasper Local Food Society</li> <li>• Jasper Pride Festival Society</li> <li>• Jasper Seniors Housing Society</li> </ul>						
	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">FOR</td> <td style="width: 33%;">AGAINST</td> <td style="width: 34%;"></td> </tr> <tr> <td>7 Councillors</td> <td>0 Councillor</td> <td style="text-align: right;">CARRIED</td> </tr> </table>	FOR	AGAINST		7 Councillors	0 Councillor	CARRIED
FOR	AGAINST						
7 Councillors	0 Councillor	CARRIED					
Recess	<p>Deputy Mayor Waxer called for a recess from 12:06-1:05pm. Councillor Wilson did not return after the break.</p>						
Strategic Facility Plan RFP Award	<p>Administration presented a report to Committee sharing recommendations and alternatives for the Space Needs Analysis which was included in the 2023 capital budget. An RFP for “Strategic Facility Plan” was posted to Alberta Purchasing Connection on March 24, 2023 with a closing date of April 21, 2023. Mr. Given reviewed the history of municipal facilities and challenges being experienced today and expected in the future.</p>						
#271/23	<p>MOTION by Councillor Melnyk that Committee recommend Council increase the total budget for the Strategic Facility Plan to \$106,705 using \$76,705 in Municipal Sustainability Initiative operational funding and;</p> <p>That Committee recommend Council award the Strategic Facility Plan to Reimagine Architecture.</p>						
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Skate Park Project Update and RFD	<p>Mr. Read shared an update with Committee on the fundraising efforts of the Jasper Skate Park Committee and the project timelines.</p>						
#272/23	<p>MOTION by Councillor Kelleher-Empey that Committee direct Administration to enter into formal agreements as required for development, delivery, and ongoing maintenance partnerships with the Jasper Skate Park Committee for the Jasper Skate Park project.</p>						
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Global Covenant of Mayors for Climate Action	<p>Mayor Ireland attended a session at the 2023 Federation of Canadian Municipalities conference on the “Global Covenant of Mayors for Climate Action” which is a group of municipalities taking action on climate change in their communities.</p>						
#273/23	<p>MOTION by Mayor Ireland that Committee direct Administration to investigate the costs and benefits associated with Jasper applying/agreeing to become a member of the “Global Covenant of Mayors for Climate Action” and return with a report to a future Committee of the Whole meeting.</p>						



## AGENDA ITEM 7.1

### REQUEST FOR DECISION

**Subject:** Municipally Controlled Corporation  
**From:** Bill Given, Chief Administrative Officer  
**Prepared by:** Leanne Pelletier, Municipal Housing Coordinator  
**Date:** June 27, 2023

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#### Recommendation:

- That Committee direct Administration to initiate the Public Hearing process as required by the Municipal Governance Act, for Council to consider the establishment of a Municipally Controlled Corporation for the purposes of developing community housing and;
- That Committee establish August 15th, 2023 at 1:30pm at the Quorum Room as the date time and location of the public hearing.

#### Alternatives:

- That Administration return to a future committee with an amended Business Plan before proceeding with a Public Hearing.
- That Committee establish August 1st, 2023 at 1:30pm at the Quorum Room as the date time and location of the public hearing.
- That Committee establish August 8th, 2023 at 9:30am at the Quorum Room as the date time and location of the public hearing.

#### Background:

The Jasper Community Housing Corporation (JCHC) Governance Review was presented to Committee at the June 14<sup>th</sup>, 2022 meeting where Committee passed the following motion:

*...direct administration to review corporate structures that would enable the JCHC to assume debt independent of the Municipality while also being able to provide some manner of equity in return for capital contributions.*

Since the June meeting, administration has been working with Colliers Project Leaders and Brownlee Law to develop recommendations and alternatives regarding the governance structure of the JCHC and on January 10, 2023 CAO Given presented recommendations and alternatives to committee regarding the governance structure of the Jasper Community Housing Corporation (JCHC). Mr. Given was joined by John McDonnell of Brownlee Law to discuss the concept of a Municipally Controlled Corporation (MCC). Committee passed the following motion:

*...that Committee direct Administration to begin the process of converting the Jasper Community Housing Corporation to a Municipally Controlled Corporation, by developing:*

- 1. a draft business plan*
- 2. a draft Unanimous Shareholder's Agreement*

At the May 18<sup>th</sup> JCHC Board meeting the Draft Business Plan was received for review and discussion. Pursuant to

the MGA, in order to establish an MCC a municipality must hold a Public Hearing and review a Business Plan.

**Discussion:**

JCHC Board and Committee have identified the need for an alternative governance structure for the JCHC to further housing development in the community; specifically, that the Jasper Community Housing Corporation be converted to a Municipally Controlled Corporation (MCC).

The JCHC was incorporated on 2007/09/21 and is currently structured as a Company Limited By Shares. In its current structure, the JCHC cannot assume debt independent of the municipality or provide equity in return for capital contributions. These goals can be accomplished through the conversion of the JCHC as a Company Limited by Shares to a Municipally Controlled Corporation.

Municipalities who wish to create, acquire or control a MCC must comply with the rules in the Municipal Government Act (the MGA). As per the MGA, a municipality may not own or control a corporation without certain steps being taken, including holding a Public Hearing reviewing a Business Plan. Pursuant to the Province of Alberta's Municipally Controlled corporation (MCC) Business Plan requirements the Business Plan must include:

- Cost relating to establishing the MCC
- Value of Assets that are to be transferred to the MCC
- Cashflow projection for the next three (3) years of the MCC's operation
- Financial statements for operating and capital budget
- Services the MCC intends to provide
- Names of the shareholders
- Geographic locations in and outside Alberta the MCC intends to provide services to
- Any risks in controlling the MCC
- Information showing the MCC will not be dependent on shareholders for its operations
- Municipalities financial viability of controlling the MCC
- Market impact assessment

The attached business plan and corporate structure documents satisfy all the requirements above and highlights are discussed below. Administration and the consulting team will also guide Council through the document and are available to answer any questions.

***Purpose of the MCC***

As noted in the Draft Business Plan, The Municipality of Jasper plans to establish the "Jasper Municipal Housing Corporation (JMHC)" as an MCC, a legally separate entity from the Municipality. Establishing the JMHC as an MCC allows for the Municipality to play a more direct role in the delivery of housing by creating a legally separate entity which is empowered to formally partner with the Private sector, and fund and finance housing development in Jasper.

In the specific context of the conversion of the non-profit JCHC to the "Jasper Municipal Housing Corporation" MCC, benefits include the ability to retain debt that does not count against the municipality's debt limit and; the ability to create a vehicle for equity through the creation of shares that can be bought and sold. Additionally, an MCC is permitted to distribute profits via the payments of dividends to its shareholders without the requirement of obtaining ministerial approval, or conducting a public hearing.

In the immediate future the JMHC, as an MCC, can facilitate the delivery of the Connaught housing development project, where the advantages of the corporation being an MCC will allow for a governance structure that can leverage assets, take on debt and buy and sell shares.

### ***Market Impact Assessment***

The JCHC Strategic Plan determined that without more influence and/or involvement from a local entity with a mandate to address the persistent housing demand in Jasper, the housing gap will continue to limit both current and prospective residents of Jasper and the welfare of local business owners. A market sounding process was undertaken to confirm the JMHC could act as a facilitator to increase the accessible housing stock within the community through development. The JMHC's aim is to address the low margin segment of the market and not intrude where private development is working.

### ***Existing Physical Assets***

With the establishment of the JMHC as an MCC, some existing municipal assets would be transferred to the corporation, including 2 staff housing units and 1 medical clinic, allowing the JMHC to leverage these assets as a source of capital for current and future developments. The proposed corporate structure would ensure these assets are kept separate from the influence of private participants in the Connaught project.

### ***Shareholder and Governance***

The JMHC will have one (1) shareholder which will be the Municipality of Jasper. The JMHC Board of Directors will be selected by Major and Council with an appointed administrator to head the corporation. All functions of the corporation will be provided by the municipality under a fee for service contract. In this arrangement the corporation will pay the Municipality for services such as human resources and people management; finance and accounting; and IT support. As a result of this contractual relationship, the JMHC will not require any of the services described above, as well as office space including furniture, fixings and equipment.

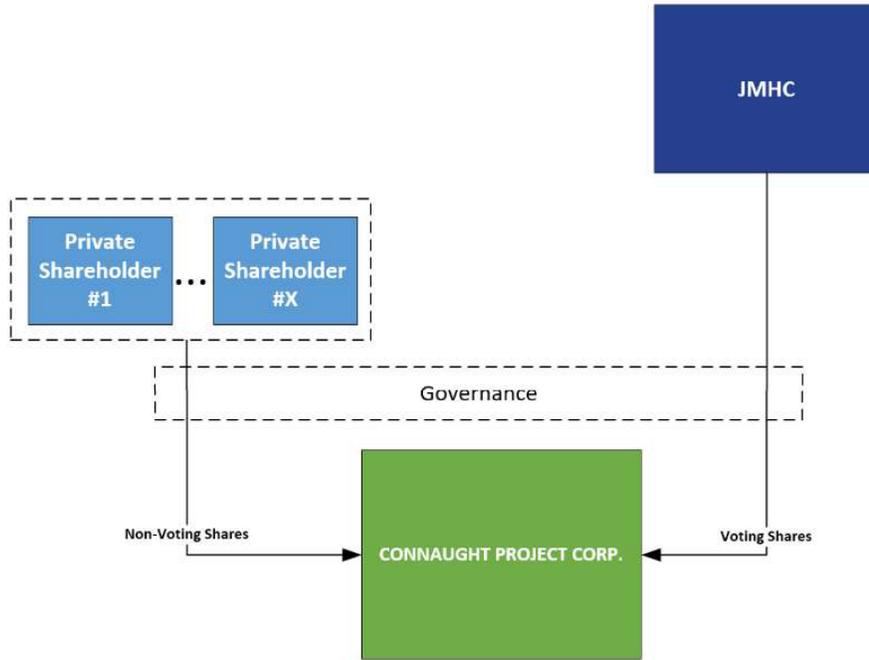
Provincial regulations require a Unanimous Shareholder Agreement ("USA") to be ratified by Council which defines the relationship between the JMHC's shareholders (The Municipality of Jasper) and management of the corporation. Proposed share structure is discussed in more detail below.

### ***Commercial Development Governance Structure***

The following entities are identified as part of the commercial governing structure developed for the JMHC in relation to the current municipal assets, as well as future development, ie. the Connaught Project.

- **Jasper Municipal Housing Corporation (JMHC):** Jasper MCC.
  - **Has Voting Shares:** JMHC to ensure control of the Specific Project Corp. through ownership of all "Voting Shares" in the Project Corp.
- **Private shareholder(s):** local businesses and/or residents that are equity owners in the Project Corp.
  - **Has Non-Voting Shares:** all private shareholders would be issued "Non-Voting Shares" reflecting their roles and responsibilities (minimal), restricting influence on the Project Corp.
- **Project Corp.:** ie Connaught Project Company (Co.) exists to legally define ownership relationship, roles and responsibilities, and act as the single investment vehicle for that specific development.
- **Project Governance:** Specific Project Board ie. Connaught Project. Private shareholders would be on the board of a specific development that they are invested in to influence day to day operations, but will not have voting shares.

*Proposed Commercial Governance Structure illustration*



Project Corps would be incorporated pursuant to the Business Corporations Act, like the JMHC and have a USA, similar to the JMHC. However, its corporate structure shall be different from the JMHC due to the inclusion of people who will subscribe for shares. In this model, a share entitles a shareholder to occupy a unit. Shares specific to the Connaught Development are described under the Connaught Development Section.

**Connaught Development**

The Connaught Drive Development is a 40 unit affordable housing development, consisting of 1 and 2 bedroom units.

To help fund the Connaught Drive development the municipality applied to the Affordable Housing Partnership Program (AHPP) under the Alberta Seniors, Community and Social Services and were successful in receiving a \$6.5M grant, while Municipal Council has also committed \$5M in planned debenture. The business plan also assumes a contribution from Parks Canada in the form of a reduced land release value. The municipality will be looking to fund the remaining capital through the JMHC, by selling shares that equate to occupancy of a unit, to local businesses for staff accommodation or to individuals for their own use.

Although private funders will be contributing to the capital required for development, the JMHC will design, construct, operate and maintain the development.

- Design & Construction: the JMHC will contract project management, design and construction services to deliver the Connaught Drive development.

- Operation & Maintenance: the JMHC will seek to partner with the Evergreens Foundation, an experienced not-for-profit housing operator, to manage the property.

The proposed share structure of the Connaught housing arrangement is outlined below:

Share Class	Share Type	Qty			Initial Value
Class A	Voting	5	Issued to JMHC	1 Bedroom Unit	
Class B	Voting	5	Issued to JMHC	2 Bedroom Unit	
Class D	Non-Voting	15	For Purchase	1 Bedroom Unit	\$304,529
Class E	Non-Voting	15	For Purchase	2 Bedroom Unit	\$353,831

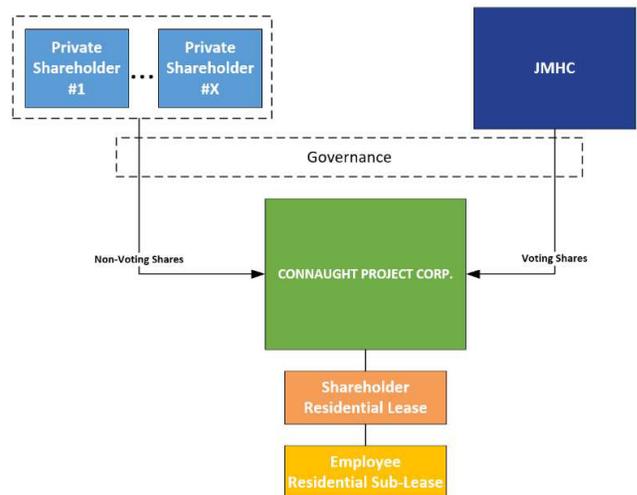
The only voting shares will be issued to the JMHC, entitling the JMHC to be the sole party to do the following:

- Review and revise the corporate structure of JHC;
- Determine the criteria for board of director eligibility;
- Have the unfettered right to amend the structure to remove and/or replace individual directors or the entirety of the board of directors of the Connaught Project Corp.

A Unanimous Shareholder Agreement will also be prepared for the Connaught Project Corp. The parties to this USA will be the JMHC and purchasers of either a Class D or Class E shares.

It is important to note that shareholders will not have an “ownership” interest or a title to any of the units. Purchase of shares equates to the entitlement to occupy a unit. In order to become an occupant, the prospective person/business must meet certain criteria that the JMHC shall establish:

- The applicant must subscribe for either a Class D or a Class E share of Connaught Project Corp.
- The applicant must pay a predetermined amount of funds to the Connaught Project Corp. upon receipt of the unit subscription.
- The applicant must enter into a lease agreement with Connaught Project Corp., putting terms to the residential leases, under the Residential Tenancies Act.
- In the case of a business purchasing a share for its employees, said business shall be entitled to sublease its unit to its employees, as long as the terms of occupancy apply to such employee.



Within the USA, restrictions would exist to ensure JMHC control of the development and perpetual affordability, for example, no sale or transfer of shares would be permitted without:

- The consent of the Connaught Project Corp.; and
- The new person signing similar documentation to become a shareholder.

The process by which an occupant could divest its unit and shares includes:

- Relinquish its tenancy rights;
- Sell its unit back to the Connaught Project Corp. for a price to be determined by the Board of Directors.

### **Rental Rates**

As the Connaught Development is an affordable housing development, and funded through the AAHPP grant, rents will fall in the AAHPP affordability bands of minimum rent – 60% of market rent, and mid-range rent – 75% of market rent for Jasper. No units will be rented at full market rent.

### **Financial Summary**

The cost to the municipality to convert the JCHC to the JMHC – MCC is minimal, most costs being related to staff time, consultant and legal fees.

The Draft Business Plan estimates capital expenditures for the Connaught project to be \$22,013,250 funded through a municipal debenture of \$5 million, grant funding of \$6.5 million and private equity. The Draft Business Plan shows the integrated cashflow of JMHC over the next seven (7) years entailing all activities in both existing and new assets. The JMHC remains cash positive throughout all years of operation, and is cashflow positive from 2031 onwards.

Asset transfers of municipal housing stock to the MCC is planned after incorporation. The estimated value of the asset transfer is \$3,753,300. As a part of the Municipality’s internal staff accommodation program any costs associated with the assets to be transferred to the JMHC will be covered by the MOJ, resulting in a net zero annual cost to the associated with these 3 properties.

Additionally, the \$5M debenture approved by Council to facilitate the Connaught Development would be transferred to the MCC, removing it as a liability from the municipality’s debt borrowing limit. Financial implications of this strategy are addressed in the detailed financials included in the Draft Business Plan.

100% of net revenue from Connaught Development will go to the JMHC for future housing developments in Jasper. As a result of the MCC receiving these profits, any additional costs to the Connaught Project Corp. or future capital improvements will be the sole responsibility of the JMHC, and not private shareholders.

Financial tables within the draft Business Plan illustrate the JMHC will be completely financially independent of its shareholders throughout operations following capitalization of the Connaught Project Corp.

Forecasted Annual Revenue of Connaught Project Co per Unit Type.

Unit type	Unit Count	2026	2027	2028	2029	2030
Min rent – 1 bed	5	\$46,370	\$48,210	\$50,250	\$52,451	\$54,842
Min rent – 2 bed	5	\$52,875	\$54,925	\$57,005	\$59,236	\$61,636
Mid rent – 1 bed	15	\$173,880	\$180,795	\$188,430	\$196,692	\$205,657
Mid rent – 2 bed	15	\$198,285	\$205,965	\$213,765	\$222,135	\$231,135

The Draft Business Plan as discussed above and attached in detail, meets the MGA requirements as set out to incorporate an MCC. Next steps include a Public Hearing and the completion of the Unanimous Shareholders agreement. Control of the MCC rests with the municipality as its one shareholder and financial projections illustrate that the JMHC will be completely financially independent of its shareholders throughout operations following capitalization of the Connaught Project Corp.

**Strategic Relevance:**

- Take proactive steps to reduce the risk of people becoming vulnerable and respond when they are vulnerable.
- Build our internal capacity to advance our housing priorities.
- Invest in developing community focused housing units.
- Explore increasing the number of units available for municipal staff accommodation
- Collaborate with other municipalities, orders of government, indigenous partners and advocacy associations.
- Welcome the expertise, innovation, creativity and commitment of community members, groups, associations and businesses.
- Pursue alternative revenue sources and equitable distribution of costs.

**Inclusion Considerations:**

- The Municipal Inclusion Assessment Tool is not applicable to this recommendation.

**Relevant Legislation:**

- [Canada National Parks Act](#)
- [Jasper Community Sustainability Plan](#)
- [Alberta Municipal Government Act](#)
  - MCC Regulation (under the MGA)
- [Business Corporations Act](#)
- [Residential Tenancy Act](#)

**Financial:**

The costs associated with the development of the draft business plan and unanimous shareholders agreement are supported within the 2023 approved budget. Costs to convert the Jasper Community Housing Corporation to the Jasper Municipal Housing corporation (MCC), including legal and consultant fees are included in the 2023 approved budget.

Municipal Council has approved a \$5million contribution to facilitate the Connaught Development, this would be transferred to the MCC upon incorporation, removing it as a liability from the municipality's debt borrowing limit.



Project  
Leaders

# Establishment of a Municipally Controlled Corporation

*Municipality of Jasper*

**Date: June 27, 2023**



# Agenda

- 01 Background and Objectives
- 02 Jasper Municipal Housing Corporation (JMHC)
- 03 Connaught Development
- 04 Next Steps

## Section 1

### Background and Objectives

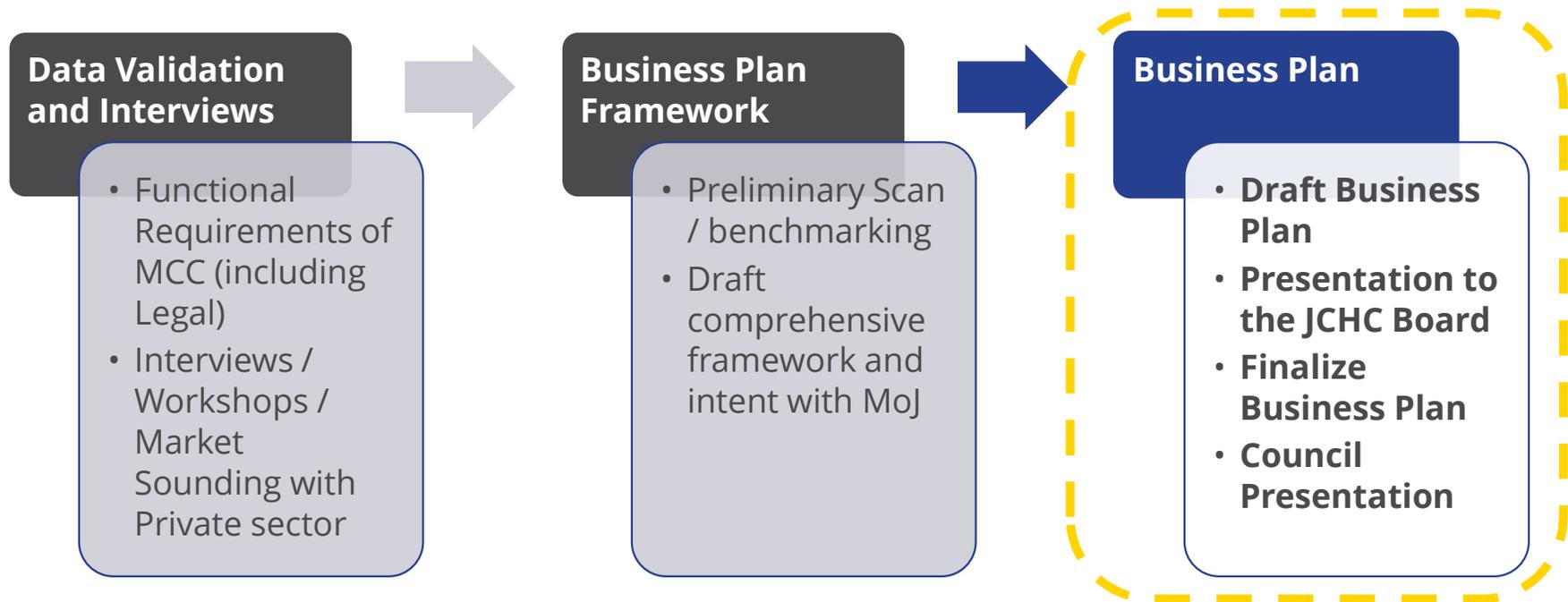
## Background

- **Recognized housing shortage**, particularly affordable housing;
- Housing shortage **limits community economic development and sustainability**;
- Addressing this shortage is a **strategic priority of Council** and Municipal Staff;
- Developed Jasper Community Housing Corporation (JCHC, est. 2007) in response to affordable housing challenges;
- Completed Governance Review in 2022:
  - **Review investigated how to improve and expand the supply** of affordable housing in Jasper, particularly as it relates to **role and governance of JCHC**.

# Objective & Methodology

**Objective:** Develop a mechanism to more directly influence the delivery of affordable housing in Jasper.

*Colliers workplan to develop a Business Plan for a Municipally Controlled Corporation*



## Section 2

Jasper Municipal Housing Corporation (JMHC)

# Purpose of the JMHC

***Empower & Expand  
JCHC Capabilities***

## Partner

- With the Private Sector

## Finance & Construct

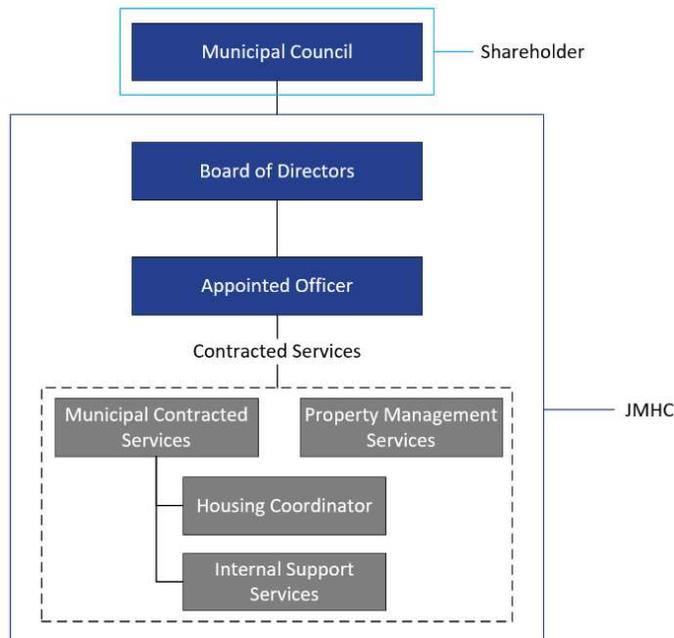
- New housing developments

## Owner & Operator

- Of existing municipal assets

The strategic objectives of the JMHC do not differ from those of the JCHC, but rather the JMHC further enables the municipality to act upon them through an alternative solution.

# JMHC Organizational Structure



## Municipality of Jasper is the sole shareholder

### MCC Constituents

- Board of Directors
- Elected by Major and Council
  - MCC oversight & overall direction

### Contracted Services:

- Municipal Contracted Services
- Housing coordinator
  - Human resources and people management;
  - Banking, finance and accounting;
  - Information technology (IT); and
  - Web and content development.

- Property Management
- Contract with operators is still under negotiations.

# JMHC Organizational Key Financials

The JMHC remains cash positive throughout all years of operation and is cashflow positive from 2031 onwards.

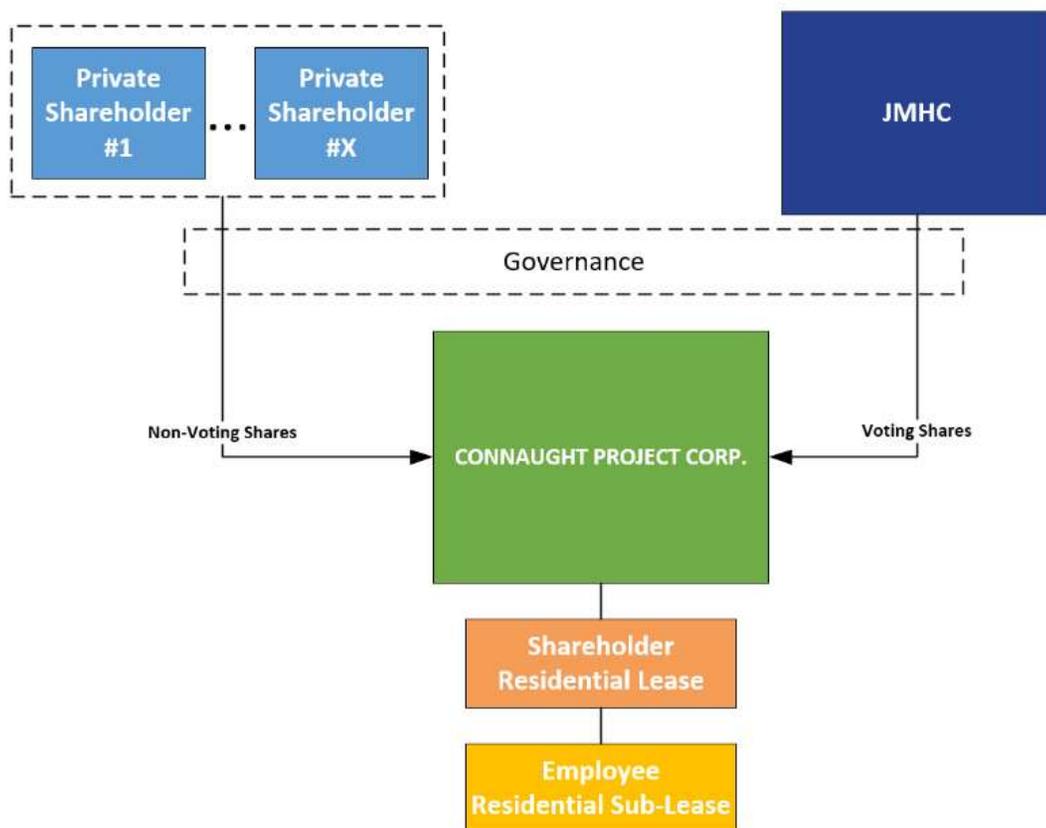
## *JMHC – Projected Cashflow (2024-2031)*

Item	2024	2025	2026	2027	2028	2029	2030	2031
Net Revenue of Connaught (100% into JMHC)	-	\$330,000	\$281,443	\$331,581	\$344,949	\$359,374	\$374,977	\$389,495
Revenue of Existing Assets	\$90,635	\$93,354	\$96,154	\$99,039	\$102,010	\$105,071	\$108,223	\$111,469
MoJ Subsidy	\$81,028	\$83,458	\$85,962	\$88,541	\$91,197	\$93,933	\$96,751	\$99,863
Compliance Deposit Refund	-	\$1,026,791	-	-	-	-	-	-
<b>Sub-Total</b>	<b>\$171,663</b>	<b>\$1,533,603</b>	<b>\$463,559</b>	<b>\$519,161</b>	<b>\$538,157</b>	<b>\$558,378</b>	<b>\$579,951</b>	<b>\$600,827</b>
OPEX of Three Transferred Assets	(\$171,663)	(\$176,812)	(\$219,797)	(\$187,766)	(\$193,399)	(\$199,201)	(\$205,177)	(\$211,332)
Repayment – Interest (Debenture)	-	-	(\$283,182)	(\$277,522)	(\$272,306)	(\$265,267)	(\$258,625)	(\$251,620)
Repayment – Principal (Debenture)	-	-	(\$103,412)	(\$109,072)	(\$114,822)	(\$121,343)	(\$127,985)	(\$134,989)
Repayment – Line of Credit (Compliance Deposit)	-	(\$1,075,199)	-	-	-	-	-	-
<b>Sub-Total</b>	<b>(\$171,663)</b>	<b>(\$1,252,011)</b>	<b>(\$606,392)</b>	<b>(\$574,360)</b>	<b>(\$580,527)</b>	<b>(\$585,811)</b>	<b>(\$591,786)</b>	<b>(\$597,941)</b>
<b>Annual Cashflow Total</b>	<b>-</b>	<b>\$281,592</b>	<b>(\$142,833)</b>	<b>(\$55,199)</b>	<b>(\$42,370)</b>	<b>(\$27,433)</b>	<b>(\$11,835)</b>	<b>\$2,886</b>
<b>Cash Balance</b>	<b>-</b>	<b>\$281,592</b>	<b>\$138,760</b>	<b>\$83,561</b>	<b>\$41,191</b>	<b>\$13,758</b>	<b>\$1,922</b>	<b>\$4,809</b>

## Section 3

# Connaught Development

# Connaught Project Governance Structure



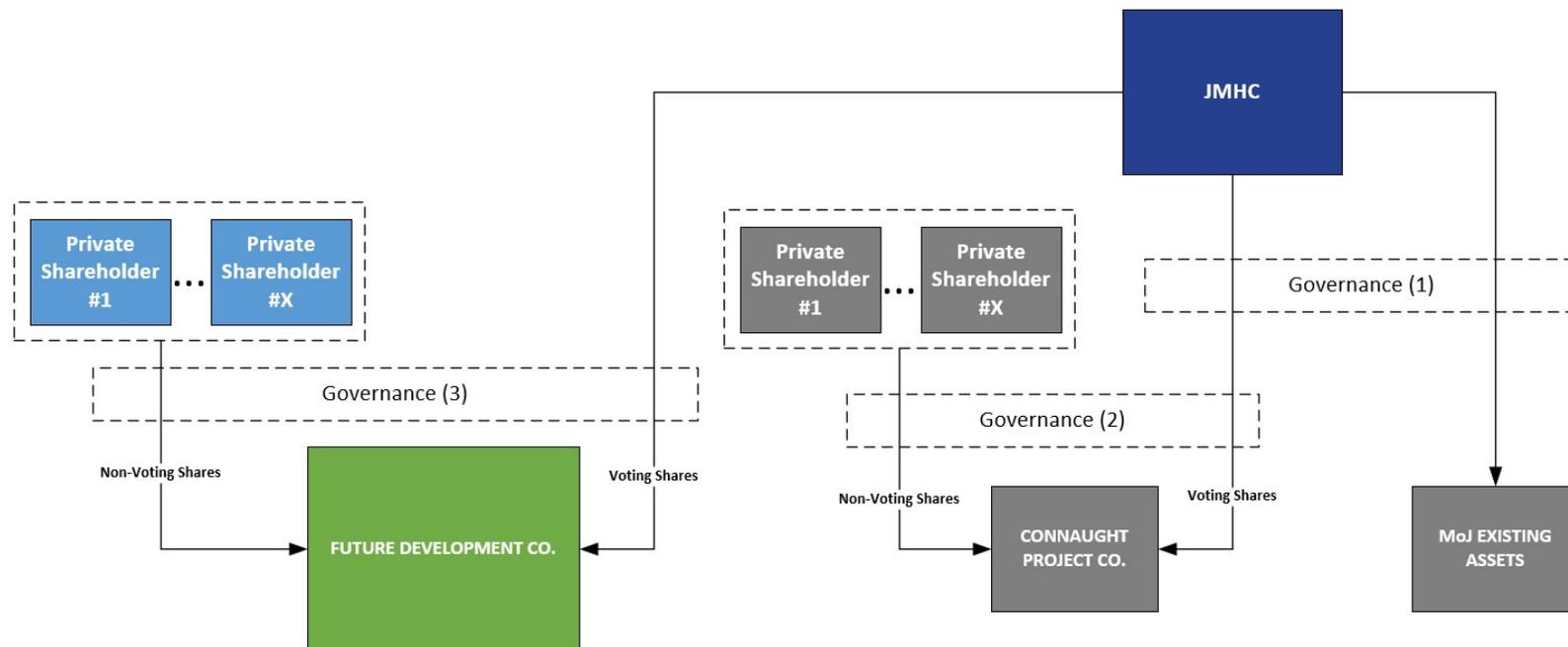
The governance structure of the Connaught Project is designed to allow for:

- The JMHC to maintain control over operating and capital elements of the development.
- Replicability, without meaningful restructuring of the JMHC, for future developments.
- Efficiencies in resource and knowledge management across shared services.

Private Investors will subscribe for shares and have an entitlement to occupy one of the units. No shareholder will have an “ownership” interest or a title to any of the units. The housing will not be condominiumized to enable any one person to own any unit.

# Connaught Project Governance Structure

This structure allows for replicability for future developments in Jasper.



# Connaught Development

The proposed Connaught Drive Development is anticipated to have 40 units in total. 10 will be earmarked for the Municipality, and the remaining 30 will be sold to the private market through a private share sale.

Municipality of Jasper Shares				
Class A	Voting	1 Bedroom	\$461,262/share	<ul style="list-style-type: none"> <li>Review and revise the corporate structure of JHC;</li> <li>Determine the criteria for board of director eligibility;</li> <li>Have the unfettered right to amend the structure to remove and/or replace individual directors or the entirety of the board of directors of the Connaught Project Corp.</li> </ul>
Class B	Voting	2 Bedroom	\$538,738/share	
Private Shares				
Class D	Non-Voting	1 Bedroom	\$304,529/share	Access to units within the Connaught development
Class E	Non-Voting	2 Bedroom	\$353,831/share	

# Connaught Development

In order to adhere to the provisions of the AHPP Grant given to the Municipality of Jasper for the Connaught Drive Project, maintaining affordability of units is of paramount importance.

## *Forecasted Annual Rental Rates in the Connaught Project (AHPP % of Market Rent)*

Unit Type	AHPP %	2022	2026	2027	2028	2029	2030	2031
<b>Minimum Rent - 1 Bedroom</b>	60%	\$7,939	\$9,274	\$9,642	\$10,050	\$10,490	\$10,968	\$11,418
<b>Minimum Rent - 2 Bedroom</b>	60%	\$9,273	\$10,575	\$10,985	\$11,401	\$11,847	\$12,327	\$12,771
<b>Mid-Range Rental - 1 Bedroom</b>	75%	\$9,924	\$11,592	\$12,053	\$12,562	\$13,113	\$13,710	\$14,273
<b>Mid-Range Rental - 2 Bedroom</b>	75%	\$11,591	\$13,219	\$13,731	\$14,251	\$14,809	\$15,409	\$15,964

AHPP terms defines both the Minimum Rent (60% of Market) and Mid-Range rental bands (60-90% of Market) as affordable housing. Therefore, all units in the Connaught Drive Project will be deemed affordable.

# Connaught Development – Capital Costs

The Connaught Development has a total capital cost of ~\$23.6 Million. This does not include the cost of enabling infrastructure invested in by the Municipality.

## *Projected Capital Costs for the Connaught Development*

Item	Cost
Lands	\$2,085,000
Design Services	\$105,682
Construction Services	\$19,156,986
Project Support Services	\$1,120,678
FF&E	-
Contingency*	-
Building Permit Fee	\$140,805
Compliance Deposit	\$967,849
<b>CAPEX Total</b>	<b>\$23,577,000</b>

The capital cost is conservative. A discount on the land price from Parks Canada is anticipated given the affordable nature of the units being delivered.

\*Contingency included in Design, Construction and Support Services above (15%).

# Connaught Development – Operations

The Connaught Development is cashflow and cash positive in all years of operation shown above, and the project cashflows are also all positive throughout the 42-year lease with Parks Canada.

## *Forecasted Integrated Cash Flow for the Connaught Development*

Cashflow Item	2024	2025	2026	2027	2028	2029	2030	2031
Capitalization	\$15,465,934	\$8,111,066	-	-	-	-	-	-
Revenue	-	-	\$471,404	\$489,900	\$509,450	\$530,515	\$553,270	\$574,504
<b>Sub-Total</b>	<b>\$15,465,934</b>	<b>\$8,111,066</b>	<b>\$471,404</b>	<b>\$489,900</b>	<b>\$509,450</b>	<b>\$530,515</b>	<b>\$553,270</b>	<b>\$574,504</b>
Construction	(\$15,465,934)	(\$8,111,066)	-	-	-	-	-	-
OPEX & Maintenance	-	-	(\$189,961)	(\$158,319)	(\$164,500)	(\$171,141)	(\$178,293)	(\$185,009)
<b>Sub-Total</b>	<b>(\$15,465,934)</b>	<b>(\$8,111,066)</b>	<b>(\$189,961)</b>	<b>(\$158,319)</b>	<b>(\$164,500)</b>	<b>(\$171,141)</b>	<b>(\$178,293)</b>	<b>(\$185,009)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>\$281,443</b>	<b>\$331,581</b>	<b>\$344,950</b>	<b>\$359,374</b>	<b>\$374,977</b>	<b>\$389,495</b>

As currently structured all net profits from the Connaught Development will be repatriated back to the JMHC annually.

Section 3

Next Steps

# Next Steps

1. Council motion to direct administration to establish a Statutory Public Hearing
2. Host Statutory Public Hearing
3. Subject to Public Hearing, Council may pass a motion establishing the JMHC



Questions?



# Jasper – Municipally Controlled Corporation (MCC) Business Plan

June 23, 2023

P1701-1038843790-13 (5.0)



Project  
Leaders

## ACKNOWLEDGEMENTS

### Client

#### **Municipality of Jasper**

Bill Given | Chief Administrative Officer (CAO)

Natasha Matenche | Director of Finance & Administration

Leanne Pelletier | Community Development Coordinator

### Legal

#### **Brownlee LLP**

John C. McDonnell | Partner

### Project Team

#### **Colliers Project Leaders Inc.**

Chet Shah | Managing Director, Infrastructure Advisory

Jake Dean | Sr. Associate, Infrastructure Advisory

---

Colliers Project Leaders Inc.

335 8 Ave SW #900

Calgary, AB T2P 1C9

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This report is based on information that was made available and provided to Colliers Project Leaders (Colliers) on or before June 21, 2023 by the Municipality of Jasper and its representatives. Colliers has not verified or audited provided information and relies on the validity of the information as supplied by the Municipality of Jasper. Should additional information be provided to Colliers after the final draft issuance of this report, Colliers reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly. It is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by Colliers during this engagement shall be the responsibility of, and made by, the Municipality of Jasper.

Calculations and forecasts are based on assumptions as stated in the report which have been accepted by the Client. If errors or inaccuracies are found in documents or information supplied or if assumptions are not found to match subsequently observed conditions, Colliers should be retained to review our recommendations and confirm their continued validity. Without this review, Colliers will not be liable for any misunderstanding of our recommendations or their application.

Colliers is in no part a party to the operations of the Client's facilities and as such are considered an independent third party and are acting objectively in the formulation of recommendations. Opinions reflected in this report are not intended to be or interpreted as legal advice or opinion.

# 1.0 Executive Summary

Jasper is home to over 4,700 residents and has a healthy tourism industry with over 2 million visitors visiting the national park annually<sup>1</sup>. An economy that is heavily dependent on tourism is consequently dependent on access to staff that support the services offered in the region. For local businesses, attracting and retaining employees is materially affected by the availability and affordability of housing.

To say there is a shortage of affordable housing in Jasper would be an understatement. Vacancy rates have hovered near zero for over a decade. The Municipality recognizes the housing shortage as a systemic barrier to the success of the community and has committed to conquering the challenge by making it a strategic priority of Council and Municipal Staff.

## 1.1.1 Provincial Business Plan Requirements

The structure of this Business Plan is premised around the Province of Alberta’s Municipally Controlled Corporation (MCC) Business Plan Requirements<sup>2</sup>, in addition to context specific attributes which will provide important context for the specific intent of setting up a MCC for the Municipality of Jasper. The Provincial requirements are as follows, and referenced based on the following:

*Table 1: Provincial Requirements for an MCC Business Plan*

Ref	Item	Report Section
1	Cost relating to establishing the MCC	7,8
2	Value of Assets that are to be transferred to the MCC	7,8
3	Cashflow projection for the next three (3) years of the MCC’s operation	7,8
4	Financial statements for operating and capital budgets	7,8
5	Services the MCC intends to provide	4
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8	Any risks in controlling the MCC	8, A4
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## 1.2 Purpose of the MCC

The Municipality of Jasper (MoJ) plans to establish a municipally controlled corporation (MCC) with the organizational name of the “Jasper Municipal Housing Corporation (JMHC)” as a legally separate entity from the Municipality. Establishing the JMHC as an MCC allows for the Municipality to play a more direct role in the delivery of housing by creating a legally separate entity which is empowered to formally partner with the Private sector, fund and finance housing developments in order to expedite delivery in Jasper. The strategic objectives of the JMHC do not differ from those of the Jasper Community Housing

<sup>1</sup> Parks Canada, Jasper National Park 2020 Annual Report, Accessed At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/plan/rapports-reports/2020>

<sup>2</sup> <https://open.alberta.ca/dataset/ab5db63d-302c-4c1b-b777-1eeb0fe23090/resource/f5d46559-53fa-4d3f-8526-091998f8ca9b/download/municipal-controlled-corporations.pdf>

Corporation, but rather the JMHC further enables the municipality to act upon them through an alternative solution.

In the short-term the JMHC will act as an owner, operator and source of capital for their current assets, as well as future developments that are underway (i.e., the Connaught Housing Project). The municipality currently owns and operates two (2) staff housing assets and one (1) medical clinic which could become assets of the JMHC upon incorporation and transfer:

- Residence - 1251 Cabin Creek Drive;
- Residence (Duplex) - 895 Bonhomme Road; and
- Cottage Medical Clinic - 300 Miette Ave.

The future state responsibilities of the JMHC are envisioned to include acting as a residential housing facilitator. As a residential housing facilitator, the JMHC would be able to effectively meet the housing needs of their residents by enabling housing transactions between locals. Whether this be as simple as introduction between residents looking to change their accommodation or using aggregated housing supply and demand information to plan future developments in the area.

The second primary function of the future state JMHC, assuming the Connaught Drive project represent a resilient model for duplication, is for the JMHC to act in the capacity of developer, investor/shareholder/financer, and operator of residential assets where opportunities exist. It is to be determined by the JMHC's Board as to whether or not the role and responsibility of the JMHC are expanded at a later date.

### 1.3 Market Impact Assessment

It is evident that without more influence and/or involvement from a local entity with a mandate to address the persistent housing demand in Jasper, the housing gap will continue to limit both current and prospective residents of Jasper and the welfare of local business owners.

When considering the current housing providers in Jasper, the following is noted:

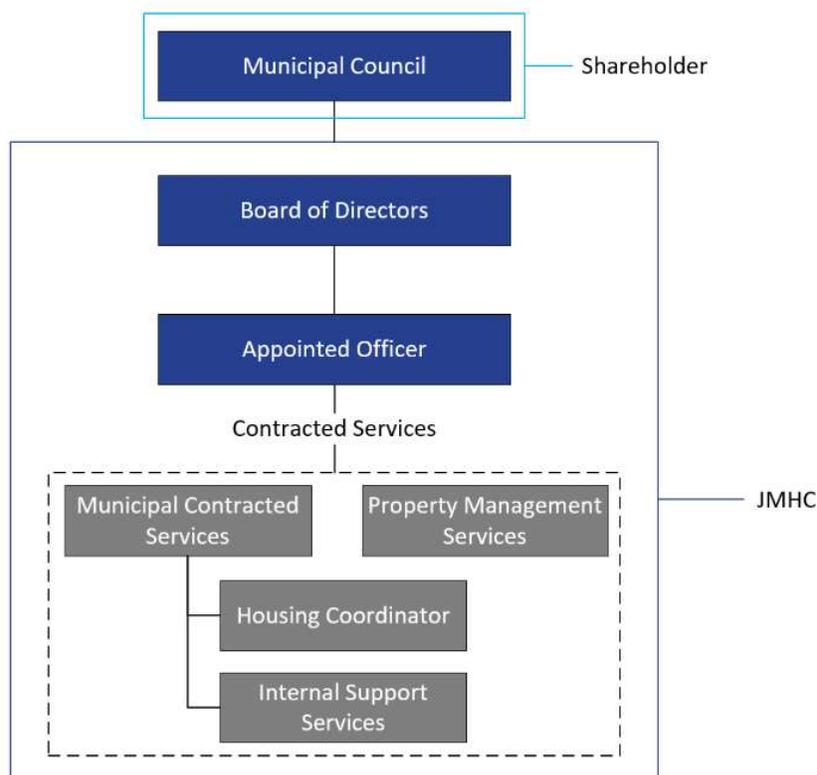
1. There are a number of private operators of residential dwellings within the Municipality;
2. Though there are a number of private operators, and the private sector being unable to satisfy the increasing need of housing supply;
3. The private developers on their own require rates of return which makes it extremely challenging to increase affordable housing supply; and
4. The JMHC's mandate and target is to address this challenging, low margin segment of the market and not intrude into areas where private development is working.

### 1.4 Shareholder Plan and Governance

Provincial regulations require a Unanimous Shareholder Agreement ("USA") to be ratified by Council which defines the relationship between the JMHC's shareholders (The Municipality of Jasper) and management of the corporation (employees of the JMHC).

The JMHC will have one (1) shareholder which will be the Municipality of Jasper. The JMHC will be governed by the Board of Directors, which will be elected by Major and Council, and will may also have a Council-appointed Officer.

Figure 1: Jasper Municipal Housing Corporation Organizational Structure



This governance structure allows for efficient, effective and timely decision making, while being legally, financially, and operationally independent of the Municipal Council.

## 1.5 Operating Plan

The JMHC is focused on delivering housing to residents of Jasper which will enable local businesses to meet their staffing requirements, a key issue impacting their financial welfare, and ultimately support the local economy. As described above, the JMHC will contract the services of the municipality for all operational and functional requirements including administrative services such as:

- Human resources and people management;
- Finance and accounting;
- Information technology (IT); and
- Web and content development.

As a result of this contractual relationship, the JMHC will not require any of the services described above, as well as office space including furniture, fixings and equipment. The JMHC intends to procure the maintenance services of Evergreens Foundation for property maintenance and ancillary support services of the Connaught development, while the existing assets to be transferred will continue to be maintained by the MoJ. It is important to note that the details of the contract with the Evergreens Foundation are still being finalized.

## 1.6 JMHC Financial Summary

Shown below is the integrated cashflow of JMHC over the next eight (8) years entailing all activities in both existing and new assets. The JMHC remains cash positive throughout all years of operation and is cashflow positive from 2031 onwards.

*Table 2: Cash Inflows and Outflows of JMHC including both Existing and New assets.*

Item	2024	2025	2026	2027	2028	2029	2030	2031
Net Revenue of Connaught (100% into JMHC)	-	\$330,000	\$281,443	\$331,581	\$344,949	\$359,374	\$374,977	\$389,495
Revenue of Existing Assets	\$90,635	\$93,354	\$96,154	\$99,039	\$102,010	\$105,071	\$108,223	\$111,469
MoJ Subsidy*	\$81,028	\$83,458	\$85,962	\$88,541	\$91,197	\$93,933	\$96,751	\$99,863
Compliance Deposit Refund	-	\$1,026,791	-	-	-	-	-	-
<b>Sub-Total</b>	<b>\$171,663</b>	<b>\$1,533,603</b>	<b>\$463,559</b>	<b>\$519,161</b>	<b>\$538,157</b>	<b>\$558,378</b>	<b>\$579,951</b>	<b>\$600,827</b>
OPEX of Three Transferred Assets	(\$171,663)	(\$176,812)	(\$219,797)	(\$187,766)	(\$193,399)	(\$199,201)	(\$205,177)	(\$211,332)
Repayment – Interest (Debenture)	-	-	(\$283,182)	(\$277,522)	(\$272,306)	(\$265,267)	(\$258,625)	(\$251,620)
Repayment – Principal (Debenture)	-	-	(\$103,412)	(\$109,072)	(\$114,822)	(\$121,343)	(\$127,985)	(\$134,989)
Repayment – Line of Credit (Compliance Deposit)	-	(\$1,075,199)	-	-	-	-	-	-
<b>Sub-Total</b>	<b>(\$171,663)</b>	<b>(\$1,252,011)</b>	<b>(\$606,392)</b>	<b>(\$574,360)</b>	<b>(\$580,527)</b>	<b>(\$585,811)</b>	<b>(\$591,786)</b>	<b>(\$597,941)</b>
<b>Annual Cashflow Total</b>	<b>-</b>	<b>\$281,592</b>	<b>(\$142,833)</b>	<b>(\$55,199)</b>	<b>(\$42,370)</b>	<b>(\$27,433)</b>	<b>(\$11,835)</b>	<b>\$2,886</b>
<b>Cash Balance</b>	<b>-</b>	<b>\$281,592</b>	<b>\$138,760</b>	<b>\$83,561</b>	<b>\$41,191</b>	<b>\$13,758</b>	<b>\$1,922</b>	<b>\$4,809</b>

\*The municipality of Jasper will subsidize any cost associated with the assets to be transferred to the JMHC, resulting in a net zero annual cost associated with these 3 properties. There will only be a net cost to the JMHC associated with these properties should the JMHC leverage them for equity in a future development.

## 2.0 Current Municipal Housing Context

Jasper is home to over 4,700 residents and has a healthy tourism industry with over 2 million visitors visiting the national park annually<sup>3</sup>. An economy that is heavily dependent on tourism is consequently dependent on access to staff that support the services offered in the region. For local businesses, attracting and retaining employees is materially affected by the availability and affordability of housing.

To say there is a shortage of affordable housing in Jasper would be an understatement. Vacancy rates have hovered near zero for over a decade. The Municipality recognizes the housing shortage as a systemic barrier to the success of the community and has committed to conquering the challenge by making it a strategic priority of Council and Municipal Staff.

### 2.1 Residents of Jasper

To become a resident of Jasper, there is set eligibility criteria defined by the *National Parks Lease and License of Occupation Regulations* which define an eligible resident as someone who meets one of the following:

1. Someone whose primary employment is within the park;
2. Someone who operates a business in the park AND whose presence is needed for the day-to-day operations of that business;
3. A retired individual who for five consecutive years immediately prior to retirement:
  - a. was primarily employed within the park: OR
  - b. operated a business in the park AND whose presence was needed for the day-to-day operations of that business;
4. Somebody who lived in the park at the time of their retirement, AND who was living in the park on July 30, 1981;
5. Someone who attends school full time at a registered educational institution in the park;
6. An individual, or their descendants through blood or adoption, who leased public lands in Jasper prior to May 19, 1911;
7. The spouse of anybody referred to above<sup>4</sup>.

As the Municipality's economy depends heavily on tourism, Jasper's population fluctuates primarily during two periods throughout the year:

- Summer season, from May to October; and
- Winter season, from December to late April.

The summer season sees a healthy job market to support the influx of tourism, with the winter season having a lower, but steady job market. In discussion with the Jasper Employment and Education Centre (JEEC), it is estimated that the peak summer season requires an additional 2,000 workers over the winter average, to meet the demand of the tourism industry. The business community struggles to meet this summer labour requirement and sees consistently high job vacancies rates, upwards of 60% in the

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<sup>3</sup> Parks Canada, Jasper National Park 2020 Annual Report, Accessed At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/plan/rapports-reports/2020>

<sup>4</sup> Parks Canada Jasper National Park Eligible Residency, Accessed At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/serviceimmobilier-realty/plan5c>

summer<sup>5</sup>. According to the Housing Needs and Demand Assessment<sup>6</sup>, employers cite inadequate housing for staff due to either lack of supply, affordability and/or suitability of the housing, as a main contributor to this vacancy rate.

## 2.2 Housing Supply

After multiple consultations with Municipal staff, it was determined that the tax roll data provides the most accurate distribution of current dwellings in Jasper. The following table provides a breakdown of 2021 tax roll data for dwellings in Jasper.

*Table 3: Jasper Municipal Tax Roll Data*

Dwelling Type (Source: 2021 Tax Roll)	Unit Count (Estimate)
Single Dwelling Homes	688
Duplex	98
Row homes	338
4 Plex	8
Condo	20
Apartment building units	467
5 Plex	10
Institutional (seniors/assisted living)	43
Apartments above commercial business	87
Nurse/fire personnel assigned housing	13
Hotel Staff Accommodation	210
<b>Total</b>	<b>1,982</b>

### 2.2.1 Affordability

Jasper's housing challenges stem from not only from a shortage of housing supply, but also housing affordability. It is evident that residents find themselves having to either find supplementary income through Private Home Accommodations (PHAs) or work multiple jobs to afford housing in Jasper. PHAs are often created within residences to secure supplementary income from rentals and are a necessity for some to offset high housing costs. PHAs are either short or long-term units for rent within a home, subject to inspection by Parks Canada and licensed by the Municipality. Currently there are 152 PHA business license holders in Jasper totalling 247 bedrooms for rent.

Of the 1,675 dwellings recorded in the 2021 Census, approximately 285 (17%) were occupied by residents paying more than 30% of their income on shelter costs<sup>7</sup>. Housing is considered affordable when it is less than 30% of before-tax household income<sup>8</sup>. Although there are discrepancies between the Tax Roll data and the Census data regarding the total count of dwellings in Jasper, it is assumed that the Census profile is an accurate representation of Jasper and is the most reliable source of data available with regards to population distribution statistics.

<sup>5</sup> Alberta Rural Development Network (ARDN), *Housing Need and Demand Assessment* (Report No. SHI-2018-007).

<sup>6</sup> Alberta Rural Development Network (ARDN), *Housing Need and Demand Assessment* (Report No. SHI-2018-007).

<sup>7</sup> Statistics Canada, Census Profile, 2016 Census of Population, *Jasper Specialized Municipality*, Accessed At: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=4815033&Geo2=PR&Code2=48&SearchText=Jasper&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=4815033&TABID=1&type=0>

<sup>8</sup> Canada Mortgage and Housing Corporation, About Affordable Housing, Accessed April 1, 2022 At: <https://www.cmhc-schl.gc.ca/en/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/about-affordable-housing/affordable-housing-in-canada>

## 2.3 Housing Demand

From the 2022 Governance Review completed by Colliers, the following table details the projected population, estimated dwelling requirements for that population based on an average household size of 2.3 people, and the associated housing gap.

*Table 4: Estimated Dwelling Requirements in Jasper*

Year	Population	Estimated Dwelling Requirement	Dwellings Available	Gap*
2021	4,738	2,060	1,982	78
2042	5,464	2,376	2,126	250

\*The gap for 2042 is calculated based on the 2021 tax roll dwelling count of 1,982, with an additional 144 units that Parks Canada confirmed are planned for redevelopment within the next five (5) years.

It is to be noted that the majority of the demand identified above is for medium (1-5 years) and long term (>5 years) residents of the Jasper and does not account for a significant portion of the transient population that the Municipality sees during the Summer and Winter seasons defined above.

## 2.4 Developing in Jasper

As the Municipality is in Jasper National Park, there are several land use and development considerations unique to the Municipality. Parks Canada is the governing body (Authority Having Jurisdiction) in the area for residency requirements, land use, business licenses and construction permits within the municipal boundaries. Both the Municipality and Parks Canada can issue business licenses depending on the nature of the business<sup>9</sup>.

The Jasper Community Sustainability Plan completed in September of 2011 identified a significant number of sites for infill, development or redevelopment that could contribute to combatting the identified housing gap. The following table presents the site type and potential housing units identified in the sustainability plan:

*Table 5: Jasper Community Sustainability Plan Summary of Potential Unit Development*

Development Site	Potential Housing Yield (Net New Units)
Development of Unreleased Lands	250-432
Infill Opportunities	42-53
Redevelopment	254-284
<b>Total</b>	<b>546-769</b>

It is unconfirmed if all units Parks Canada have approved for redevelopment are included within the *Redevelopment* line item in Table 3 above.

In 2018 the JCHC commissioned a Housing Need and Demand Assessment, and the Parioplan Final Report, which identified three (3) potential staff and seniors housing projects that could ease the persistent housing shortage. One of these projects is ready for development following minor additions to the design elements, and the other two (2) projects require assessment of financial and technical feasibility.

<sup>9</sup> Parks Canada, Jasper National Park Business Licenses, Accessed March 31, 2022 At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/permis-permits/license>

Progress has been made with the recent completion of the Connaught Utility Project providing infrastructure for future housing developments, and the Municipality remains committed to addressing Jasper's housing supply and suitability challenges.

DRAFT

## 3.0 Purpose of the MCC

It is evident that without more influence and/or involvement from a local entity with a mandate to address the persistent housing demand in Jasper, the housing gap will continue to limit both current and prospective residents of Jasper and the welfare of local business owners. The Municipality has looked at the scope of role they wish to play – either directly, or through the JCHC or some other vehicle – to address the current housing demand and plan for housing sustainability as populations increase. Careful consideration should be given to highest and best use of Municipal resources in addressing the housing shortage.

### 3.1 Jasper Community Housing Corporation (JCHC)

In September of 2007, the JCHC was established as a wholly owned not-for-profit corporation of the Municipality with the purpose of responding to housing affordability and supply challenges. Following its founding, the JCHC provided an administrative role in the development of Mountain Park Lodges (MPL) Place, a 42-bed affordable housing development for low-income earners owned by Jas-Day Investments. The JCHC continues to support MPL Place by conducting preliminary vetting of applications and maintaining a list of eligible tenants.

MPL Place was built around 2009 and the development agreement with the Municipality included a twenty-year (20) commitment to affordability, which leaves approximately ~6 more years of this affordable supply before the affordable housing supply gap will further widen.

The JCHC has acted as a housing development facilitator, operating in a supportive capacity rather than in additional capacities such as a financier, developer and operator.

#### 3.1.1 JCHC Governance & 2022 Strategic Objectives

The JCHC's board includes two Municipal councillors and two community residents along with the Municipal CAO acting as the JCHC CEO. The only paid employee of the JCHC is a Municipal staff member who operates on a 0.3 part-time basis. Board meetings amongst the members are held every two (2) months throughout the year. The JCHC has an average annual operating budget of approximately \$20k. In 2022 the budget was increased to \$72k to include contracted services to strategically address housing issues and the role of JCHC.

The JCHC defined its strategic objectives for 2022 which focused on three (3) main areas:

- Improving Internal Operations;
- Advancing Property Development; and
- Planning for the Future.

Although the objectives do address the foundational issues with housing in Jasper, the JCHC is not organizationally equipped or structurally constituted to address these issues. Therefore, in order to play a more direct role in shaping development, establishing a local, legal independent MCC is necessary.

### 3.2 Expected Functions of the MCC

Within the Province of Alberta, a municipality may establish and control a corporation so long as the council of the municipality passes a resolution authorizing the municipality to control the corporation by itself, and the council is satisfied that the corporation meets certain requirements, defined in section 75.1

of the Municipal Government Act, that ultimately benefit and fulfill the needs of the residents of the municipality<sup>10</sup>. This corporation is a legally separate entity governed by the elected board and directors and formalized through a Unanimous Shareholder Agreement and Articles of Incorporation.

The Municipality of Jasper plans to establish the “Jasper Municipal Housing Corporation (JMHC)” as a legally separate entity from the Municipality. Establishing the JMHC as a municipally controlled corporation allows for the Municipality to play a more prominent and direct role in the housing market by formally partnering and financing with the Private sector to expedite housing development in Jasper. The strategic objectives of the JMHC do not differ from those of the JCHC, but rather the JMHC further enables the municipality to act upon them through an alternative solution.

The JMHC will have an immediate capacity as a financier, owner and potentially operator of housing development(s) in the community. The scope of the JMHC is separated into two (2) periods due to the fact that the immediate capacity is to play a major role in the delivery of the Connaught housing development project by the spring of 2025. The scope and role of the JMHC could eventually expand into additional responsibilities such as residential housing facilitators. The functions in the immediate and medium-long term are further defined below.

### 3.2.1 Immediate Capacity

The short-term capacity of the JMHC will be to act as an owner, operator and source of capital for their current assets, as well as future developments that are underway (i.e., the Connaught Housing Project). The municipality currently owns and operates two (2) staff housing assets and one (1) medical clinic which could become assets of the JMHC upon incorporation and transfer:

- Residence - 1251 Cabin Creek Drive;
- Residence (Duplex) - 895 Bonhomme Road; and
- Cottage Medical Clinic - 300 Miette Ave.

### CONNAUGHT DRIVE DEVELOPMENT

The Connaught Drive development is a 40-unit development, consisting of 20 1-bedroom units and 20 2-bedroom units, located on parcel GC in Jasper (See Appendix 1 for site aerial view). There has been significant planning and investment that has already taken place for this development, dating back to 2018, which includes site servicing, preliminary design considerations, Class C cost estimate, and additional prework.

To help fund the Connaught Drive development the municipality previously applied to the Rapid Housing Initiative (RHI), which is a fund under the Canada Mortgage and Housing Corporation (CMHC), to deliver affordable housing units throughout Canada. Unfortunately, they were not successful with the applications. More recently, the municipality applied to the Affordable Housing Partnership Program (AHPP) under the Alberta Seniors, Community and Social Services and were recently announced as a successful recipient of a \$6.5M grant for this development. The municipality will be looking to fund the remaining capital through the JMHC and with buy-in from local businesses. This is further discussed in the sections below.

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<sup>10</sup> Government of Alberta, *Municipal Government Act – Chapter M-26 S75.1*, March 28, 2023.

### JMHC Responsibilities

Although local businesses and/or residents will be contributing to the capital required for development, it will be the responsibility of the JMHC to design, construct, operate and maintain the development.

- **Design & Construction:** the JMHC will contract project management, design and construction services to deliver the Connaught Drive development.
- **Operation & Maintenance:** the JMHC intends to procure the maintenance services of Evergreens Foundation for property maintenance and ancillary support services of the Connaught development, while the existing assets to be transferred will continue to be maintained by the MoJ. Evergreens currently operates 14 multi-family and seniors housing facilities in the region and properties in Jasper, including the Alpine Summit Seniors Lodge. It is important to note that the details of the contract with the Evergreens Foundation are still being finalized.

The contractual relationship between private shareholders (e.g., local businesses) and the JMHC is further defined in section 5.0 Shareholder Plan and Governance of this report.

### 3.2.2 Future State

Through consultation with the municipality, it is evident that there are local residents living in housing that does not adequately meet their needs or housing that is too much for them to maintain. Examples of this could be a new family who requires additional space (e.g., additional rooms, storage, etc.), or a senior resident who no longer requires the space they are currently in and may be looking for a smaller home.

To help to solve for this, the future state responsibilities of the JMHC may include acting as a residential housing facilitator. As a residential facilitator, the JMHC would be able to effectively meet the housing needs of their residents by enabling housing transactions between locals. Whether this be as simple as facilitating introductions between residents looking to make a change, or using aggregated housing supply and demand information to plan future developments in the area.

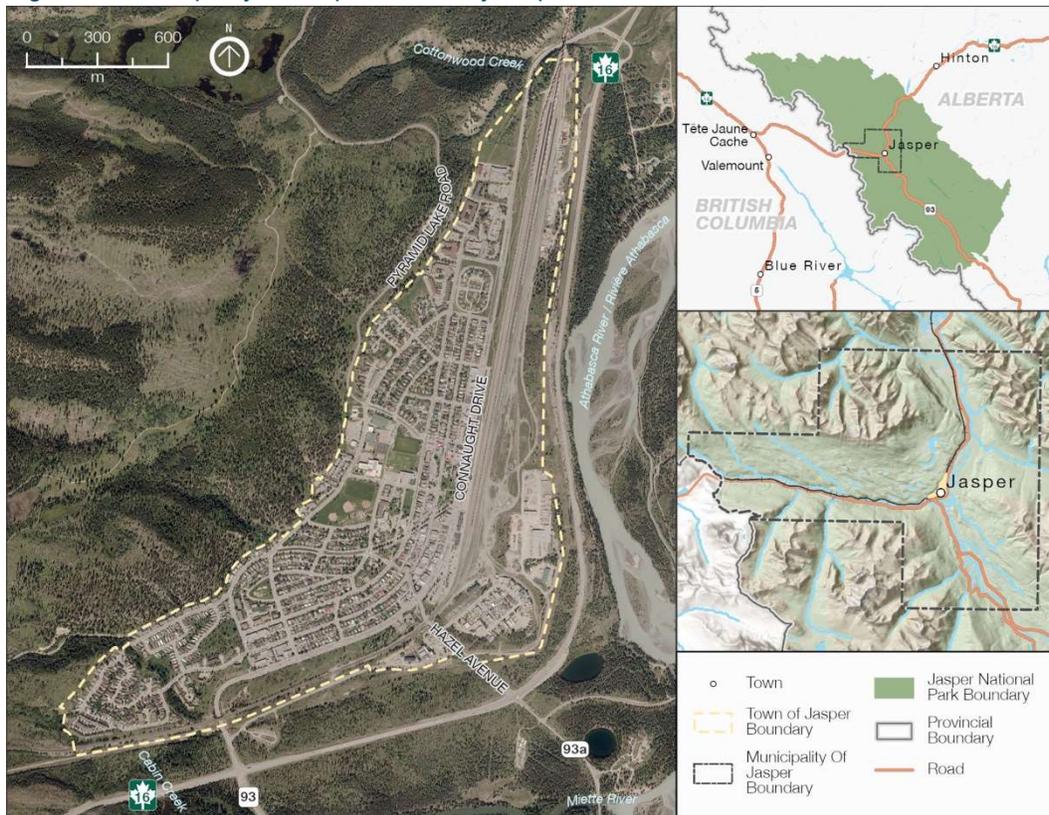
The second primary function of the future state JMHC, assuming that the Connaught Drive model proves to be an effective housing delivery mechanism, is for the JMHC to act in the capacity of developer, investor/shareholder/financer, and operator of residential assets where opportunities exist. It is to be determined by the JMHC's Board as to whether the role and responsibility of the JMHC are to be expanded at a later date.

These two future capabilities allow JMHC to continue to execute on the Municipality of Jasper's mandate to maximize the effectiveness of Jasper's current housing supply, while also opportunistically expanding it to meet the growing demand within the community.

## 3.3 Business Location

The JMHC will fulfill its roles and responsibilities within Jasper's municipal boundary, as defined by the Province of Alberta Municipal Affairs.

Figure 2: Municipality of Jasper Boundary Map



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## 4.0 Market Impact Analysis

### 4.1 Market Impact Analysis

One of the primary considerations that any municipality is to consider in the creation of a MCC is the effect of the MCC's operations upon the private market and private operators. It has been a policy statement of the Province of Alberta, in creating the updated MCC regulations, that the Province does not want a government entity or a government owned entity, such as a MCC, to compete with the private sector and/or impact the private sector's provision of services.

It is evident that without more influence and/or involvement from a local entity with a mandate to address the persistent housing demand in Jasper, the housing gap will continue to limit both current and prospective residents of Jasper and the welfare of local business owners. As is enumerated in Section 3.0 *Current Municipal Housing Context* and several other studies completed to date, it is evident that:

- Vacancy rates have consistently remained at near zero, and have been there for decades;
- There is a housing shortage, and lack a quality housing, within Jasper;
- The Housing Need and Demand Assessment report evidences that there are both challenges with respect to the supply of housing and cost of housing; and
- There is a material impact on the success of local businesses due to the inability to provide accommodations for their staff.

When considering the current housing providers in Jasper, the following is noted:

5. There are a number of private operators of residential dwellings within the Municipality;
6. Though there are a number of private operators, and the private sector being unable to satisfy the increasing need of housing supply; and
7. The private developers on their own require rates of return which makes it extremely challenging to increase affordable housing supply.
8. JMHC's mandate and target is to address this challenging, low margin segment of the market and not intrude in to areas where private development is working.

### 4.2 Market Sounding

Colliers, on behalf of the Municipality, undertook a market sounding process aimed at further understanding housing needs in Jasper, and proposing the idea of the JMHC as a facilitator to increase the accessible housing stock within the community. Further, the market sounding served to gauge interest in local business investment into a JMHC led development specifically at Connaught Drive, but also generally as a shareholder in future development under a similar financial structure.

This important step validated the demand for housing, reenforced local business concerns focused on housing for transient workers during busy summer and winter seasons. It also affirmed acceptance of a shareholder model for development where the JMHC acts as managing shareholder with decision making autonomy over future development and operational decisions. A proposed commercial structure for the Connaught Drive development can be found in section 6.0 *Shareholder Plan and Governance*. A full market sounding report can be found in Appendix 2.

## 5.0 Shareholder Plan and Governance

Provincial regulations require a Unanimous Shareholder Agreement (“USA”) to be ratified by Council which defines the relationship between the JMHC’s shareholders (The Municipality of Jasper) and management of the corporation (employees of the JMHC).

### 5.1 MCC (JMHC) Governance

As previously mentioned above, the short-term capacity of the new JMHC will be to act as an owner, operator and source of capital for their current assets, as well as future assets. The Municipality currently owns and operates two (2) staff housing assets and one (1) medical clinic which will become assets of the JMHC upon incorporation and transfer:

- Residence - 1251 Cabin Creek Drive;
- Residence (Duplex) - 895 Bonhomme Road; and
- Cottage Medical Clinic - 300 Miette Ave

In order to maintain the knowledge base gained through the JCHC, and maximize efficiency of resources, the JMHC will contract the services of the Municipality for all operational elements including administrative services such as:

- Human resources and people management;
- Banking, finance and accounting;
- Information technology (IT); and
- Web and content development.

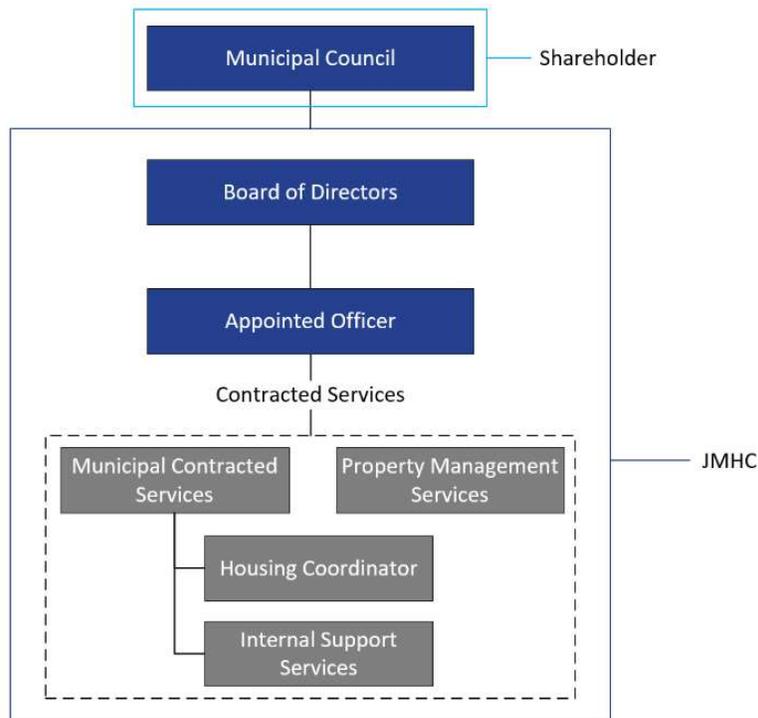
As a result of this contractual relationship, the JMHC will not require dedicated staff to carry out these duties, nor will it need the physical space and equipment to operationalize these employees. This includes no requirement for additional office space and furniture, fixings and equipment. This will reduce the initial investment required to establish and operate the JMHC.

The Municipality of the Jasper will hire a full time FTE ‘Housing Coordinator’ who will be contracted to the JMHC to oversee business operations and administration of the JMHC. The contracted FTE’s full loaded compensation (salary and benefits) will be the responsibility of the JMHC for services rendered.

The JMHC will have one (1) shareholder which will be the Municipality of Jasper. The JMHC will be governed by the Board of Directors, which will be appointed by Mayor and Council, and will also have a Council-appointed Officer. It is expected that the Board of Directors will consist of similar members as the JCHC Board (i.e., mixture of elected officials and community residents), and the Municipal CAO as the JMHC Officer, as well as representation from the Jasper staff.

The Board will have a maximum of nine (9) members and will always have an odd number of members to ensure prompt decision making.

Figure 3: Jasper Municipal Housing Corporation Organizational Structure



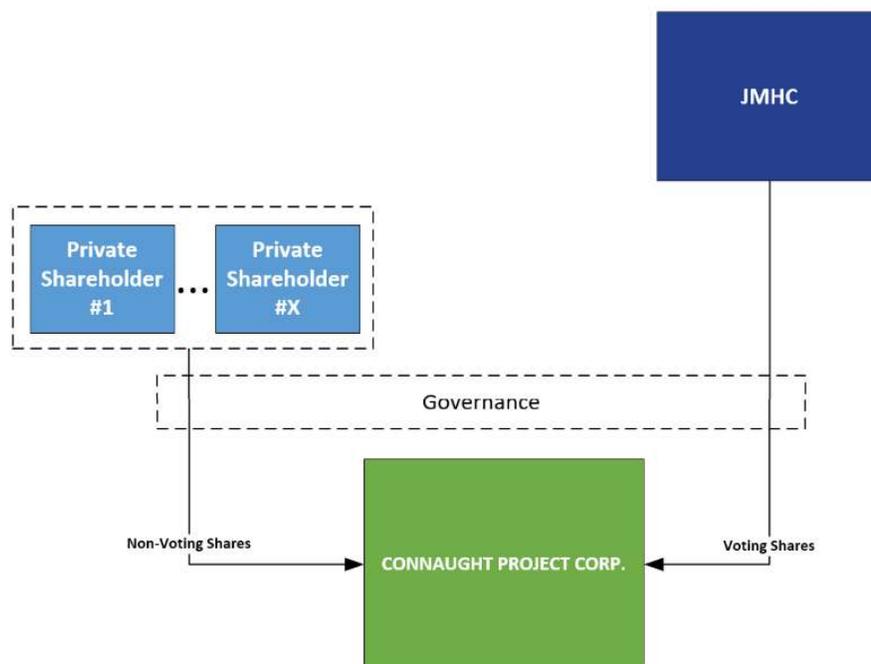
This governance structure allows for efficient, effective and timely decision making, while being legally, financially, and operationally independent of the Municipal Council.

## 5.2 Connaught Development Shareholder & Governance Framework

Establishing an arms-length, municipally owned entity provides private sector partners with a sense of security and confidence regarding the project development and business continuity.

Due to the nature of the transactions that the JMHC will be involved in, which includes transfer of current municipal assets to the ownership of the JMHC and partnering with the private sector for developments, the following commercial structure has been developed for the JMHC in relation to the current municipal assets, as well as the Connaught development.

Figure 4: Connaught Drive (Connaught Project Corp.) Commercial Structure



Below is a description of the symbols and labelling in Figure 4 above:

- **Jasper Municipal Housing Corporation (JMHC):** Jasper MCC.
- **Private shareholder(s):** local businesses and/or residents that are equity owners in the Connaught Project Corp.
- **Connaught Project Corp.:** project corporation (Corp.) exists to legally define ownership relationship, roles and responsibilities, and act as the single investment vehicle for the Connaught development.
- **Voting Shares:** JMHC to ensure control of the Connaught Project Corp. through ownership of all “Voting Shares” in the Connaught Project Corp.
- **Non-Voting Shares:** all private shareholders to be issued “Non-Voting Shares” to limit influence on Connaught Project Corp. which is inline with their role and responsibilities (minimal).
- **Governance:** Connaught Development Board – project specific. Private shareholders will be allowed on the board of a specific development that they are invested in to influence day to day operations, but will not have voting shares.

A well-structured and simple-to-execute and simple-to-administer commercial entity (Connaught Project Corp.), along with good project governance are perhaps the most important elements in defining, understanding, and mitigating the major risks inherent to project development and delivery. The JMHC having all voting shares will allow the Municipality to guide the administration and operations of any development in which they are a principle shareholder.

The Connaught Project Corp. will have the same organizational structure as the JMHC shown in Figure 3 above with Private shareholders in addition to the JMHC.

### 5.2.1 Connaught Development Share Structuring

The Connaught development will have the following unit distribution with respect to one (1) and two (2) bedroom units:

*Table 6: Connaught Development Unit Ownership Distribution*

Owner	1-Bedroom	2-Bedroom
JMHC	5	5
Private	15	15
<b>Total</b>	<b>20</b>	<b>20</b>

The Connaught Project Corp. will be incorporated pursuant to the Business Corporations Act, like the JMHC. It will also have a USA, similar to the JMHC. However, its corporate structure shall be different from the JMHC due to the introduction of people who will subscribe for shares and have an entitlement to occupy one of the units.

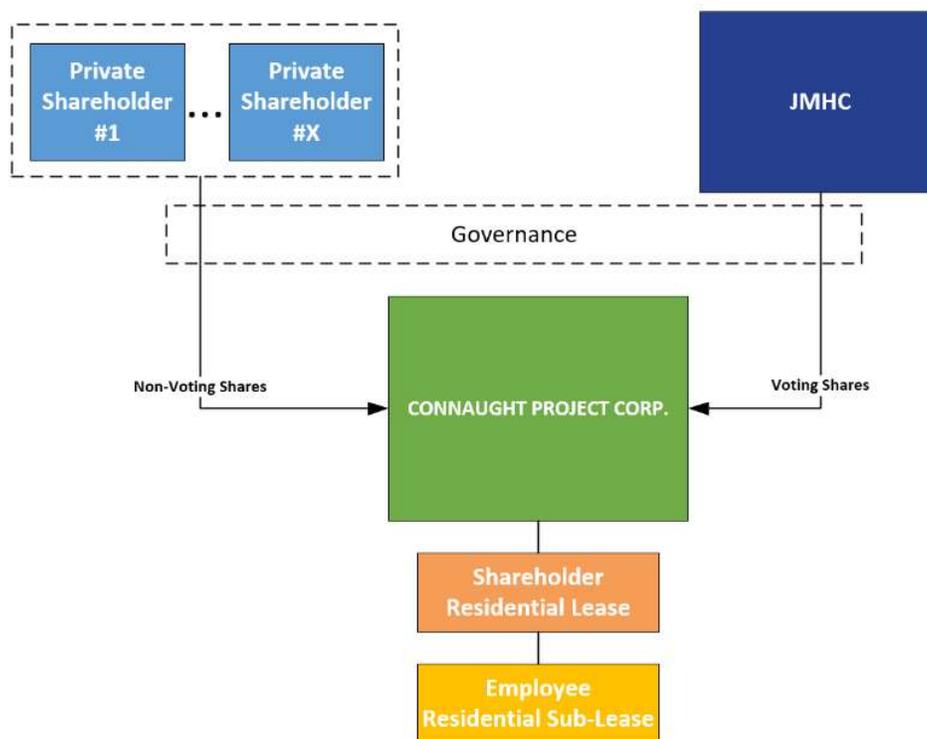
The structure of the Connaught housing arrangement is as such:

- JMHC will be issued Class A, Common Voting shares for its 1- Bedroom units and Class B, Common Voting shares for its 2-Bedroom units. The only voting shares will be issued to the JMHC, entitling the JMHC to be the sole party to do the following:
  - Review and revise the corporate structure of JMHC;
  - Determine the criteria for board of director eligibility;
  - Have the unfettered right to amend the structure to remove and/or replace individual directors or the entirety of the board of directors of the Connaught Project Corp.
- As noted above, a Unanimous Shareholder Agreement will also be prepared for the Connaught Project Corp. The parties to this USA will be the JMHC, as a Class A Common, Voting shareholder and a Class B Common, Voting shareholder and those occupants, who will be either a Class D non-voting shareholder (for the 1 bedroom unit holders) or a Class E non-voting shareholder (for the 2 bedroom unit holders)
- All occupants of the housing shall only be renters. No one will have an “ownership” interest or a title to any of the units. The housing will not be condominiumized to enable any one person to own any unit;
- In order to become an occupant, the prospective person/business must meet certain criteria that the JMHC shall establish from time to time;
- Once the JMHC is satisfied that the applicant is sufficiently qualified, the following process will then be undertaken:
  - The applicant must subscribe for either a Class D Common, Non-Voting Share of the Connaught Project Corp. (which will represent the 1-Bedroom occupants) or a Class E Common, Non-Voting Share of Connaught Project Corp. (which will represent the 2-Bedroom occupants).
  - The applicant must pay a predetermined amount of funds to the Connaught Project Corp. which is currently estimated in section 7.2 below. Upon receipt of the unit subscription.
  - The applicant must enter into a lease agreement with Connaught Project Corp., putting terms to the residential leases, under the Residential Tenancies Act.
- In the case of a business purchasing a share for its employees, said business shall be entitled to sublease its unit to its employees, as long as the terms of occupancy apply to such employee.

- No shareholder shall be entitled to financially encumber or transfer its shares to any other person without: 1. The consent of the Connaught Project Corp.; and 2. The new person signing similar documentation to become a shareholder.
- Upon an occupant wishing to divest itself of its unit and shares, the occupant shall:
  - Relinquish its tenancy rights;
  - Sell its unit back to the Connaught Project Corp. for a price to be determined by the Board of Directors.

The following figure describes the lease agreement structure with the Connaught Project Corp.

Figure 5: Connaught Drive (Connaught Project Corp.) Leasing Structure



The following table provides some of the potential financial commitments the JMHC will enter into with the Private shareholders of the Connaught Project Corp.

Table 7: Connaught Development Private Shareholder Financial Commitment Options

Structure	Private Investment	Description
Traditional Mortgage Structure	20% Prior to construction, 80% balance on completion.	Provides some capital to pay contractor through construction. Requires the JMHC to take on more debt in the short term.
Progress Payments	10% deposit up front, successive payment through construction to be defined by construction milestones.	Provides capital to pay contractor throughout construction. Challenge to administer as JMHC could be chasing payment.
100% Upfront	100% prior to construction.	Provides capital to pay contractor throughout construction. Requires cost certainty for Private capital.

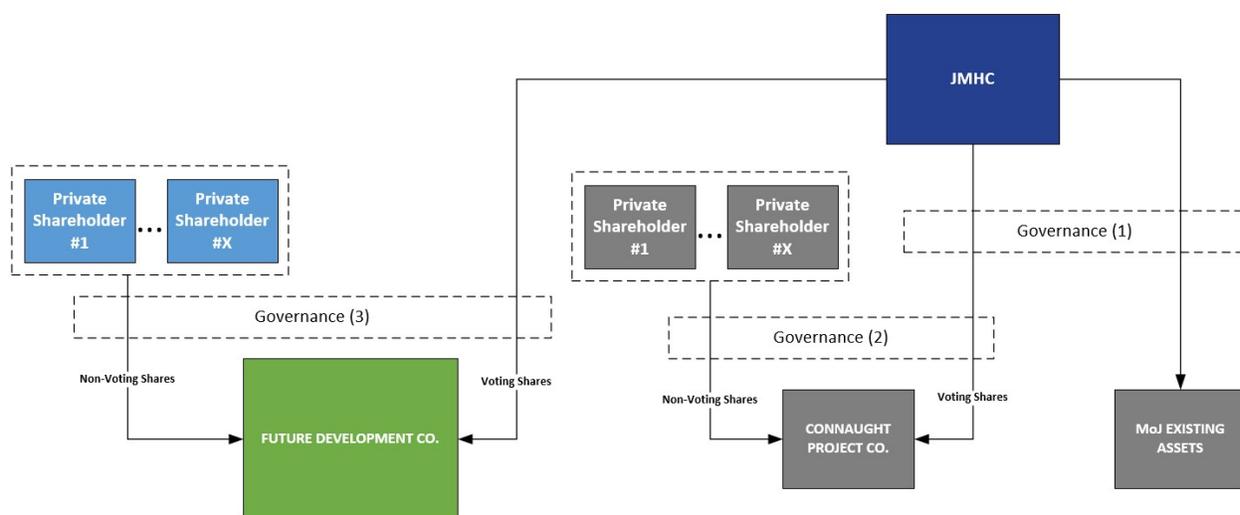
100% at Completion	100% once operational.	Depending on the delivery model, there is cost uncertainty which may deter private investment. Requires the JMHC to take on significant debt in the short term.
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The JMHC Board will need to select one or more of the alternatives options above prior to engaging with the prospective Private shareholders.

### 5.3 Future Development Shareholder & Governance Framework

It is expected that the framework depicted and described in Section 5.2 will be an effective delivery model for the Connaught development. The following figure illustrates the various commercial structures and governance required for prospective additional developments.

Figure 6: Future Development Commercial Structuring & Governance



A similar commercial and governance structure can be applied to future developments, minimizing hinderances and enable growth of the JMHC.

## 6.0 Operating Plan

The JMHC is focused on delivering housing to residents of Jasper which will enable local businesses to meet their staffing requirements, which is currently impacting their financial welfare, and ultimately supporting the local economy. As described above, the JMHC will contract the services of the municipality for all operational and functional requirements including administrative services such as:

- Human resources and people management;
- Finance and accounting;
- Information technology (IT); and
- Web and content development;

As a result of this contractual relationship, the JMHC will not require any of the services described above, as well as office space including furniture, fixings and equipment. The current office address of the JCHC, and future address of the JMHC, is 303 Pyramid Lake Road, Jasper AB, T0E 1E0.

The JMHC intends to procure the maintenance services of Evergreens Foundation for property maintenance and ancillary support services of the Connaught development, while the existing assets to be transferred will continue to be maintained by the MoJ. It is important to note that the details of the contract with the Evergreens Foundation are still being finalized and should Evergreens be contracted there will need to be a services agreement developed for accountability.

Evergreen Foundation – services agreement to be developed.

### 6.1 Applicable Legislation & Regulation

There are several Acts and regulations that are applicable throughout the establishment of an MCC within Jasper:

- Municipal Government Act
  - o Municipally Controlled Corporation (MCC) Regulation (under the MGA)
- Business Corporations Act
- Residential Tenancy Act; and
- Parks Canada Agency Act.

The actions and requirements associated with each of the Acts listed above are defined in Section 10.0 *Next Steps* of this Business Plan.

## 7.0 Connaught Development Financials

The Connaught Drive development is a 40-unit development, consisting of 20 1-bedroom units and 20 2-bedroom units, located on parcel GC in Jasper (See Appendix 1 for site aerial view). There has been significant planning and investment that has already taken place for this development, dating back to 2018, which includes site servicing and to date totals approximately \$5.5M. The Municipality of Jasper has also earmarked \$5M, in the form of a debenture, for the Connaught development. Once the JMHC has been established, the MoJ will transfer this debenture to the JMHC who will then be responsible for repayment. This assures that the residents of Jasper who are not involved with the development will not be impacted by the financial commitments of the development.

Due to the fact that the Connaught development is for affordable housing, Parks Canada may provide the land in the form of a Contribution with a long-term land lease value to be determined. The municipality also received a \$6.5M grant from the Affordable Housing Partnership Program (AHPP) under the Alberta Seniors, Community and Social Services.

### 7.1 Capital Expenditures

During the RHI application process, a Class C estimate was submitted for the Connaught development. As part of the AHPP application process, this cost was escalated with the assumption that the project would be initiated in June of 2023. As the project has further progressed since the submission and receipt of the AHPP application, it is assumed the project will be completed throughout 2024 and 2025, with occupation beginning in early 2026.

As part of Parks Canada permitting process, a Building Permit and Compliance Deposit are required prior to construction<sup>11</sup>. The Compliance Deposit will be fully refunded with accrued interests at end 2025 upon construction completion, assuming 3% annual interest rate as accepted by Parks Canada. The following table defines the capital costs associated with the Connaught Development, including any grants and contributions received to date.

**Table 8: Connaught Development Capital Expenditures (CAPEX)**

Item	Cost
Lands	\$2,085,000
Design Services	\$105,682
Construction Services	\$19,156,986
Project Support Services	\$1,120,678
FF&E	-
Contingency <sup>12</sup>	-
Building Permit Fee	\$140,805
Compliance Deposit	\$967,849
<b>CAPEX Total</b>	<b>\$23,577,000</b>

It is important to note that the land cost was not appraised during the Cost C Cost Estimate process as it was assumed that Parks Canada would release the land for a nominal value. In conversation with a Parks Canada representative, it is evident that the land will not be release for a nominal value as assumed in

<sup>11</sup> Parks Canada, *Projects Requiring a Development and Building Permit*, Accessed At: <https://parks.canada.ca/pn-np/ab/jasper/gestion-management/permis-permits/amenagement-developpement/appliquer-apply/building>

<sup>12</sup> The Contingency is built into the Class C cost estimates used for the CAPEX in Table 8.

the Class C and therefore it was assumed that part of the land value would be released due to the affordable nature of this development. This is defined in the table below.

After receipt of the AHPP Grant and the land contribution from Parks Canada, the total remaining capital required to fund the Connaught Development will be funded through the JMHC the remaining capital through buy-in from local businesses.

*Table 9: Connaught Development Sources of Capital*

Item	Cost
<b>Total CAPEX</b>	<b>\$23,577,000</b>
AHPP Grant	(\$6,500,000)
Parks Canada Land Contribution	(\$1,563,750)*
<b>Sub-Total</b>	<b>(\$8,063,750)</b>
<b>MCC Leveraged Equity for Compliance Deposit</b>	(\$967,849)
<b>JMHC Equity</b>	(\$5,000,000)
<b>Private Equity</b>	(\$9,950,401)
<b>Sub-Total</b>	<b>(\$15,918,250)</b>
<b>Total</b>	<b>(330,000)<sup>13</sup></b>

*\*This assumes a Parks Canada provides a 25% discount on the market value of Parcel GC land value defined in table 8 above.*

As shown in the table above, there is a surplus of \$330,00 which is to account for the negative cashflows during the first five (5). As all Connaught Project Corp. revenues go to voting shareholders, the surplus will be used to ensure the JMHC is cash-positive during all years of operations.

## 7.2 Operations

The Connaught Project Corp. will leverage the same relationship with the Municipality for internal support services, including the Housing Coordinator who will be responsible for reviewing tenant lease agreements to ensure that they are inline with the requirements to be defined by the JMHC. The Connaught Project Corp. will also procure the maintenance services of Evergreens Foundation (contract still being negotiated). The Provincial requirements are to provide a minimum of three (3) years of projected financials for an MCC. The operational data is presented from 2022-2031 as construction will take place from 2024-2025, and as a voting shareholder of the Connaught Project Corp, the JMHC becomes cashflow positive in 2031 but is cash-positive in all years. Operational cashflows were projected for 42 years which is Parks Canada standard lease term.

<sup>13</sup> As all revenues from Connaught flow through to the JMHC, the surplus ensures the JMHC remains cash positive throughout the first seven (7) years. This is further discussed below.

### 7.2.1 Operational Revenues & Expenditures

The following table defines the projected market rental rates in Jasper using historical data from the Government of Alberta<sup>14</sup>.

*Table 10: Forecasted Annual Market Rental Rates in Jasper*

Unit Type	2022	2026	2027	2028	2029	2030	2031
1 Bedroom	\$13,232	\$15,456	\$16,071	\$16,749	\$17,484	\$18,281	\$19,030
2 Bedroom	\$15,455	\$17,625	\$18,308	\$19,002	\$19,745	\$20,545	\$21,286

The table below depicts the projected rental rates of four (4) room types in Jasper and adhering to the AHPP mandate on rental rates. AHPP defines Minimum Rent units as 60% of market rate, and Mid-Range as 61-90% of market rate. It is important to note that the AHPP defines both the Minimum Rent and Mid-Range rental bands as affordable housing, and that there may be up to 30% of rental units at market rent. As the intent of the project is to build more affordable housing in Jasper, the Connaught development will be all affordable housing.

*Table 11: Forecasted Annual Rental Rates in Jasper (AHPP % of Market Rent)*

Unit Type	AHPP %	2022	2026	2027	2028	2029	2030	2031
Minimum Rent - 1 Bedroom	60%	\$7,939	\$9,274	\$9,642	\$10,050	\$10,490	\$10,968	\$11,418
Minimum Rent - 2 Bedroom	60%	\$9,273	\$10,575	\$10,985	\$11,401	\$11,847	\$12,327	\$12,771
Mid-Range Rental - 1 Bedroom	75%	\$9,924	\$11,592	\$12,053	\$12,562	\$13,113	\$13,710	\$14,273
Mid-Range Rental - 2 Bedroom	75%	\$11,591	\$13,219	\$13,731	\$14,251	\$14,809	\$15,409	\$15,964

The projected annual revenue of Connaught Project Corp. for each unit type are projected below.

*Table 12: Forecasted Annual Revenue of Connaught Project Co per Unit Type*

Unit Type	Unit Count	2022	2026	2027	2028	2029	2030	2031
Minimum Rent - 1 Bedroom	5	N/A	\$46,370	\$48,210	\$50,250	\$52,451	\$54,842	\$57,090
Minimum Rent - 2 Bedroom	5	N/A	\$52,875	\$54,925	\$57,005	\$59,236	\$61,636	\$63,855

<sup>14</sup> Government of Alberta, *Jasper Average Residential Rent*, Accessed at: <https://regionaldashboard.alberta.ca/region/jasper/average-residential-rent/#/custom/unit-type/>

Mid-Range Rental - 1 Bedroom	15	N/A	\$173,880	\$180,795	\$188,430	\$196,692	\$205,657	\$214,095
Mid-Range Rental - 2 Bedroom	15	N/A	\$198,285	\$205,965	\$213,765	\$222,135	\$231,135	\$239,460
<b>Total</b>	<b>40</b>		<b>\$471,403</b>	<b>\$489,900</b>	<b>\$509,450</b>	<b>\$530,515</b>	<b>\$553,270</b>	<b>\$574,504</b>

The Operating Expenses of Connaught Project Co are displayed below from 2024 when construction starts to 2031. The following table includes estimated costs based on best practices and historical data for forecasting housing operational costs for low-rise buildings. The JMHC intends to procure the Property Management services of Evergreens Foundation, however this is subject to the two parties agreeing to a scope of work and appropriate fee for services. The Connaught setup fees are equal to half of the professional services costs used to establish the JMHC and Connaught Project Corp. combined.

*Table 13: Forecasted Operating Expenses of Connaught Project Co per Annum.*

OPEX Item	2024	2025	2026	2027	2028	2029	2030	2031
Connaught Setup Fees	-	-	\$37,500	-	-	-	-	-
<b>Sub-Total</b>	-	-	<b>\$37,500</b>	-	-	-	-	-
Property O&M								
Repair & Maintenance	-	-	\$47,140	\$48,990	\$50,945	\$53,052	\$55,327	\$57,450
Utilities	-	-	\$9,428	\$9,798	\$10,189	\$10,610	\$11,065	\$11,490
Insurance	-	-	\$7,071	\$7,349	\$7,642	\$7,958	\$8,299	\$8,618
Property Taxes	-	-	\$12,595	\$12,973	\$13,362	\$14,442	\$14,875	\$15,322
Replacement Reserve	-	-	\$28,284	\$29,394	\$30,567	\$31,831	\$33,196	\$34,470
<b>Sub-Total</b>	-	-	<b>\$105,140</b>	<b>\$109,144</b>	<b>\$113,364</b>	<b>\$117,893</b>	<b>\$122,763</b>	<b>\$127,350</b>
Administrative Expenses								
Business License	-	-	\$180	\$186	\$191	\$197	\$203	\$209
Management Fee (JMHC Contracted Admin Services)	-	-	\$47,140	\$48,990	\$50,945	\$53,052	\$55,327	\$57,450
<b>Sub-Total</b>	-	-	<b>\$47,320</b>	<b>\$49,176</b>	<b>\$51,136</b>	<b>\$53,249</b>	<b>\$55,530</b>	<b>\$57,659</b>
<b>Total OPEX</b>	-	-	<b>\$189,961</b>	<b>\$158,319</b>	<b>\$164,500</b>	<b>\$171,141</b>	<b>\$178,293</b>	<b>\$185,009</b>

The following table is the integrated cashflow of Connaught Project Co in the next seven (7) years including Capitalization, Revenue, Capital Expenditures, and Operating Expenditures.

*Table 14: Forecasted Integrated Cashflow of Connaught Project Corp.*

Cashflow Item	2024	2025	2026	2027	2028	2029	2030	
Capitalization	\$15,465,934	\$8,111,066	-	-	-	-	-	-
Revenue	-	-	\$471,404	\$489,900	\$509,450	\$530,515	\$553,270	\$574,504
<b>Sub-Total</b>	<b>\$15,465,934</b>	<b>\$8,111,066</b>	<b>\$471,404</b>	<b>\$489,900</b>	<b>\$509,450</b>	<b>\$530,515</b>	<b>\$553,270</b>	<b>\$574,504</b>
Construction	(\$15,465,934)	(\$8,111,066)	-	-	-	-	-	-
OPEX & Maintenance	-	-	(\$189,961)	(\$158,319)	(\$164,500)	(\$171,141)	(\$178,293)	(\$185,009)
<b>Sub-Total</b>	<b>(\$15,465,934)</b>	<b>(\$8,111,066)</b>	<b>(\$189,961)</b>	<b>(\$158,319)</b>	<b>(\$164,500)</b>	<b>(\$171,141)</b>	<b>(\$178,293)</b>	<b>(\$185,009)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>\$281,443</b>	<b>\$331,581</b>	<b>\$344,950</b>	<b>\$359,374</b>	<b>\$374,977</b>	<b>\$389,495</b>

As shown above, the Connaught Project Corp. is cashflow and cash positive in all years of operation shown above, and the project cashflows are also all positive throughout the 42-year lease with Parks Canada.

### 7.2.2 Return & Appreciation

The two tables below indicate the share price and share count at the time of purchase, and the appreciated share price in the next eight (8) years per each share type. As previously stated, all Class A and B shares will be owned by the JMHC, and all Class D and E shares will be owned by private shareholders. The private shareholder price is discounted compared to the JMHC to minimize any barriers to entry, thus ensuring additional housing stock is available to the shareholders and the workforce in Jasper.

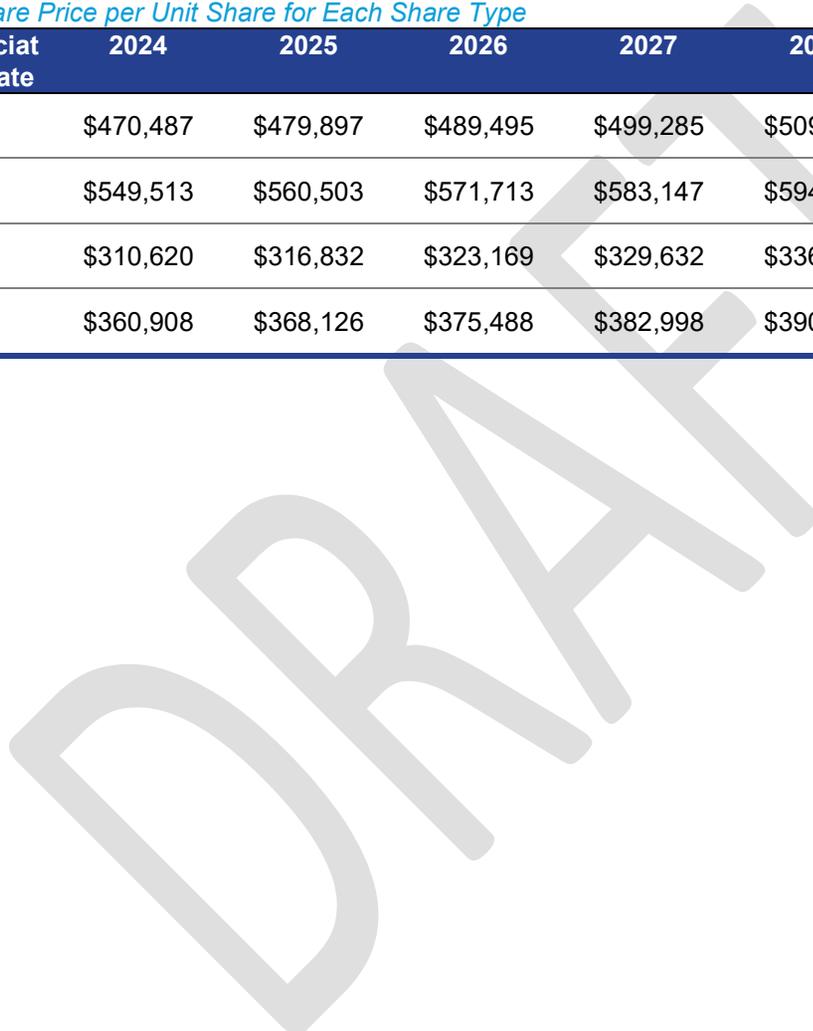
*Table 15: Unit Share Price, Share Count, and Total Share Value at the Time of Purchase for Each Share Type.*

Share Type	Unit Share Value	Share Count	Total Cumulative Share Value at End of Year 2023
Class A (Voting) Share	\$461,262	5	\$2,306,310
Class B (Voting) Share	\$538,738	5	\$2,693,690
Class D (Non-Voting) Share	\$304,529	15	\$4,567,935
Class E (Non-Voting) Share	\$353,831	15	\$5,307,465

The share appreciation is set to 2% annually to ensure that they remain affordable throughout the lifetime of the development. This is beneficial to the private shareholders to offset the revenues that would otherwise be recognized through operational revenues.

*Table 16: Appreciated Share Price per Unit Share for Each Share Type*

Share Type	Appreciation Rate	2024	2025	2026	2027	2028	2029	2030	2031
Class A (Voting) Share	2%	\$470,487	\$479,897	\$489,495	\$499,285	\$509,271	\$519,456	\$529,846	\$540,443
Class B (Voting) Share	2%	\$549,513	\$560,503	\$571,713	\$583,147	\$594,810	\$606,706	\$618,840	\$631,217
Class D (Non-Voting) Share	2%	\$310,620	\$316,832	\$323,169	\$329,632	\$336,225	\$342,949	\$349,808	\$356,804
Class E (Non-Voting) Share	2%	\$360,908	\$368,126	\$375,488	\$382,998	\$390,658	\$398,471	\$406,441	\$414,569



## 8.0 Financial Summary

This financial summary consolidates all financial requirements and commitments of the JMHC from conception, through to establishment and operations and any other finances for seven years. The JMHC is cash positive throughout all years and is cashflow positive in 2031 and onward.

### 8.1 MoJ Assets to be Transferred to MCC (JMHC)

#### 8.1.1 CAPEX & Assessed Value

The MoJ currently owns three (3) assets that will be transferred to the JMHC.

*Table 17: MoJ Assets to be Transferred to the JMHC (2022)*

Ref.	Property	Acquisition Date	Remaining Life Years*
1	Residence - 1251 Cabin Creek Drive	July 15, 1981	9
2	Residence (Duplex) - 895 Bonhomme Road	July 15, 2009	37
3	Cottage Medical Clinic - 300 Miette Ave	July 15, 2009	35

\*The 'Remaining Life Years' above refers to depreciation of the asset and not the asset condition.

Due to Jasper being located in Jasper National Park, the municipality does not own the land each asset is located on but rather holds a long-term lease with Parks Canada for each building. The JMHC will be outsourcing the operational elements required to the JMHC and therefore will not need to purchase any office space, furniture, fixings and equipment.

*Table 18: JMHC Asset Accounting Figures (2022)*

Ref.	Acquisition Cost	Net Book Value	2022 Assessed Value
1	\$119,374	\$22,681	\$831,200
2	\$620,025	\$465,018	\$1,298,400
3	\$868,775	\$616,830	\$1,623,600
<b>Total</b>	<b>\$1,608,174</b>	<b>\$1,104,530</b>	<b>\$3,753,200</b>

The following table summarizes operational expenditures for the three (3) properties above, excluding staffing and supporting services.

*Table 19: JMHC Asset Annual Expenditures (2022)*

Expense Item	1251 Cabin Creek	895 Bonhomme Rd (A&B)	Cottage Medical Clinic
Contracted & General Services	\$5,733	\$1,570	\$5,442
Insurance Costs	\$828	\$1,884	\$1,842
Taxes	\$4,332	\$6,579	\$25,811
Materials, Goods & Supplies	\$1,052	\$3,359	\$121
Transfer to Restricted Funds	\$10,912	\$41,195	\$26,879
Reallocation of Mtn Costs	\$4,141	4,016	\$7,569
<b>Total</b>	<b>\$26,998</b>	<b>\$58,603</b>	<b>\$67,664</b>

#### 8.1.2 Asset Revenues

The following table summarizes revenues for the three (3) properties above, excluding staffing and supporting services. The municipality of Jasper will subsidize any cost associated with the assets to be transferred to the JMHC, resulting in a net zero annual cost associated with these 3 properties. There will

only be a net cost to the JMHC associated with these properties should the JMHC leverage them for equity in a future development.

*Table 20: JMHC Asset Annual Revenues (2022)*

Revenue Item	1251 Cabin Creek	895 Bonhomme Rd (A&B)	Cottage Medical Clinic
Rental Income	\$15,548	\$30,333	\$39,551
MoJ Subsidy	\$11,450	\$28,270	\$28,113
<b>Total</b>	<b>\$26,998</b>	<b>\$58,603</b>	<b>\$67,664</b>

### 8.1.3 Leveraging Equity Opportunity

The JMHC will have the opportunity to leverages the vend-in assets to raise capital for the Connaught Development. The following table defines the equity opportunity for each of the JMHC's future assets based on assessed value as market value was unavailable. As market value has historically been much greater than assessed value, it is assumed that the equity opportunity is underrepresented.

*Table 21: JMHC Leveraging Asset Equity Draw Opportunity*

Ref.	Property	2022 Assessed Value	Equity Opportunity <sup>15</sup>
1	1251 Cabin Creek Drive	\$831,200	\$664,960
2	Duplex 895 Bonhomme Road	\$1,298,400	\$1,038,720
3	Cottage Medical Clinic	\$1,623,600	\$1,298,880
	<b>Total</b>	<b>\$3,753,200</b>	<b>\$3,002,560</b>

<sup>15</sup> Bank of Canada, *Home Equity Extraction and Household Spending in Canada*, Accessed At: <https://www.bankofcanada.ca/2019/09/staff-analytical-note-2019-27/>

## 8.2 Connaught Development Financials

In discussion with the Municipality and legal counsel, it was determined 100% of net revenue from Connaught Development will go to the JMHC for future housing developments in Jasper. As a result, any additional costs to the Connaught Project Corp. will be the sole responsibility of the JMHC (e.g., Connaught development recapitalization costs not covered by the Capital Reserve). This is a significant benefit to the private shareholders as they are assured financial stability throughout the lifetime of the development as they will not be contributing to any unforeseen recapitalization costs, outside of the capital reserve included in the operational expenditures.

As previously stated, the MoJ has already invested \$5.5M for site servicing. The Municipality of Jasper has also earmarked \$5M, in the form of a debenture, for the Connaught development. Once the JMHC has been established, the MoJ will transfer this debenture to the JMHC who will then be responsible for repayment. This assures that the residents of Jasper who are not involved with the development will not be impacted by the financial commitments of the development. The debenture is projected to be issued at a 5.4% interest rate compounded semi-annually. It is assumed the return on investment from Parks Canada for the Compliance deposit will be at 3% annually.

*Table 22: Forecasted Net Revenue and Expenses of Connaught Development to JMHC*

Item	2024	2025	2026	2027	2028	2029	2030	2031
Connaught's Net Revenue (100% into JMHC)	-	\$330,000	\$281,443	\$331,581	\$344,949	\$359,374	\$374,977	\$389,495
Compliance Deposit Refund	-	\$1,026,791	-	-	-	-	-	-
<b>Sub-Total</b>	-	<b>\$1,356,791</b>	<b>\$281,443</b>	<b>\$331,581</b>	<b>\$344,949</b>	<b>\$359,374</b>	<b>\$374,977</b>	<b>\$389,495</b>
Repayment – Interest on Debenture	-	-	(\$283,182)	(\$277,522)	(\$272,306)	(\$265,267)	(\$258,625)	(\$251,620)
Repayment – Principal on Debenture	-	-	(\$103,412)	(\$109,072)	(\$114,822)	(\$121,343)	(\$127,985)	(\$134,989)
Repayment – Line of Credit for Compliance Deposit	-	(\$1,075,199)	-	-	-	-	-	-
<b>Sub-Total</b>	-	<b>(\$1,075,199)</b>	<b>(\$386,595)</b>	<b>(\$386,594)</b>	<b>(\$387,128)</b>	<b>(\$386,610)</b>	<b>(\$386,610)</b>	<b>(\$386,609)</b>
<b>Total</b>	-	<b>\$281,592</b>	<b>(\$105,152)</b>	<b>(\$55,013)</b>	<b>(\$42,179)</b>	<b>(\$27,236)</b>	<b>(\$11,633)</b>	<b>\$2,886</b>

## 8.3 MCC (JMHC) Cost Summary

Shown below is the integrated cashflow of JMHC for the next eight (8) years entailing all activities in both existing and new assets. It is worth noting that the fully refunded compliance deposit, a requirement of Parks Canada which accrues interest over the construction period, leads to a

positive cashflow in late 2025 when construction is completed. The interested accrued on the debenture transferred from the MoJ to JMHC is assumed to be recapitalized in 2026 during operations (i.e., deferred to 2026).

*Table 23: Cash Inflows and Outflows of JMHC including both Existing and New assets.*

Item	2024	2025	2026	2027	2028	2029	2030	2031
Net Revenue of Connaught (100% into JMHC)	-	\$330,000	\$281,443	\$331,581	\$344,949	\$359,374	\$374,977	\$389,495
Revenue of Existing Assets	\$90,635	\$93,354	\$96,154	\$99,039	\$102,010	\$105,071	\$108,223	\$111,469
MoJ Subsidy	\$81,028	\$83,458	\$85,962	\$88,541	\$91,197	\$93,933	\$96,751	\$99,863
Compliance Deposit Refund	-	\$1,026,791	-	-	-	-	-	-
<b>Sub-Total</b>	<b>\$171,663</b>	<b>\$1,533,603</b>	<b>\$463,559</b>	<b>\$519,161</b>	<b>\$538,157</b>	<b>\$558,378</b>	<b>\$579,951</b>	<b>\$600,827</b>
OPEX of Three Transferred Assets	(\$171,663)	(\$176,812)	(\$219,797)	(\$187,766)	(\$193,399)	(\$199,201)	(\$205,177)	(\$211,332)
Repayment – Interest (Debenture)	-	-	(\$283,182)	(\$277,522)	(\$272,306)	(\$265,267)	(\$258,625)	(\$251,620)
Repayment – Principal (Debenture)	-	-	(\$103,412)	(\$109,072)	(\$114,822)	(\$121,343)	(\$127,985)	(\$134,989)
Repayment – Line of Credit (Compliance Deposit)	-	(\$1,075,199)	-	-	-	-	-	-
<b>Sub-Total</b>	<b>(\$171,663)</b>	<b>(\$1,252,011)</b>	<b>(\$606,392)</b>	<b>(\$574,360)</b>	<b>(\$580,527)</b>	<b>(\$585,811)</b>	<b>(\$591,786)</b>	<b>(\$597,941)</b>
<b>Annual Cashflow Total</b>	<b>-</b>	<b>\$281,592</b>	<b>(\$142,833)</b>	<b>(\$55,199)</b>	<b>(\$42,370)</b>	<b>(\$27,433)</b>	<b>(\$11,835)</b>	<b>\$2,886</b>
<b>Cash Balance</b>	<b>-</b>	<b>\$281,592</b>	<b>\$138,760</b>	<b>\$83,561</b>	<b>\$41,191</b>	<b>\$13,758</b>	<b>\$1,922</b>	<b>\$4,809</b>

The JMHC is committed to affordability and mitigating barriers to entry for affordable housing. As a result, the private shareholders are paying significantly less for their shares to ensure the private sector is able to afford living for either themselves or their staff. The JMHC requires \$330,000 to remain cash-positive throughout construction and the first five (5) years of operations before becoming cashflow positive in year 2031. It is assumed that this \$330,000 will come from the private shareholder share price increase of \$11,000 per share which is reflected throughout this report. This is to be discussed with the JMHC Board to determine how they would like to handle the cash accounts.

## 8.4 Financial Viability & Risk

It is clear from the above that the JMHC will be completely financially independent of its shareholders throughout operations following capitalization of the Connaught Project Corp.

As with any business and capital projects, there are several financial risks associated with the various assets and required operational elements. As appropriate, risk management strategies will be developed within the USA for the Board of Directors, the table below defines several risks in the near term.

*Table 24: Cash inflows and outflows of JMHC including both existing and new assets.*

Ref	Risk	Risk Description	Risk Strategy
1.	Construction Risk	Class C cost estimate: Construction cost overruns in material, labor, transportation, and etc in stages such as planning, design, construction, and project management.	A 15% contingency was applied to all costs associated with the construction of the Connaught development.
2.	Operations Risk	Operating cost overruns	The operational elements required for the JMHC are minimal and far below the revenues to be received from Connaught Project Corp.
3.	Financing Risk	Interest Rate: lending rate has been hiked by the Central Bank since July 2022 and is now maintaining at a high level around 4.75%.	Fixed rate lending terms.
4.	Financing Risk	Private Share Purchase: both the number of shares and the price of shares to purchase are subjected to change.	The MoJ engaged the private sector and there is a significant interest in purchasing shares for the Connaught Project Corp.
5.	Offtake Risk	Rental Unit demand	The leases with the private shareholders ensures continuous revenue for the Connaught Project Corp.
6.	Rental Rate Risk	Rental rate consistency.	10-year average annual rate of change was assumed in order to reduce the effects of rate spike in some years. Contracted services will ensure most recent rental rate data is used.

## 9.0 Action Plan

Once the Business Plan is presented to Council and the statutory public hearing is complete, the following steps must be taken by the Municipality to establish both the Jasper Municipal Housing Corporation and the Connaught Project Corporation.

*Table 25: JMHC and Connaught Project Corp. Implementation Plan*

Ref	Task	Target Date
1	<p>Present the “Jasper – Municipally Controlled Corporation (MCC) Business Plan” Business Plan to Municipal Council.</p> <p>Council may consider a motion to direct administration to establish a Statutory Public Hearing in accordance with the Section MGA s.75.1(3) and MCCR s.3. Notice to the public shall be given in accordance with Sections 230 and 606 of the MGA.</p> <p><u>The information to be presented to the public must be made available to the public no less the 30 days prior to the date of the Statutory Public Hearing</u></p>	June 2023
2	<p>Host the Statutory Public Hearing.</p> <p>The Public Hearing is intended to increase public engagement and transparency prior to municipalities forming a business under the Business Corporations Act. The Public Hearing will provide the public with the opportunity to speak to the proposed JMHC.</p> <p>Note that the proposed arrangement between JMHC (as the MCC) and the Connaught Project Corp. is to be disclosed to the public, in this hearing, as this would be a material fact that should not be kept.</p>	July 2023
3	<p>Subject to the outcome of the Public Hearing, Council may pass a motion establishing the JMHC in accordance with MGA. It is recommended that Council not pass the motion immediately after to provide the opportunity to deliberate on public input. Note, however, this is not a legal obligation but rather, just a recommendation.</p>	July-August 2023
<p><b>Tasks below are dependent on Council passing a motion to establish the Jasper Municipal Housing Corporation (JMHC).</b></p>		
4	<p>The Municipality must notify the Minister of Municipal Affairs within 60 days of Council in accordance with MCCR s.2</p>	September 2023
5	<p>The Municipality may initiate a process to obtain expressions of interest from individuals interested being on the Board of Director’s for the JMHC.</p>	August 2023
6	<p>The Municipality may establish its documents to incorporate the JMHC under the Business Corporations Act and register the new corporation.</p>	August 2023
7	<p>Transfer the assets that were formerly held by the MoJ to the JMHC. Deliberation must be provided to the amount of consideration is to be paid by JMHC to the MoJ, likely with accounting adviser’s input.</p>	TBD
8	<p>The JMHC will take the following steps to incorporate the Connaught Project Corp.:</p> <ul style="list-style-type: none"> <li>• Incorporate the Connaught Project Corp. (note that an appropriate corporate name must be selected)</li> <li>• Sign the necessary organizational documents for the creation of the Connaught Project Corp.</li> <li>• Populate the Board of Directors of the Connaught Project Corp.</li> <li>• Enter into a USA for the Connaught Project Corp.</li> </ul>	TBD

	<ul style="list-style-type: none"> <li>Enter into such share subscription issuances with the individual Class D and E Shareholders of the Connaught Project Corp. This will include: <ul style="list-style-type: none"> <li>Accept payment of the subscription price;</li> <li>Require the Class D and Class E Shareholders to enter into the USA; and</li> <li>Require the Class D and Class E Shareholders to enter into residential leases with the Connaught Project Corp. for their occupancy.</li> </ul> </li> </ul>	
9	Transfer any agreements respecting the construction and/or ownership of the housing project to the Connaught Project Corp.	TBD
10	Municipality shall either: <ul style="list-style-type: none"> <li>fund all construction activities from both the grant funds that it has received from the Government of Alberta and the debenture that it has entered into; or</li> <li>the municipality shall transfer the debenture funds and the grant funds to the Connaught Project Corp. such that the Connaught Project Co will finance its own construction.</li> </ul>	TBD
11	The appropriate party, whether that is the Connaught Project Corp. or the Municipality will have to enter into the appropriate construction agreements respecting the planning, design and construction of the facility	TBD
12	The Connaught Project Corp. will need to enter into the appropriate form of Lease with Parks Canada, in order to facilitate this transaction. This should be embarked upon immediately after the creation of the JMHC and the Connaught Project Corp. and should be done prior to the acceptance of any money from prospective occupants and before construction agreements are entered into.	TBD
13	The JMHC should host an Annual General Meeting in accordance with it's bylaws.	TBD
14	Both the JMHC and the Connaught Project Corp. will need to establish a bank account with a financial institution and establish signing authorities.	TBD
15	Both the JMHC and Connaught Project Corp. will need to establish business numbers and accounts with the Canada Revenue Agency (CRA). Both should also register for GST and obtain GST accounts.	TBD
16	Obtain appropriate insurance policies for the facilities (both the pre-existing facilities and the newly constructed facilities).	TBD
17	Enter into a management agreement between the MoJ and the JMHC such that the JCHC will manage those assets that were transferred by the MoJ to the JMHC.	TBD
18	Enter into a management agreement between the Connaught Project Corp. and the JMHC such that the JMHC will manage the new facility.	TBD
19	Commence operations.	January 2026

## Appendix 1 PROPOSED DEVELOPMENT SITE<sup>16</sup>



<sup>16</sup> Shelby Engineering, *Phase I Environmental Site Assessment & Environmental Sampling Parcel GC, Plan 0223524 Jasper, Alberta* [June 2020].

## Appendix 2 MARKET SOUNDING REPORT

Colliers, on behalf of the Municipality, undertook a market sounding process aimed at further understanding housing needs in Jasper, and proposing the idea of the JMHC as a facilitator to increase the accessible housing stock within the community. Further, the market sounding served to gauge interest in local business investment into a JMHC led development specifically at Connaught Drive, but also generally as a shareholder in future development under a similar financial structure.

Several local businesses were contacted as part of this process and the Project Team were able to meet with nearly 10 of the businesses to gauge their interest in this proposed Connaught Project Corp. Questions were posed to the interviewees regarding the following items:

- The businesses current housing situation (i.e., where their employees reside);
- Housing demand of the business;
- Willingness to pay for housing and estimated level of investment; and
- Willingness to invest in prospective future developments in Jasper.

The following table lists the stakeholders that were consulted as part of this process.

*Table A3.1: Market Sounding – Local Businesses Consulted*

Ref	Organization
1	Mountain Air
2	RMSI-JTAC Equipment Holdings Ltd.
3	Athabasca Hotel
4	Jasper Brewpub
5	Pursuit
6	RCMP
7	CN
8	Bear Hill Lodge
9	Hub Insurance

There were prevalent themes identified throughout the discussions which includes:

- Lack of access to housing that is adequate for their staffing needs;
  - Staffing needs include number of bedrooms, adequacy of units, privacy, etc.;
- Barriers to entry including capital costs associated with homes in Jasper;
  - The housing market is very limited and units that do come into the market (single homes, town/row houses, duplexes, etc.) are too expensive for some businesses;
- Affordable housing supply;
  - Several businesses provide subsidized housing or inflated wages for their employees to be able to afford living in Jasper.

All of these factors are detractors for the municipality and has forced business owners and others to find housing in surrounding municipalities. Every business was open to investing in a potential housing development in Jasper, namely the Connaught development. It is safe to conclude that there is demand for housing in Jasper.

## Appendix 3 UNANIMOUS SHAREHOLDER AGREEMENT (“USA”)

DRAFT

**UNANIMOUS SHAREHOLDER AGREEMENT**  
(the "USA")

**THIS AGREEMENT** made effective the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**BETWEEN:**

**MUNICIPALITY OF JASPER**

a municipal corporation incorporated pursuant to the laws of the Province of Alberta  
(hereinafter collectively referred to as the "**MOJ**")

**OF THE FIRST PART**

**AND:**

**JASPER MUNICIPAL HOUSING CORPORATION**

a body corporate duly incorporated pursuant to the laws of the Province of Alberta,  
(hereinafter referred to as the "**Corporation**")

**OF THE SECOND PART**

**WHEREAS:**

- A.** The parties wish to enter into this Agreement for the purpose of defining and qualifying their respective rights and obligations to each other and the terms and conditions under which they will carry on their activities under the corporate structure of the Corporation;
- B.** MOJ has created the Corporation for the purposes of: 1. Managing the JCHC Assets; and 2. Causing the development of the Project via the Corporation's control of the Connaught Project Corp.;
- C.** Due to the dual nature of the project, the MOJ did not want to intermingle the JCHC Assets with the Connaught Facility so it decided to compartmentalize them as follows:
- (a)** The Connaught Project Corp. will own the Connaught Facility and enter into Leases with the Occupants of the Connaught Facility;
  - (b)** The Corporation will manage the JCHC Assets;
- D.** The MGA requires all municipalities who acquire shares in a corporation incorporated pursuant to the Act to enter into a unanimous shareholder agreement which addresses those matters as set forth both in the MGA and in the Regulation, namely that the USA must address the following matters:
- (c)** The matters referred to in section 146(1) of the Act;
  - (d)** The Corporation's service delivery standards and decision-making structure;
  - (e)** A dispute resolution process in the event of a dispute between shareholders; and
  - (f)** The method by which the shareholders must provide direction to the corporation with respect to what action, if any, the controlled corporation is to take regarding a proposed Material Change in response to one or more report received under Section 7(5) of the Regulation.
- E.** The parties wish to enter into this Agreement for the purpose of defining and qualifying their respective rights and obligations to each other and the terms and conditions under which they will carry on their activities under the corporate structure of the Corporation;
- F.** The parties intend that this Agreement shall operate and be construed as a Unanimous Shareholder Agreement under the Act.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of these premises and of the mutual covenants, agreements and conditions herein contained the parties hereby agree and declare as follows:

## **ARTICLE 1 - DEFINITIONS AND INTERPRETATION**

### **1.01            Definitions**

For the purposes of this Agreement and the Schedules hereto or any certificate, opinion or other document agreement, undertaking or assurance delivered in accordance with or in furtherance of the purposes and intent of this Agreement, unless there is something in the context inconsistent therewith, the following words and phrases will have the following meanings:

- (a)        "**Act**" means the *Business Corporations Act*, R.S.A. 2000, and all regulations thereunder as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the Act shall be read as referring to such amended or substituted provisions;
- (b)        "**Agreement**" means this Agreement as may be amended from time to time in accordance with the terms hereof, and the expressions "**herein**", "**hereof**", "**hereto**", "**above**", "**below**" and similar expressions if used in any sub-paragraph, paragraph, sub-section, Section or Article of this Agreement refer and relate back to the whole of this Agreement and not to that sub-paragraph, paragraph, sub-section, Section or Article only, unless otherwise expressly provided;
- (c)        "**Appoint**" includes "**elect**" and vice versa;
- (d)        "**Articles**" means the Articles of Incorporation of the Corporation filed on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_ as from time to time amended or restated;
- (e)        "**Board**" means the Board of Directors of the Corporation;
- (f)        "**Business**" means the investment of capital into the Connaught Project Corp. and the ownership of shares and control thereof of the Connaught Project Corp., in which the Corporation shall cause the Connaught Project Co to operate the Project to be operational and all activities necessarily related thereto;
- (g)        "**Business Day**" means every day except Saturday, Sunday and a statutory holiday effective in the Province of Alberta;
- (h)        "**Bylaws**" means any Bylaws of the Corporation as may be amended from time to time and in force and effect;
- (i)        "**Connaught Facility**" means that building to be owned by the Corporation on the Lands, in which the Housing Units are located within;
- (j)        "**Connaught Project Corp.**" means \_\_\_\_\_ in which the Corporation is to subscribe for \_\_\_ Class "A" Common, Voting shares and \_\_\_ Class "B" Common, Voting shares thereof;
- (k)        "**Director(s)**" means the person(s) who is/are from time to time, in accordance with the terms of this Agreement, duly elected director(s) of the Corporation;
- (l)        "**Financial Statements**" means those statements of the financial operation of the Corporation, including monthly statements of the Corporation's revenues and expenses, as they are kept by the Corporation, and which comply with generally accepted accounting principles;

- (m) **"Housing Unit"** means a self-contained housing unit within the Connaught Facility, that is subject to a Lease;
- (n) **"JCHC"** means the Jasper Community Housing Company;
- (o) **"JCHC Assets"** means those assets owned by the MOJ but were formerly managed for the MOJ by the JCHC;
- (p) **"Lands"** means those lands legally described as:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- (q) **"Lease"** means such form of lease that the Connaught Project Corp. chooses for an Occupant to reside in a housing unit in the Project;
- (r) **"Material Change"** has that meaning as ascribed thereto in the Regulation;
- (s) **"MGA"** means the *Municipal Government Act*, RSA 2000, c.M-26 and all regulations thereunder as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the MGA shall be read as referring to such amended or substituted provisions;
- (t) **"Occupants"** mean those people who reside within one of the housing units of the Connaught Facility pursuant to a Lease, with the precondition that:
- (i) each Occupant has been approved of by the Connaught Project Corp. as an eligible occupant;
- (ii) that each Occupant qualifies as an "eligible resident" within the meaning of the *National Parks of Canada Lease and Licence of Occupation Regulation*, as either that regulation may be amended or replaced from time to time or the reference to "eligible resident" in this regulation may be amended or replaced from time to time
- and further that said Occupant is additionally either:
- (iii) a non-voting shareholder of the Connaught Project Corp.;
- (iv) an employee of a non-voting shareholder of the Connaught Project Corp.;
- (v) a nominee of a non-voting shareholder of the Connaught Project Corp.;
- (vi) a person selected by the MOJ directly;
- (u) **"Officer(s)"** means any officer(s) of the Corporation;
- (v) **"Ordinary Resolution"** has the meaning as set forth in the Act;
- (w) **"Parties"** means the initial parties to this Agreement and includes any person who may hereafter execute a counterpart of this Agreement upon becoming a shareholder and **"Party"** means any one of them;

- (x) **"Project"** means that housing project that will be owned by the Connaught Project Corp. for the purpose of increasing the supply of housing within the community of Jasper in which the Corporation shall cause the Connaught Project Corp. to enter into Leases with Occupants;
- (y) **"Regulation"** means the *Municipally Controlled Corporations Regulation*, A.R. 112/2018;
- (z) **"Share(s)"** means at all relevant times an issued Share or issued Shares, as the case may be, of the Corporation;
- (aa) **"Special Resolution"** has the meaning as set forth in the Act;

## **1.02 Derivative Meanings**

All derivatives of any of the definitions set forth in Section 1.01 hereof shall have the meanings appropriate to the derivation of such definition.

## **1.03 Words that Reference Defined Terms in Legislation**

Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them respectively in the Act or in the MGA.

## **1.04 Effect of Unanimous Shareholder Agreement**

This Agreement shall operate and be construed as a Unanimous Shareholder Agreement under the Act provided that if for whatever reason this Agreement is determined not to be a Unanimous Shareholder Agreement under the Act, the terms and provisions hereof shall be binding upon the Parties. Should a conflict exist between this Agreement and the Corporation's Articles or Bylaws, this Agreement shall govern and, if necessary, each shareholder shall vote its Shares so that the Corporation's Articles or Bylaws are amended to be consistent with this Agreement.

## **ARTICLE 2 - GOVERNANCE OF THE CORPORATION**

### **2.01 Appointment of Directors**

The Board shall consist of an odd number of Directors, of up to seven (7) Directors at the discretion of the MOJ, all of which are appointed by the MOJ, from time to time. The MOJ has the sole and unfettered right to elect, appoint or remove any Director, from time to time.

### **2.02 Vacancies on Board of Directors**

The vacancies on the Board shall be filled as stated in Section 3.01 and in so doing the MOJ shall act in accordance with the provisions of Section 2.02.

### **2.03 Board Positions**

- (a) The Parties confirm that there shall be a Chairperson of the Board and a Vice-Chairperson of the Board, which shall be appointed in accordance with the Bylaws.
- (b) Only Directors shall be eligible to be either the Chairperson of the Board or the Vice-Chairperson of the Board.
- (c) All subsequent appointments of the Board position of Chairperson of the Board or Vice-Chairperson of the Board shall be done in accordance with the Bylaws.

**2.04 Directors Voting/Quorum**

Except as otherwise required by law or by this Agreement, questions arising at any meeting of the Directors shall be decided by a majority of votes. Each Director shall have and exercise one vote only. A quorum of Directors shall be a majority of the Directors.

**2.05 Casting Vote**

In the case of an equality of votes at a meeting of the Board or of the Shareholder(s), no person shall have a second or casting vote in addition to his/her original vote.

**2.06 Vacancies**

The vacancies on the Board shall be filled by Ordinary Resolution.

**2.07 Officers**

The Parties confirm that as the initial Officers, but subject always to the appointment powers of the Board as contemplated within the Bylaws or amendments to the positions of any of the Officers, shall be a Chief Administrative Officer plus any other officer the Board creates. [BROWNLEE NOTE: Confirm if this position creation is correct]

**2.08 Removal**

No Director or Officer may be removed from such position except in accordance with the terms of this Agreement or as stated in the Bylaws. If there is a discrepancy between this Agreement and the Bylaws pertaining to the removal of Directors or Officers, this Agreement shall govern.

**2.09 Financial Reporting to the MOJ**

The Corporation shall keep the Financial Statements and will provide them to the MOJ, as required by the MGA.

**ARTICLE 3 - CORPORATION OPERATIONAL MATTERS****3.01 Conduct**

Unless otherwise authorized by a Special Resolution, the Board shall not authorize the Corporation to:

**(a) Operational Matters:**

- (i) sell, lease or exchange all or substantially all of the property of the Corporation other than in the ordinary course of business. For clarity, Connaught Project Corp. entering into individual Leases with Occupants is part of the ordinary course of business for the Corporation and will not require a Special Resolution from the Corporation to permit Connaught Project Corp. to do the same;
- (ii) be continued as a body corporate under the laws of another jurisdiction;
- (iii) carry on any business or activity other than the Business;

**(b) Corporate Matters:**

- (i) amalgamate or merge with any other corporation;
- (ii) issuance of Shares of any class, the transfer of Shares of any class, increase or decrease the authorized or issued capital of the Corporation, or alteration of the Corporation's Share structure and/or Articles in any way;

- (iii) issue stock options;
  - (iv) redeem or purchase any of its own Shares otherwise than allowed by the terms of this Agreement;
  - (v) reorganize;
  - (vi) purchase shares or securities in any other corporation, firm or entity;
- (c) **Financial Matters:**
- (i) give financial assistance to any person;
  - (ii) make a general assignment for the benefit of creditors;
  - (iii) make a voluntary assignment to a trustee in bankruptcy;
  - (iv) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;
  - (v) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation;
- (d) **Governance Matters:**
- (i) take or institute any proceedings for the winding up, reorganization or dissolution of the Corporation;
  - (ii) register to carry on business in other jurisdictions;
  - (iii) enter into any partnerships or joint ventures.

### 3.02 **Material Change**

- (a) Notwithstanding anything contained herein to the contrary, if a Material Change to the Corporation is proposed, the Corporation shall not and the Board shall not cause the Corporation to implement this Material Change without compliance with both Section 75.3 of the MGA and Section 7 of the Regulation first, which shall include:
- (i) For clarity, a Material Change as per Section 7(1) of the Regulation means:
    - (A) a change in the type of services offered by the Corporation;
    - (B) the purchase, sale, transfer or issuance of any Shares in the Corporation that would result in a change to the controlling interest of the MOJ;
    - (C) a change in the geographic locations where the controlled corporation offers services, if that change was not contemplated in the business plan under section 75.1(3)(a) of the MGA; or
    - (D) a change in the business, financing, operations or affairs of the Corporation that would be considered important by a reasonable person taking into account the circumstances of the Corporation in its entirety.

- (ii) The MOJ notifying the residents of the MOJ of the proposed Material Change to the Corporation, which includes notifying them of the following:
    - (A) The new services the Corporation intends to provide in the proposed Material Change;
    - (B) The names of any new shareholder of the Corporation;
    - (C) The geographic location in and outside Alberta in which the Corporation intends to provide services;
    - (D) The market impact analysis, if any;
  - (iii) This information must be made available to residents not less than 30 days prior to this engagement process or as otherwise stated in the MGA;
  - (iv) The MOJ's residents being provided the opportunity to make representations to the MOJ's council concerning the proposed Material Changes.
- (b) The MOJ shall provide a report to the Corporation summarizing the representations made during this engagement process of the proposed Material Change.
  - (c) After the MOJ's receipt of public input, the MOJ shall provide direction to the Corporation of any direction regarding the proposed Material Change
  - (d) Only after there has been compliance with Section 75.3 of the MGA, shall the Corporation be entitled to implement any proposed Material Change.

#### **ARTICLE 4 - SHARES**

##### **4.01 Restriction on Issuance of New Shares**

The Parties agree that no additional Shares in the Corporation shall be allotted without a Special Resolution.

#### **ARTICLE 5 - COMPLIANCE WITH MGA AND REGULATION**

##### **5.01 Compliance with MGA**

The Corporation and the MOJ agree and acknowledge that the Corporation is a "controlled corporation" within the meaning of the MGA and the Regulation and accordingly this Agreement must address the following matters:

- (a) Addressing Section 146(1) of the Act – Section 3.01 of this Agreement addresses this obligation;
- (b) Corporation's Service Delivery Standards and Decision-Making Structure – The Corporation's service delivery standard shall be determined by the Board;
- (c) Dispute Resolution Process Between Shareholders – As there is only one shareholder of the Corporation, there is no need to include a dispute resolution process;
- (d) Material Change to the Corporation – Prior to any Material Change to the Corporation being implement, the procedure in Section 3.02 of this USA shall be first followed.

**ARTICLE 6 - GENERAL PROVISIONS****6.01            Further Assurances**

The Parties and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

**6.02            Singular, Plural and Gender**

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one Party.

**6.03            Notices**

(a) Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing.

(b) Any Notice required or permitted hereunder shall be sent to the intended recipient at its address as follows:

(i) to the MOJ:

**MUNICIPALITY OF JASPER**

PO Box 520

Jasper, AB T0E 1E0

Fax: (780) \_\_\_\_\_

Email: \_\_\_\_\_

(ii) to the Corporation:

**JASPER MUNICIPAL HOUSING CORPORATION**

303 Pyramid Lake Road,

Jasper AB, T0E 1E0

Fax: (780) \_\_\_\_\_

Email: \_\_\_\_\_

or to such other address as each Party may from time to time direct in writing.

(c) Notice shall be served by one of the following means:

(i) by delivering it to the Party on whom it is to be served. Notice delivered in this manner shall be deemed received when actually delivered to such Party;

(ii) if delivered to a corporate party, by delivering it to the address specified in (c) during normal business hours. Notice delivered in this manner shall be deemed received when actually delivered;

(iii) by fax or email to the Party on whom it is to be served. Notice delivered in this manner shall be deemed received on the earlier of:

(A) if transmitted before 3:00 p.m. on a Business Day, on that Business Day; or

(B) if transmitted after 3:00 p.m. on a Business Day, on the next Business Day after the date of transmission; or

(iv) by mailing via first class registered post, postage prepaid, to the party to whom it is served. Notice so served shall be deemed to be received five (5) days after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

#### **6.04 Unenforceable Terms**

If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

#### **6.05 Amendments**

This Agreement may only be altered or amended in any of its provisions when any such changes are reduced to writing and signed by the Parties.

#### **6.06 Remedies Not Exclusive**

No remedy herein conferred upon any Party is intended to be exclusive of any other remedy available to that Party but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.

#### **6.07 Preamble**

The Parties hereby confirm and ratify the matters contained and referred to in the preamble to this Agreement and agree that same is expressly incorporated into and form part of this Agreement.

#### **6.08 No Waiver**

No consent or waiver, express or implied, by any Party to or of any breach or default by any Party in the performance by such other Party of his obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Party. Failure on the part of any Party to complain of any act or failure to act of another party or to declare such other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of his rights hereunder.

#### **6.09 Counterparts**

This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date of this Agreement.

#### **6.10 Division**

The division of this Agreement into Articles, Sections, paragraphs or sub-paragraphs forms no part of this Agreement and shall be deemed to have been inserted and done for convenience.

**6.11**            **Headings**

The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

**6.12**            **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Alberta.

**6.13**            **Time**

Time shall be of the essence of this Agreement.

**6.14**            **Survival**

The provisions of this Agreement which by their respective context are meant to survive closing of a purchase or sale and/or termination of this Agreement shall respectively survive such closing or termination, as the case may be, for the benefit of the Party or Parties relying thereon and shall not be merged therein or therewith.

**6.15**            **Business Day**

In any case where time limited by this Agreement expires on a day that is not a Business Day, the time shall be extended to and shall include the next succeeding Business Day.

**6.16**            **Statutory Reference**

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

**6.17**            **Non-Merger**

Unless subsequently agreed in writing, the provisions of this Agreement shall not merge on but shall survive execution of supplementary documents and otherwise howsoever.

**6.18**            **Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto, their heirs, executors, administrators, successors and permitted assigns.

**IN WITNESS WHEREOF** the corporate parties have hereunto executed this Agreement by the hands of their duly authorized officers in that behalf and the individual parties have set their hands and seals effective the day and year first above written notwithstanding the actual date or dates of execution hereof.

**MUNICIPALITY OF JASPER**

**JASPER MUNICIPAL HOUSING CORPORATION**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

## AGENDA ITEM 7.2

### REQUEST FOR DECISION

**Subject:** Extended Producer Responsibility (EPR)  
**From:** Bill Given, Chief Administrative Officer  
**Reviewed by:** John Greathead, Director of Operations and Utilities  
**Date:** June 27, 2023



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#### Recommendation:

- That committee approve the EPR preparation plan as proposed including:
  - the purchase of a dedicated residential plastics recycling trailer;
  - the conversion of the Activity Centre Parking Lot Recycling Depot to residential use only, and;
  - the conversion of the S-Block Recycling Depot to Industrial, Commercial, and Institutional use only.

#### Alternatives:

- Council may direct Administration to opt out of the EPR program and continue to provide recycling services status quo.
- Council may direct Administration to cease the collection of Commercial Cardboard and provide sufficient bins to receive flattened cardboard at the S-Block depot site.
- Recycling of glass should be abandoned at this point.

#### Background:

The EPR regulations in Alberta came into effect on November 30, 2022, being the last province (west of Quebec) to join, with its full implementation scheduled for April 1, 2025 (Alberta Recycling, 2023). EPR will significantly affect Alberta municipalities and their respective waste and recycling management sites and collection services, therefore it is important to consider its potential impacts when making related decisions in the near future.

On May 23, 2023 Council directed administration to:

*Request West Yellowhead Regional Waste Management Authority (WYRWMA) to develop resources to assist partner members to prepare for EPR and return with a report on how Jasper may best adapt our services to prepare for EPR.*

The EPR program is intended to only address Residential Recycling for household consumer materials. It does not offer support for Industrial, Commercial, and Institutional (ICI) sectors. Materials that are not residential in nature will be considered contamination by the processors and a penalty will be incurred if the percentage of ICI/Residential material is exceeded. The allowable percentage of contamination is yet to be determined, but in the recycling industry 10% is typically the limit.

The EPR program will be fully implemented by April 1, 2025. Beginning in the Fall of 2023, communities and producers will be able to register for the program, and by April 1, 2024, producers must submit their plans for recycling collection programs to Alberta Recycling Management Authority (ARMA).

The first phase of EPR is exclusively focused on “PPP” which includes the following materials from the residential sector:

- paper products such as newspapers, packaging, cardboard, printed paper and magazines
- plastics (both rigid and flexible)
- metal and glass

Product producers will be fully responsible (financially and operationally) for the collection and management of their designated products after consumer use. While producers will be individually responsible for their regulatory obligations, they are able to join producer responsibility organizations (PROs) to act on their behalf to administer the system to collect, process, and market their designated materials.

PROs must provide the same level of service that the community had as of November 30, 2022 (when EPR commenced) starting on April 1, 2025. As part of the second phase, all recycling collection will mirror waste collection services, starting October 1, 2026.

### **Discussion:**

In many municipalities, waste is collected from houses in a system that uses three different bins: one for regular household waste, one for recyclable items, and one for compostable items. This makes it easy to keep track of and measure the amount of waste produced by residents. If a community already has this kind of system in place, it will be straightforward to switch to Extended Producer Responsibility (EPR): The companies responsible for waste collection and recycling (PROs) can choose to either pay the local government to continue to handle the recycling collection as it is, or they can take on the task of collecting recyclables directly from people's homes for processing.

In Jasper we have those same 3 waste streams which are accepted in “bear-proof” bins at various locations throughout the Townsite, as well as 2 distinct uncontrolled drop-off sites which adds complexity into our EPR program. In order for the Municipality of Jasper to benefit from the EPR program we must separate the recyclable materials between Residential and ICI streams.

Currently administration estimates that 60% to 80% of plastics and >70% of cardboard and mixed paper by volume come from the ICI sector.

By segregating these streams the Municipality will be able to recover cost for Residential recyclables through the EPR program, and will allow for a more accurate utility rate structure as the costs for recycling are blended between all sectors.

The Activity Centre Parking lot has been historically been used as a general community use recycling depot, or even a “quasi-Waste Transfer Station”. Administration proposes that an updated Residential Recycling Depot be developed at the Activity Centre Parking Lot. Controls at this site would need improved prevent ICI contamination which would greatly impact any benefits of enrolling in the EPR program.

Some of the potential controls could include; the purchase of a new plastics trailer with smaller and more restrictive openings that would prevent oversized commercial plastics from being deposited, and; securing the perimeter of the recycling area and/or having staffed hours of operation.

Administration also proposes the area at S-Block be further developed to allow for an Industrial, Commercial and Institutional Recycling Depot. The Stan Wright Boulevard Recycling Area could be designated as an ICI depot. Current infrastructure at this site is sufficient to maintain the collection efforts for the ICI sector with some minor adjustments to the layout of the site and bins.

**Benefits of EPR:**

EPR will provide funding to Municipalities for residential recycling operations including collection, transportation and processing fees.

**Relevant Legislation:**

- Extended Producer Responsibility Regulation Nov 30, 2022. Bylaw development is ongoing.

**Strategic Relevance:**

- Include an environmental lens into our decision making and operational plans;
- Examine and adjust our services to ensure they are providing the expected environmental benefits.
- Ensure residents receive quality service that provides strong value for dollar;
- Pursue alternative revenue sources and equitable distribution of costs.

**Inclusion Considerations:**

N/A

**Financial:**

The purchase of a Residential Recycling Trailer can be paid for by redirecting funds already existing in the 2023 Capital Budget by reallocating \$40,000 instead of purchasing a 53' enclosed trailer as presented during the budget process. Further site improvements for both the Activity Centre and S-Block sites may cost up to \$25,000 and can be accommodated within the approved 2023 recycling operating budget.

**Attachments:**

N/A

## MOTION ACTION LIST

SHORT TITLE	REQUESTED (DATE)	RESPONSIBLE (WHO)	COUNCIL MOTION (DESCRIPTION)	TARGET (DATE)	STATUS
<b>Fruit Trees on Municipal Property</b>	<b>August 23, 2022</b>	<b>CAO and Director of Operations &amp; Utilities</b>	That Committee direct Administration to return to a future committee of the whole meeting with proposed alternatives on how to deal with fruit trees on municipal land.	<b>June 2023</b>	Recommended to be deferred to August 2023
<b>Clean Energy Improvement Program</b>	<b>December 13, 2022</b>	<b>Director of Operations &amp; Utilities and Director of Finance &amp; Administration</b>	That Committee direct Administration to work with Alberta Municipalities and develop the following and present them at a future committee of the whole meeting: <ul style="list-style-type: none"> <li>• A Clean Energy Improvement Program business case for Jasper</li> <li>• Draft Clean Energy Improvement Tax bylaw</li> </ul>	<b>July 2023</b>	
<b>JCHC Governance</b>	<b>January 10, 2023</b>	<b>CAO</b>	That Committee direct Administration to begin the process of converting the Jasper Community Housing Corporation to a Municipally Controlled Corporation, by developing: <ol style="list-style-type: none"> <li>1. a draft business plan</li> <li>2. a draft Unanimous Shareholder's Agreement</li> </ol>	<b>June 2023</b>	
<b>Hakone, Japan Initiatives 2023</b>	<b>February 14, 2023</b>	<b>Director of Protective &amp; Legislative Services</b>	<ol style="list-style-type: none"> <li>1. That Committee direct Administration to re-evaluate the High School Student Exchange Program and develop recommendations for Council's consideration for 2024 and beyond.</li> <li>2. That Committee direct Administration to explore alternate delivery models for managing the Twinned Municipalities and Hospitality Committee and provide a recommendation at a future meeting.</li> </ol>	<b>June 2023</b>	Recommended to be deferred to October 2023

<p><b>S-Block Parking 2023</b></p>	<p><b>March 14, 2023</b></p>	<p><b>Director of Protective &amp; Legislative Services</b></p>	<p><del>That Committee direct Administration to revise the Storage Lots Bylaw to increase rental fees to \$450 annually, including a provision to provide a \$30 annual discount for electronic payments, and return to a regular meeting for first reading.</del></p> <p>That Committee direct Administration to develop a program for the S-Block parking lot where unused commercial stalls are made available to residents for winter seasonal vehicle storage, and summer seasonal and overnight paid parking.</p> <p>That Committee direct Administration to work towards standardizing practices in storage lots, including:</p> <ul style="list-style-type: none"> <li>• renewing leases with Parks Canada,</li> <li>• developing a maintenance plan with the Operations Department, and</li> <li>• bringing forward recommendations for capital upgrades in 2024.</li> </ul>	<p><b>June 2023</b></p>	<p>Recommended to be deferred to September 2023</p>
<p><b>Jasper Hockey League</b></p>	<p><b>March 21, 2023</b></p>	<p><b>Director of Community Development</b></p>	<p>That Council receive the correspondence regarding the Jasper Hockey League conduct for information; and direct Administration to come back to a future Committee meeting with recommendations.</p>	<p><b>August 2023</b></p>	
<p><b>Community-wide Internet Access</b></p>	<p><b>April 11, 2023</b></p>	<p><b>Director of Community Development</b></p>	<p>That Committee direct Administration to seek out and apply for opportunities for partnerships and/or grants for small scale, vulnerable population specific internet access solutions.</p>	<p><b>September 2023</b></p>	
<p><b>Free Recreation Access Policy</b></p>	<p><b>April 18, 2023</b></p>	<p><b>Director of Community Development</b></p>	<p>That Council direct Administration to return to a future Committee of the Whole meeting with a draft Free Recreation Access Policy.</p>	<p><b>September 2023</b></p>	
<p><b>Early Learning and Child Care Strategy</b></p>	<p><b>April 25, 2023</b></p>	<p><b>Director of Community Development</b></p>	<p>That Committee direct Administration to return to a future Committee of the Whole meeting with a revised document (The Early Learning</p>	<p><b>July 2023</b></p>	

			<p>and Child Care Action Plan) which reflects today’s discussion particularly focused on the strategic element.</p> <p>That Committee direct Administration to determine the need for 7 days a week daycare and extended hours for daycare and return to a future Committee of the Whole meeting.</p>		
<b>Business License Review</b>	<b>May 9, 2023</b>	<b>Director of Protective &amp; Legislative Services</b>	That Committee direct Administration to return to a future meeting with a recommendation for an updated fee structure for business licensing in Jasper.	<b>September 2023</b>	
<b>Public Transit RFP Award</b>	<b>May 16, 2023</b>	<b>CAO</b>	<p>And; that Council direct Administration to return to a future Council meeting with the outlines of a satisfactory contract negotiated with PWTransit for Council approval, and;</p> <p>That Council direct Administration to pursue partner contributions to offset the cost of public transportation and return to a future Council meeting with a report.</p>	<b>July 2023</b>	
<b>B-020 Procurement Policy Revisions</b>	<b>May 16, 2023</b>	<b>CAO</b>	That Council direct Administration to return to a future Committee of the Whole meeting with proposed revisions to Policy B-020 to require the advertisement of Municipality of Jasper RFPs on the municipal website and in local media in addition to legislated sites including the Alberta Purchasing Connection.	<b>August 2023</b>	
<b>Extended Producer Responsibility</b>	<b>May 23, 2023</b>	<b>Director of Operations &amp; Utilities</b>	That Committee direct Administration provide a report to Council on activities to prepare for EPR.	<b>June 2023</b>	
<b>Global Covenant of Mayors for Climate Action</b>	<b>June 13, 2023</b>	<b>CAO</b>	That Committee direct Administration to investigate the costs and benefits associated with Jasper applying/agreeing to become a member of the “Global Covenant of Mayors for	<b>August 2023</b>	

Municipality of Jasper

			Climate Action” and return with a report to a future Committee of the Whole meeting.		