

**BYLAW NUMBER 9B2021**

**BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY TO INCUR INDEBTEDNESS BY THE ISSUANCE OF ONE OR MORE DEBENTURES IN THE TOTAL AMOUNT OF \$135 MILLION FOR FINANCING THE DEVELOPMENT OF PHASE 1 OF THE ARTS COMMONS TRANSFORMATION CAPITAL PROJECT OF CALGARY MUNICIPAL LAND CORPORATION**

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**WHEREAS** Council of The City of Calgary ("**Council**") as shareholder, adopted and approved the 2021 Business Plan and 2020-2024 Strategic Plan Update (the "**Update**") from Calgary Municipal Land Corporation ("**CMLC**"), a controlled corporation of The City of Calgary ("**The City**");

**AND WHEREAS** the Update outlined new capital infrastructure projects for the Rivers District proposed by CMLC, including the Arts Commons Transformation Project (the "**Project**"), which has an estimated cost of \$240 million;

**AND WHEREAS** it is estimated that at least \$105 million of the cost of the Project will be funded through sources other than debenture borrowing;

**AND WHEREAS** Council has decided to pass a bylaw pursuant to Sections 251 and 258 of the *Municipal Government Act* (R.S.A. 2000 c. M-26) (the "**MGA**") to borrow the sum of \$135 million from the Province of Alberta (the "**Province**") or other financial institutions or capital markets by the issuance of debentures to finance the Projects;

**AND WHEREAS** the primary estimated lifetime of the Project financed under this Bylaw is equal to, or in excess of, twenty-five (25) years;

**AND WHEREAS** Bylaw 27M2007 (The Rivers District Community Revitalization Levy Bylaw) was amended pursuant to Bylaw 2M2019, which extended the term of The Rivers District Community Revitalization Levy until December 31, 2047;

**AND WHEREAS** the amount of the long term debt of The City as at 2020 December 31 is \$2,845 million with \$401 million being tax supported debt, \$214 million being self-sufficient tax supported debt and \$2,230 million being non tax supported debt and no part of the principal or interest is in arrears;

**AND WHEREAS** all required approvals for the Project will be obtained to ensure compliance with all laws in force in the Province of Alberta.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:**

1. The proper officers of The City are hereby authorized to issue one or more debentures on behalf of The City to a maximum sum of \$135 million to finance the Project.
2. The City shall repay the indebtedness over a period not exceeding twenty-five (25) years, provided that in no event shall the repayment period for any of this indebtedness extend

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beyond December 31, 2047, with interest being calculated at an interest rate fixed by the Province on the date of the borrowing, up to a maximum rate of 8% per annum.

- 3. The City shall obtain funds from CMLC to repay the said indebtedness under the terms of the Third Amended and Restated Credit Agreement between The City and CMLC dated as of July 4, 2019, as amended and restated from time to time. In the event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to pay the indebtedness.
- 4. The indebtedness shall be contracted on the credit and security of The City.
- 5. The net amount borrowed under this Bylaw shall be applied only to the purposes specified by this Bylaw.
- 6. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS \_\_\_ DAY OF \_\_\_\_\_, 2021.

READ A SECOND TIME THIS \_\_\_ DAY OF \_\_\_\_\_, 2021.

READ A THIRD TIME THIS \_\_\_ DAY OF \_\_\_\_\_, 2021.

\_\_\_\_\_  
 MAYOR  
 SIGNED THIS \_\_\_ DAY OF \_\_\_\_\_, 2021.

\_\_\_\_\_  
 CITY CLERK  
 SIGNED THIS \_\_\_ DAY OF \_\_\_\_\_, 2021.

PROPOSED TEXT FOR DISCUSSION