

**Net Present Value Analysis**

**Current Land Development Model vs. 50% of Remaining Land Sold to Private Developers Cash Flow Projection**

Cash flows were projected for two scenarios related to the redevelopment of the Blatchford site. Cash flow scenario A was projected following the current development model with the City being the developer for the entire site. Cash flow B was projected assuming that beginning in 2024 50 per cent of the developable land would be sold to private developers on a regular basis over the remainder of the project. Below are the high level projected cash flows for the two scenarios and a table comparing the assumptions between the two.

A. Current Development Model (Blatchford Office)

Blatchford Redevelopment - Cash Flow Projection (Excludes District Energy)  
 Current Development Model  
 (In \$Millions)

Blatchford Redevelopment Project Costs (Excludes District Energy)	Actual	Projected					2027	2031	2035	2039	Total
	Prior Years	2022	2023	2024	2025	2026	to 2030	to 2034	to 2038	to 2042	
Capital Expenditures	177	12	50	41	35	45	131	100	37	4	632
<b>Total Costs</b>	<b>177</b>	<b>12</b>	<b>50</b>	<b>41</b>	<b>35</b>	<b>45</b>	<b>131</b>	<b>100</b>	<b>37</b>	<b>4</b>	<b>632</b>
<b>Funding</b>											
Debt	81	-	-	-	-	-	-	-	-	-	81
Blatchford Retained Earnings	96	12	50	41	35	45	131	100	37	4	551
<b>Total Funding</b>	<b>177</b>	<b>12</b>	<b>50</b>	<b>41</b>	<b>35</b>	<b>45</b>	<b>131</b>	<b>100</b>	<b>37</b>	<b>4</b>	<b>632</b>

Projected Blatchford Cash Flows	Actual	Projected					2027	2031	2035	2039	Total	
	Prior Years	2022	2023	2024	2025	2026	to 2030	to 2034	to 2038	to 2042		
<b>Revenues</b>												
Land Sales	7	8	81	23	30	31	176	167	170	63	756	
Lease Revenue	18	3	3	3	3	3	10	10	108	-	159	
<b>Total Revenues</b>	<b>25</b>	<b>11</b>	<b>84</b>	<b>25</b>	<b>32</b>	<b>34</b>	<b>187</b>	<b>177</b>	<b>278</b>	<b>63</b>	<b>915</b>	
<b>Expenditures</b>												
Capital Expenditures	96	12	50	41	35	45	131	100	37	4	551	
Debt Servicing	25	5	5	5	5	5	21	21	12	0	106	
Non-Capital Items <sup>1</sup>	24	2	2	2	2	2	9	10	11	12	77	
<b>Total Expenditures</b>	<b>145</b>	<b>19</b>	<b>57</b>	<b>49</b>	<b>43</b>	<b>52</b>	<b>161</b>	<b>131</b>	<b>60</b>	<b>16</b>	<b>734</b>	
<b>Net Cash Surplus (Deficit)</b>	<b>\$ (120)</b>	<b>\$ (8)</b>	<b>\$ 27</b>	<b>\$ -</b>	<b>\$ 23</b>	<b>\$ (11)</b>	<b>\$ (18)</b>	<b>\$ 25</b>	<b>\$ 46</b>	<b>\$ 218</b>	<b>\$ 47</b>	<b>\$ 182</b>
<b>Net Present Value</b>	<b>\$</b>	<b>38.8 million</b>										

<sup>1</sup>Non-Capital items includes non-debt project office operating costs. Eg. Personnel, advertising, maintenance on leased buildings.

## Attachment 4

### B. 50% of Remaining Land to be Developed by Development Industry (Private Industry Involvement)

Blatchford Redevelopment - Cash Flow Projection (Excludes District Energy)  
 Potential Scenario - 50% of Remaining Land to be Developed by Development Industry  
 (In \$Millions)

Blatchford Redevelopment Project Costs (Excludes District Energy)	Actual	Projected					2027 to 2030	2031 to 2034	2035 to 2038	2039 to 2042	Total
	Prior Years	2022	2023	2024	2025	2026					
Capital Expenditures	177	12	50	37	29	38	108	82	24	2	559
<b>Total Costs</b>	<b>177</b>	<b>12</b>	<b>50</b>	<b>37</b>	<b>29</b>	<b>38</b>	<b>108</b>	<b>82</b>	<b>24</b>	<b>2</b>	<b>559</b>
<b>Funding</b>											
Debt	81	-	-	-	-	-	-	-	-	-	81
Blatchford Retained Earnings	96	12	50	37	29	38	108	82	24	2	479
<b>Total Funding</b>	<b>177</b>	<b>12</b>	<b>50</b>	<b>37</b>	<b>29</b>	<b>38</b>	<b>108</b>	<b>82</b>	<b>24</b>	<b>2</b>	<b>559</b>

  

Projected Blatchford Cash Flows	Actual	Projected					2027 to 2030	2031 to 2034	2035 to 2038	2039 to 2042	Total
	Prior Years	2022	2023	2024	2025	2026					
<b>Revenues</b>											
Land Sales	7	8	81	32	12	25	106	101	103	32	506
Lease Revenue	18	3	3	3	3	3	10	10	108	-	159
Property Tax Uplift	-	-	-	0	0	0	0	0	0	0	1
<b>Total Revenues</b>	<b>25</b>	<b>11</b>	<b>84</b>	<b>34</b>	<b>15</b>	<b>27</b>	<b>117</b>	<b>111</b>	<b>211</b>	<b>32</b>	<b>667</b>
<b>Expenditures</b>											
Capital Expenditures	96	12	50	37	29	38	108	82	24	2	479
Debt Servicing	25	5	5	5	5	5	21	21	12	0	106
Non-Capital Items <sup>1</sup>	24	2	2	2	2	2	9	10	11	12	77
<b>Total Expenditures</b>	<b>145</b>	<b>19</b>	<b>57</b>	<b>44</b>	<b>37</b>	<b>46</b>	<b>139</b>	<b>113</b>	<b>46</b>	<b>14</b>	<b>661</b>
<b>Net Cash Surplus (Deficit)</b>	<b>\$ (120)</b>	<b>\$ (8)</b>	<b>\$ 27</b>	<b>\$ 10</b>	<b>\$ (22)</b>	<b>\$ (18)</b>	<b>\$ (22)</b>	<b>\$ (2)</b>	<b>\$ 165</b>	<b>\$ 18</b>	<b>\$ 6</b>
<b>Net Present Value</b>	<b>\$ (78.2)</b>	<b>million</b>									

<sup>1</sup>Non-Capital items includes non-debt project office operating costs. Eg. Personnel, advertising, maintenance on leased buildings.

## Assumption Comparison

(In \$Millions)	<b>Scenario A</b> Current Land Development Model	<b>Scenario B</b> 50% of Remaining Land Sold to Private Developers
<b>Land Sale Revenue (Note 1)</b>	<b>756</b>	<b>506</b>
<b>Property Tax Uplift (Note 2)</b>	-	<b>1</b>
Stage Development Costs - Capital Expenditure (Note 3)	209	136
Neighbourhood Development Costs - Capital Expenditure (Note 4)	423	423
<b>Capital Expenditures</b>	<b>632</b>	<b>559</b>

**Note 1**

- Scenario A, six hectares of developed land sold per year at market rates (12 hectares every 2 years)
- Scenario B, three hectares of developed land sold per year at market rates, six hectares of raw land sold on alternating years (12 hectares every 2 years)

**Note 2**

- Scenario A, taxes generated as sites are sold to end users. Taxation revenues flow to the City's general property tax revenues and are not shown as revenues specific to the Blatchford model in this scenario.
- Scenario B, reflects the incremental taxes generated for the period between the sale of raw land to the developer and the sale of a serviced property. It is assumed the land will be developed and sold within 3 years.

**Note 3**

- Scenario A, 100% of stage-specific development costs are borne by the City
- Scenario B, 50% of go-forward stage-specific development costs are borne by the City (stage-specific development costs in this scenario are more than 50% as 100% of these costs were borne by the City to this point)

**Note 4**

- Scenario A, 100% of neighbourhood/site-wide development costs are borne by the City
- Scenario B, 100% of neighbourhood/site-wide development costs are borne by the City

Neighbourhood/site-wide development costs include items like leasehold acquisitions, district park development, heritage features, and storm ponds and do not change between the scenarios because many of these costs have already been incurred by the project and the land sales values used in the scenario assume that the private developers will not be contributing to site-wide infrastructure.