

ECONOMY AND FINANCE

How has the construction of Sara kulturhus (hotel included) been financed?

The construction of Sara kulturhus has been financed during the construction period by the municipality and the municipally owned company Skellefteå Industrihus. The entire property has been sold and payment will be made when the building is completed for transfer in the autumn of 2021.

Which organizations have participated in the financing of the cultural center?

Skellefteå municipality, Skellefteå Industrihus AB and Samhällsbyggnadsbolaget (SBB).

Why did you need a budget increase for the cultural center?

This was due to increased costs (including material price increases) for the project in general, where the biggest challenges were mainly related to the structural framework and hotel modules. The technology around the wooden construction was also largely untested and entailed greater challenges than we had expected.

What is Skellefteå Kulturhus AB's annual rent of the culture house?

The annual rent is SEK 44.5 million per year. This cost will be covered by rental income as premises are sublet.

To whom does Skellefteå Kulturhus AB sublet the property?

It is sublet to two organizations: Skellefteå municipality and Elite Hotell. In the part of the building that the municipality rents, several cultural activities will be performed, such as theater and other performing arts, libraries, art exhibitions, but also events, concerts, and conferences.

By how much was the budget increased?

The budget was increased by just over 11% or SEK 120 million (from SEK 1,050 million to SEK 1,170 million). Skellefteå Industrihus AB increased its budget by SEK 50 million. Skellefteå Kulturhus AB had to increase its budget for investments by SEK 70 million when the municipality decided to sell the fixtures and fittings to be used in the cultural center to the company.

Who owns the hotel?

Samhällsbyggnadsbolaget (SBB) owns the entire property, which also includes the hotel part (which is part of the property). Elite Hotell will run the hotel.

Who owns Sara kulturhus?

Samhällsbyggnadsbolaget (SBB) will own the entire property when the project is completed.

What is Skellefteå municipality's annual rent for the cultural center?

The municipality's annual rent for the cultural center is SEK 32 million - from the base rent the landlord makes rent deductions for the property's estimated operational and maintenance costs, and estimated energy and utility costs (electricity, water, heating, and hot water). The rent deduction varies from year to year as maintenance is expected to increase over time. However, the net cost increase for the municipality is approximately SEK 27 million because several businesses are leaving premises that have previously been used.

What will be the structure for the operating costs of the cultural center?

Skellefteå Kulturhus AB is responsible for the operation of Sara kulturhus. The company's operating budget is also set for the next few years. The plan is for the company to bear its own costs within a four-year period. That the company does not plan to manage it from year 1, is due to built-in rental discounts during the startup phase, something which is very common in the market.

When will the final bill for the entire cultural center construction come?

Construction of mainly the hotel's upper floor will continue during September. At the same time the contractor's final settlement is being dealt with. The assessment is that everything will be ready before the turn of the year.

What is the final budget forecast now?

At present, the forecast is that the project will manage its finances within the set budget. There are still uncertainties in the forecast where, among other things, the effects of the pandemic have increased costs for labor, materials, and other factors. There is also, as always in such large construction projects, some outstanding negotiations on investment costs and with various suppliers.