



TROCHU
ALBERTA

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The Town of Trochu

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February 19th, 2025

Kneehill County
Box 400
Three Hills, AB
T0M 2A0

Subject: Request for Bylaw Revision to Support ATB Commitment for Trochu Senior Housing Facility

Dear Reeve King and Kneehill County Council,

On behalf of the Town of Trochu, we extend our sincere gratitude for your ongoing support of the Trochu Senior Housing Facility. Your commitment to this vital project has been instrumental in our progress, and we are pleased to inform you that we have received a commitment letter from ATB confirming their willingness to provide the \$20 million financing required for the facility.

This commitment was only made possible due to the passage of Kneehill County Bylaw No 1898, which authorized a loan guarantee of up to \$20 million with a maximum interest rate of 5.5%. The ATB Commitment Letter, however, stipulates a variable interest rate of Prime +0.5%. Given this structure, the existing bylaw does not fully support the guarantee required in the commitment letter.

To ensure the continued success of this project, we respectfully request that Kneehill County consider revising the bylaw to allow for a maximum interest rate of 7%. While we do not anticipate rates reaching this level, given the economic uncertainty we face, a buffer to protect the project's viability would be beneficial in case of unforeseen interest rate fluctuations.

We deeply appreciate the County's partnership and consideration of this request. We are confident that with your support, we can proceed with securing the necessary financing and bringing this much-needed senior housing facility to fruition. If possible, we would appreciate a response to our request by March 25th, 2025 to ensure that the ATB offer can be accepted by the end of March.

Please let us know if you have any questions, and we look forward to working together to finalize the next steps.

Sincerely,

Barry Kletke, Mayor
Town of Trochu