

Chief Financial Officer's Report to
Green Line Committee
2020 June 01

ISC: UNRESTRICTED
GC2020-0616

Green Line Budget and Financing Approval

EXECUTIVE SUMMARY

This report provides an update and seeks approval on key capital budget and funding matters to enable procurement to commence to advance design and construction of the Green Line Light Rail Transit ("LRT") project from 16 Avenue North to 126 Avenue Southeast ("SE"), such project including land acquisition and construction of the Green Line Light Rail Transit line ("Stage 1 Project"), the purchase of light rail vehicles ("LRV Purchase"), as well as enabling construction projects that facilitate the development and construction of the Stage 1 Project (collectively, the "Stage 1 Program" or "Program"). The Green Line Update Stage 1 Report (GC2020-0583) also includes an approval request for Bus Rapid Transit ("BRT") enhancements from 144 Avenue North to 6 Avenue Southwest ("SW") as part of the Stage 1 Program scope.

From November 2014 through to January 2019, Administration received funding commitments and approved capital budget appropriation requests related to the Green Line Program. The existing capital budget appropriation for the Stage 1 Program is \$803.9 million (2015-2024) and \$5,543.8 million in total funding has been committed by funding partners (including The City) for the Program. Council also approved splitting the procurement of the Stage 1 Project into multiple contracts, including Segment 1, Segment 2 and the LRV Purchase.

Following approval of the Segment 1 updated alignment and station locations and Segment 2 alignment and station locations for the Stage 1 Program in Report GC2020-0583 (Green Line Update Stage 1 Report), Council approval of the incremental capital budget appropriation of \$4,739.9 million for the Stage 1 Program, including financing costs, and a bylaw to incur indebtedness of up to \$1,800 million for the Stage 1 Program is required to ensure the procurement of the Segment 1 contract can advance to the market and for the balance of the Program to continue further planning and design as well as construction work. Within the Administrative Leadership Team's authority, they have reviewed a request to approve the procurement process for the LRV Purchase initiating prior to Council approval of the borrowing bylaw for the Stage 1 Program. This incremental capital budget approval is recommended for approval at the 2020 June 15 Combined Council Meeting and is required in order to seek approval of the long-term borrowing bylaw for the Stage 1 Program.

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ADMINISTRATION RECOMMENDATION:

That the Green Line Committee recommends that Council:

1. Approve an increase in Capital Budget ID 869-00 of \$4,739.9 million for the Green Line Stage 1 Program, as shown in Attachment 4, including all related capital and financing costs, as listed in Attachment 4, to be funded by:
 - a. \$1,530.0 million in federal funding for Green Line;
 - b. \$1,530.0 million in provincial funding for Green Line;
 - c. \$1,679.9 million in municipal funding consisting of:
 - i. \$52.0 million per annum for 20 years (2025-2044) from the 2013 tax room;
 - ii. \$23.7 million per annum for 27 years (2018-2044) for from the 2017 tax room.
2. Give first reading to Bylaw 5B2020, being a bylaw of The City authorizing The City to incur indebtedness for financing of capital costs associated with the Green Line Stage 1 program;
3. Direct that Attachment 2 of Report GC2020-0616 remain confidential pursuant to Exceptions to Disclosure Sections 23 (Local public body confidences), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2027 December 31.

PREVIOUS COUNCIL DIRECTION / POLICY

A summary of prior Council direction for the Green Line Stage 1 Program relating to funding and financing approvals is included in Attachment 1.

BACKGROUND

Administration has been advancing the planning and design of the alignment, acquiring real estate, preparing the land for construction through the enabling works construction program, and preparing procurement documents for various aspects of the project since 2017. In 2018 April, the Government of Canada Treasury Board provided approval for the Project under the Canada-Alberta Integrated Bilateral Agreement (“IBA”) for the Investing in Canada Infrastructure Program (“ICIP”). The IBA provides Alberta with the right to negotiate with The City, on behalf of both senior orders of government, by way of an Ultimate Recipient Agreement (“URA”).

On 2019 January 30, the Government of Canada, Government of Alberta and The City of Calgary (“The City”) signed the URA governing terms and conditions for the \$1,530 million federal contribution, as well as the \$1,530 million provincial contribution to the Stage 1 Program. This agreement marked a major milestone for the Program and finalized the joint investment in Calgary by all three orders of government. Following execution of the URA on 2019 January 30, total funding commitments of \$5,543.8 million have been secured for the Stage 1 Program.

The Request for Qualifications (“RFQ”) for the Segment 1 contract and LRV Purchase were released to the market in 2019. On 2019 July 29, Council directed Administration to split the procurement of the Stage 1 Project, with the Segment 1 contract extending from east of the proposed 4th Street station through the Inglewood/Ramsay community to 126 Avenue SE and the Maintenance Storage Facility (“MSF”) and the Segment 2 contract extending Segment 1 to 16 Avenue North. Council also directed Administration not to proceed with construction of the

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Green Line Stage 1 Project until the alignment review from 16 Avenue North to 4 Street SE had been completed and any potential changes approved by Council.

On 2019 December 5, the Government of Alberta approved Alberta Regulation 189/2019, which utilizes the new Public Transit and Green Infrastructure Project Act to amend the grant agreement between the Government of Alberta and the City of Calgary, including the timing of its grant contribution to the Program.

On 2020 February 27 and 2019 October 24, the Government of Alberta released its Budget 2020 and Budget 2019, respectively. Although the updated provincial contributions for the Program are weighted towards the latter years of construction causing a mismatch of project expenditures and available funding, the Government of Alberta has reiterated its continued support for the Stage 1 Program and its \$1,530 million funding commitment following the release of its Budget 2019 and Budget 2020, including during the COVID-19 pandemic.

The updated recommended Stage 1 alignment including station locations and an updated Green Line Stage 1 Business Case to be considered at the 2020 June 15 Combined Council Meeting as part of Report GLC2020-0244.

The Request for Proposals ("RFP") for the LRV Purchase is anticipated to be released in 2020 June to the shortlisted proponents. The RFP for Segment 1 is anticipated to be released on 2020 July 24 to the shortlisted proponents. Before the RFP for Segment 1 is released, The City is seeking to obtain required capital budget approvals and bylaw approval authorizing The City to incur indebtedness associated with the Stage 1 Program.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Financial Strategy

The proposed financial strategy included in this report ensures the Stage 1 Program will be constructed with available funding, as approved by Council. It also aligns with the guiding principles Council approved on 28 January 2019 (Report C2019-0135) for the Stage 1 Program and the four major capital projects. Administration has continued to keep Council and various Council Committees apprised of The City's ongoing financial capacity to execute on the Program and other major capital projects over the medium term.

Integrated funding and financing analysis of the Stage 1 Program is further described in Attachment 2.

Incremental Capital Budget

The existing capital budget appropriation for the Stage 1 Program is \$803.9 million (2015-2024), meanwhile \$5,543.8 million in total funding has been committed by all funding partners for the Program to date. Approved funding of \$4,743.9 million (including financing cost funding) that is not currently allocated to a capital budget, requires Council approval in the form of an incremental capital budget appropriation request for the Stage 1 Program.

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Table 1. Capital Budget Summary for Green Line Stage 1 Program

Stage 1 Capital Budget Summary			
Funding Source	Capital Funding (\$ M)	Financing Funding (\$ M)	Total Capital Budget (\$ M)
<i>Federal: Public Transit Infrastructure Fund ("PTIF")</i>	111.0		111.0
<i>Provincial: GreenTRIP, Municipal Sustainability Initiative ("MSI") and Fuel Tax</i>	172.9		172.9
<i>City: 2013 Tax Room (2015-2024)</i>	520.0		520.0
Previously Approved Capital Budget	803.9	0.0	803.9
Incremental Capital Funding for Capital Budget Approval			
<i>Federal: Investing in Canada Infrastructure Program</i>	1,530.0		1,530.0
<i>Provincial: Ultimate Recipient Agreement</i>	1,530.0		1,530.0
<i>City: 2013 Tax Room (2025-2044)</i>	1,040.0		1,040.0
Incremental Capital Budget (Capital Costs) – Requiring Approval	4,100.0	0.0	4,100.0
<i>City: 2017 Tax Room (2018-2044)</i>	0.0	640.0	640.0
Incremental Capital Budget (Capital and Financing Costs) – Requiring Approval	4,100.0	640.0	4,740.0
Total Stage 1 Program - Capital Budget	4,903.9	640.0	5,543.9

Source	Stage 1 Funding Summary (\$ M)	Percentage of Total Funding
Federal	1,640.0	29.6%
Provincial	1,702.9	30.7%
Municipal	2,199.9	39.7%
Totals	5,543.9	

A summary of the requested annual capital budget appropriation profile for approval for the Green Line Stage 1 Program is listed in Attachment 4. This capital budget profile is based on current estimates of project cost and schedule, funding and financing assumptions and are subject to change as noted in the Financial Strategy section above.

Program Funding

Total funding for the Stage 1 Program is \$5,544 million from all sources (2015-2044), including \$4,903 million for capital and \$639.9 million for financing costs, with contributions from The City (\$2,200 million), the Government of Alberta (\$1,702 million) and Government of Canada (\$1,640 million) across multiple grant programs. Total funding partner contributions for the Program are noted in Table 2 below.

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Table 2. Summary of Approved Funding for the Green Line Stage 1 Program

Source	Capital Funding (\$ M)	Financing Funding (\$ M)	Total Funding (\$ M)
Federal	1,640.0	-	1,640.0
Provincial	1,702.9	-	1,702.9
Municipal	1,560.0	639.9	2,199.9
Totals	4,903.9	639.9	5,543.9

The Project team is committed to delivering the Stage 1 capital program utilizing \$5,544 million of approved funding. The total funding allocation will be designated as a Stage 1 Program funding source following the incremental capital budget approval. A total capital budget of \$5,544 million is required in order to fund all capital expenditures and debt financing costs to deliver the Program. All Program debt will be paid in full by the end of 2044 (i.e. when The City's funding contribution concludes).

City of Calgary Contribution

The City of Calgary approved up to \$2,200 million (or up to \$75.7 million per year) of property tax dollars for funding the Stage 1 Program, including the:

1. 2013 tax room (2015-2044) - \$1,560 million (or \$52 million per year for 30 years)
2. 2017 tax room (2018-2044) - \$640 million (or \$23.7 million per year for 27 years)

The City is solely responsible for any financing costs associated with the Program. The 2017 tax room was initially approved and allocated to fund financing costs for the Program but, as a result of Council's decision after considering report PFC2019-0040 titled Green Line – Funding and Financing Update, is an unrestricted funding source to enable The City to optimize funding of either Program capital costs or financing costs during any given year.

Alberta Contribution

The Government of Alberta is contributing up to \$1,702 million for the Project, including \$1,530 million under the URA plus prior enabling works grant funding (under PTIF, GreenTRIP or prior grant programs).

Alberta will fund up to 40% of eligible expenditures of the Stage 1 Program, as per the contribution profile set out in the URA and updated through Alberta Regulation 189/2019. Eligible expenditures under the URA include all costs incurred after April 19, 2018 that are direct and necessary for the implementation of the Stage 1 Program. A breakdown of Alberta's Contribution listed in Attachments 2 and 3.

Canada Contribution

The Government of Canada is contributing up to \$1,641 million in funding for the Program, including \$1,530 million under the URA plus enabling works grant funding (under PTIF).

Canada will fund up to 40% of eligible expenditures for the Stage 1 Program, as per the IBA and URA. Eligible expenditures under the URA include all costs incurred after April 19, 2018 that are direct and necessary for the implementation of the Stage 1 Program and exclude land acquisition costs. Discussions are ongoing with the Government of Canada to mitigate the impact of Alberta Budget 2019 and consider alternate timing for its funding contributions.

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Upon approval of the updated Stage 1 alignment by Council in 2020 June, the Government of Canada is expected to submit a disbursement request to its Treasury Board for the Stage 1 Program. It is anticipated that Treasury Board approval will be granted during 2020 Q4, and URA funding claims will be permitted to be submitted thereafter.

The Government of Canada also received a letter from the Government of Alberta in 2020 April requesting that the federal government assist in mitigating increased debt financing requirements and financing costs to The City by expediting the release of its funding contributions to offset the Government of Alberta's deferred contributions. Confirmation of the expedited federal funding schedule is expected in the near future.

Debt Financing

Cash Flow Mismatch

The total capital funding for this program is provided over a 30-year time period. The federal portion is scheduled to be received throughout the construction period, the provincial portion is also during the construction but weighted towards the latter years. The municipal portion is funded in equal annual installments over a 30-year period commencing in 2015. Approximately \$900 million of City funding for capital costs will be received in periods subsequent to construction.

As a result of the mismatch in Program expenditures and funding, the Program will require debt financing and incur financing costs to ensure the \$4,903 million capital cost of the Stage 1 Program can be delivered prior to the receipt of all capital funding contributions.

The debt financing program during the design and construction phase of the Program will optimize the use of available City funding and contemplates the issuance of a series of short-term and long-term debt instruments to ensure financing costs are minimized. A maximum approved amount of \$639.9 million of City funding is available to cover financing costs associated with the Program.

Project Company Debt Financing

To anchor the risk transfer within the Segment 1 and Segment 2 project agreements, the project companies that are successful will secure private financing to fund a portion of design and construction costs. This benefits The City by introducing third-party lender due diligence and oversight on the project which further incentivizes the project company to complete the project on time and on budget.

Any project company debt financing is non-recourse to The City and will be repaid prior to the operations and maintenance period; therefore, it is not anticipated to be recognized as long-term City debt. This private debt financing will be repaid through the project companies with milestone payments from The City late in the construction period once these contracts are substantially completed within specified timelines. The City milestone payments will be funded using available cash sources or City debt financing or a combination thereof.

City Debt Financing

The City anticipates executing a long-term debt financing program through the issuance of a series of debt issuances to ensure total financing costs are minimized over time.

The City currently sources all of its long-term debt financing through the municipal financing authority of the Province, Alberta Capital Finance Authority ("ACFA"), who offers local

Green Line Budget and Financing Approval

authorities in Alberta amortizing loans and structured loans (i.e. interest only for part of the term followed by amortizing for the remainder of the term, and loans with full repayment at maturity. The proposed borrowing bylaw provides flexibility for debt financing for the project from multiple sources, including ACFA, directly from the Province or other financial institutions or capital markets.

A bylaw to incur indebtedness up to \$1,800 million for the Stage 1 Program is anticipated to be required by The City to meet obligatory Program expenditures that cannot be funded using available cash sources due to the cash flow timing differences. This bylaw is recommended for first reading by Council and is listed in Attachment 5.

The peak debt level for the Program is anticipated to be reached late in construction for an interim period. A portion of the debt financing will be reduced upon receipt of all funding partner contributions, with the residual balance repaid over time with funding contributions from The City until 2044. Following receipt of all funding partner contributions in 2028, the debt level is anticipated to step down from the peak and the remaining amount of indebtedness will be repaid over the longer term with City funding. All Program indebtedness needs to be fully repaid by 2044 December 31 to align with the final year of City funding.

Financial analysis of the potential impact of the debt financing for the Program is further described in Attachment 2 and 3.

Stakeholder Engagement, Research and Communication

The City has frequent communications with the Government of Alberta and Government of Canada to ensure funding partner interests are aligned to advance funding requirements to enable construction of the Stage 1 Program.

Council Committees and the Administrative Leadership Team are periodically briefed on The City's financial capacity to pursue construction of the Green Line Stage 1 Program.

The City of Calgary has established a site, Engage Portal, to provide Calgarians with an online space to learn about and participate in City projects and initiatives that are open for public input. Recent public engagement for the Green Line LRT was conducted between 2020, January 29 and 2020, April 30 with input received summarized in a What We Heard Report. Additionally, The Green Line Committee meeting on 2020, June 1 will have a public feedback component.

Strategic Alignment

Advancing construction of the Green Line LRT is integral to the provision of transit services in The City's Municipal Development Plan and Calgary Transportation Plan. Construction of the Green Line is The City's next step in advancing Calgary's transit network as described in the Council-approved Route Ahead: A Strategic Plan for Transit in Calgary.

The Green Line LRT Program will generate jobs in the short term and long term. The Enabling Works program will continue to generate jobs between now and until the main construction which is scheduled to commence in 2021. In total, the construction of Stage 1 of the Green Line will create approximately 20,000 jobs (12,000 direct and 8,000 indirect).

The recommendations align with The City's commitment to citizens by investing in infrastructure and services in prudent ways and demonstrating value for the services The City offers.

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Social, Environmental, Economic (External)

Social

Over 250,000 Calgarians will live within a 15-minute bus trip of the Green Line, allowing them to access over 900 community, recreational, shopping, social service, or education destinations. The Green Line LRT will provide transit service for, families that cannot afford to purchase another vehicle for their driving-age children to get to school or their part-time job, low-income parents who cannot afford to pay for parking, seniors who live on a fixed income, whose health may not afford them the ability to drive and service up to 2,300 affordable housing units.

Environmental

The Green Line LRT can promote a more sustainable environment by reducing transportation related Greenhouse Gas emissions by nearly 30,000 tons per year. This benefit assesses how the Green Line can reduce the transportation network's impact on air quality and climate change. It is assessed by estimating the number of vehicles that will be taken off the road as more customers choose public transit after the Green Line is delivered. This in turn will reduce Greenhouse Gases (GHG), which contribute to climate change.

Economic

The Green Line LRT is a significant investment in the future of Calgary that will not only shape the southeast quadrant of the City, but will also generate 12,000 direct jobs and 8,000 supporting jobs during construction and operations. Once constructed the Green Line LRT will support economic productivity by providing access to nearly 360,000 (nearly 30% of all jobs) Calgarians within a fifteen-minute bus ride of a Green Line LRT station.

Financial Capacity

Current and Future Operating Budget:

Incremental operating and maintenance costs of approximately \$40 million per year (in 2016 dollars) have been estimated for the Project. Approximately half of the incremental operating and maintenance costs are associated with the Green Line LRT and the other half are required for the supporting bus network. Bus operating hours are required with or without the Green Line in the southeast to meet population growth and to ensure coverage and adequate service levels. With approval of the Stage 1 alignment the operating costs will be refined. Operating costs are dependent on a number of factors including: additional operating investments prior to LRT, LRV vehicle characteristics, operating speeds and actual ridership.

The Stage 1 Program operating and maintenance costs are currently not funded as they would reside in a future budget cycle. As a result, a future funding source from property tax dollars will need to be in place prior to the start of operations anticipated no earlier than 2027. Operating budget requirements will be reviewed during the current One Calgary cycle (2019 to 2022) with refinements and updates to be approved in a future business plan and budget cycle to align with the anticipated revenue service date.

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Current and Future Capital Budget:

Capital Expenditures and Commitments

As of 2020 April 30, the actual Program spend year-to-date is \$19.1 million and the cumulative Program spend is \$543.8 million. Total Program commitments as of 2020 April 30 are \$673.7 million. The budget currently approved is \$803.9 million.

Program Cost Estimate

The estimated capital cost is \$4,903 million for the Stage 1 LRT Program and includes all contingency and escalation costs but does not include any financing costs. The Stage 1 Program scope includes the design, construction, and implementation of twenty (20) kilometers of LRT track from 16th Avenue North to 126 Avenue SE. The updated recommended Stage 1 alignment anticipated to be approved at the 2020 June 15 Combined Council Meeting will also include BRT enhancements from 144 Avenue North to 6th Avenue SW as part of the Stage 1 Program scope.

Current Capital Budget

The previously approved Stage 1 capital budget appropriation of \$803.9 million (2015-2024), of which \$524.8 million has been spent through 2019 and budget of \$279.1 million remaining for 2020-2024 is funded by:

1. 2013 tax room - \$520.0 million (\$52 million per year for 10 years (2015-2024));
2. GreenTRIP - \$155.9 million;
3. PTIF - \$111.0 million;
4. Municipal Sustainability Initiative (MSI) - \$15.5 million; and
5. Provincial Fuel Tax - \$1.5 million.

Incremental Capital Budget Approval

An incremental Stage 1 capital budget appropriation request of \$4,740 million, including \$4,100 million for incremental capital costs and \$639.9 million for all related financing costs, is required to confirm the full capital budget appropriation and further enable advancement and execution of the Program.

Sources of funding to support this incremental capital budget appropriation request are comprised of the following funding currently allocated to the Green Line Stage 1 Program:

1. \$1,530 million in provincial funding;
2. \$1,530 million in federal funding;
3. \$1,680 million in municipal funding consisting of:
 - i. \$52.0 million per annum for 20 years (2025-2044) from 2013 tax room; and
 - ii. \$23.7 million per annum for 27 years (2018-2044) from the 2017 tax room.

Table 3 below outlines previous funding and capital budgets approvals and the approvals Administration is seeking in today's report.

Table 3. Summary of Capital Budget Approvals for the Green Line Stage 1 Program

Green Line Budget and Financing Approval

Date	Capital Funding (\$M)	Financing Funding (\$M)	Description
Anticipated 2020 June 15	\$4,903	\$640	Total anticipated capital budget approval for Green Line Stage 1 Program
2019 January	\$3,060		Ultimate Recipient Agreement for Stage 1 signed by the Province and The City governing the Government of Canada's and Government of Alberta's \$1,530 million funding commitments to the Program Optimize the Green Line cash flow commitments over the term of the project
2017 November		\$640	Direct that the 2017 tax room (\$23.7 million) be retained in 2018 and future years and used to fund the financing costs for Green Line for 27 years until 2044
2017 May	\$258		Budget approval provided by Infrastructure Canada's Public Transit Infrastructure Fund Program for Green Line Transit Way. Proceed with Stage 1 Project, subject to Council final approval
2015 December	\$1,040		Current Green Line funding commitment of \$52 million annually for a ten-year period be extended to a period of thirty years (2025-2044) to create a total funding commitment of \$1,560 million
2014 November	\$520		City funding allocated for 10-years in annual \$52 million increments (2015 to 2024)
2014 September	\$13		City funding allocated to the Green Line Set Way Project
2013 September	\$12		City funding allocated to the Green Line Set Way Project

The incremental Stage 1 capital budget appropriation request and updated total capital budget profile for the Stage 1 Project can be found in Attachment 4.

As contracts are awarded and the Stage 1 Program implementation advances, the Program cost estimate, schedule and payment terms will be updated to reflect the final agreements and the capital budget profile will be adjusted in future budget cycles.

Future Capital Budget Approval

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The incremental capital budget appropriation for this Program is being recommended for approval in this report.

Major rehabilitation and renewal costs refer to all expenditures associated with future lifecycle improvements of the Green Line Stage 1 assets. A rehabilitation and renewal assessment will be made of program assets and could mean one or more major maintenance events or even replacement within the Program's lifecycle. This includes all expenditures associated with capital improvements that will increase the useful life of the infrastructure.

The current estimate for renewal costs is \$296.2 million (in 2016 dollars), which will be expended over a 30-year operations period for the Green Line. Future major rehabilitation and renewal costs do not have an identified funding source. These costs are anticipated to be included in future capital plans.

An updated major rehabilitation and renewal cost forecast will be required to be prepared in advance of the start of operations. Over a long-term operations period, infrastructure rehabilitation, renewal and upgrades will require future capital funding. Related funding sources will need to be identified in future business plans and budget cycles to fund these necessary costs to maintain the LRT system reliability and performance over the longer term, similar to the processes currently in place for the existing LRT systems.

Financing Cost

Financing costs associated with the Program will include those incurred by the project companies to privately finance a portion of the Segment 1 and Segment 2 DBF construction costs, as well as the residual City debt financing. All financing costs for the Program will be funded by The City and are not eligible for funding reimbursement from the provincial or federal government.

Administration received Council approval on 2019 January 22 (Report PFC2019-0040), allowing for The City's designated Green Line financing funding of \$639.9 million to be unrestricted and available to fund either capital costs and financing costs. This allows for maximum flexibility in dealing with the timing of both construction costs and debt servicing obligations in any particular year.

Analysis of financing costs for the Program is further described in Attachment 2 and 3.

Risk Assessment

The principle corporate financial risks for this Program are:

- Capital budget overruns;
- Capital funding timing and shortfalls;
- Financing cost funding;
- Operations and maintenance cost funding;
- Major maintenance and renewal cost funding;
- Financing availability; and
- The City's credit ratings.

Key corporate financial risks are discussed further in Attachment 6.

The principle project financial risks for this Program are:

- Affordability;

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- Governance and decision making;
- Procurement and market;
- Contract interfaces;
- Segment 2 Design and Constructability;
- Canadian National (CN) / Canadian Pacific Railway (CPR) coordination; and
- COVID-19 impacts.

Key project risks are discussed in the Green Line Update Stage 1 Report (GC2020-0583).

REASON(S) FOR RECOMMENDATION(S):

Council's approval of the capital budget appropriation recommended in this report will allow the overall Stage 1 Program execution and the Segment 1 procurement process to advance with the release of their RFP and avoid any delay in procurement timelines. Third reading and approval of Bylaw 5B2020 will provide Administration with the necessary financial authority to debt finance any capital expenditures or execute procurement contracts where debt financing will be required in future to meet payment obligations.

ATTACHMENT(S)

1. Attachment 1 – Prior Council Direction – Funding and Financing
2. Attachment 2 – Financial Analysis (Confidential)
3. Attachment 3 – Financial Analysis
4. Attachment 4 – Capital Budget Profile
5. Attachment 5 – Borrowing Bylaw 5B2020
6. Attachment 6 – Financial Risk Summary