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# City of Deux-Montagnes

Financial analysis of strategies  
proposed by the city to make  
the train-station building more  
profitable

Commitment  
Excellence **Loyalty**  
**Complicity**  
**Respect & confidence**  
Team work  
Concrete results

# Financial Analysis for the Train-Station Building

- ▶ The train-station building was built by the City of Deux-Montagnes to cater to the commuter train station
- ▶ The extra space in the station building was occupied by municipal and regional organisation up until 2008
  - Negative cash flow for the City of Deux-Montagnes due to the limitations imposed by the *Cities and Towns Act*
    - Choice of tenants (only public organisations)
    - Setting of lease fees
- ▶ The City of Deux-Montagnes transferred the building to Manoir Grand-Moulin Corporation in order to improve the project's earning power
  - The Corporation is not subject to the same restrictions as the City with regard to the choice of tenants or the setting of lease fees

# Financial Analysis for the Train-Station Building

	Operated by the City	Operated by the Corporation (Lease)	Sale of the Train- Station
<b>INCOME</b>			
Leases - surface area transferred (802.1 m <sup>2</sup> )	\$45 000	\$103 663	
Snack Bar	\$6 000	-	
	<u>\$51 000</u>	<u>\$103 663</u>	
<b>EXPENSES</b>			
Concierge Service	\$25 000	-	
Insurance	\$2 000	\$2 000	
Municipal Taxes	-	\$32 000	
Maintenance & Repairs	\$15 000	\$15 000	
Heating & Electricity	\$25 000	-	
Debt Service	\$65 000	-	
	<u>\$132 000</u>	<u>\$49 000</u>	
<b>CASH FLOW - TRAIN STATION</b>	<u>-\$81 000</u>	<u>\$54 663</u>	
Train-station cashflow assumed by the City	-\$81 000	\$54 663	
Snack Bar Lease		\$6 000	\$6 000
Concierge service and maintenance for snack bar		-\$7 000	-\$7 000
Tax Revenues		\$32 000	\$32 000
Debt Service		-\$65 000	
<b>CASH FLOW - CITY</b>	<u>-\$81 000</u>	<u>\$20 663</u>	<u>\$31 000</u>

# Financial Analysis for the Train-Station Building

- ▶ Transferring the train-station building to a potential buyer will allow the City to generate \$31,000 in revenues rather than a deficit of \$81,000, which means the City will save a recurring \$112,000 a year
- ▶ If the building remains in the Corporation, the City will generate \$21,000 a year on a recurring basis
- ▶ The final transfer of the train-station building to an eventual buyer will depend on the parking availability