

## **BORROWING BYLAW INFORMATION**

Bylaw No.	- 7B2021
Purpose of borrowing	- To finance the Capital Projects for the Rivers District proposed by Calgary Municipal Land Corporation (" <b>CMLC</b> ")
Borrowing Authority	- \$85 million
Term	- Not to exceed 25 years
Type of Debenture	- Self-sufficient tax supported
Statutory References	<i>Municipal Government Act ("<b>MGA</b>") and City of Calgary Rivers District Community Revitalization Levy Regulation ("<b>Regulation</b>")</i>
Borrowing Authorization	- Sections 251
Terms of a Borrowing	- Sections 253(1) and 258(1) of the MGA
Reading of Bylaw	- Section 187 of MGA
Advertising of Bylaw	- Sections 251 and 606 of MGA & Section 6 of the Regulation

### Borrowing Authorization

Section 251 of the MGA stipulates that:

- a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw; and
- a borrowing bylaw must set out:
  - (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
  - (b) the maximum rate of interest, the term and the terms of repayment of the borrowing; and
  - (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.

### Terms of a Borrowing

Section 253(1) of the MGA stipulates that a borrowing must be used for the purpose for which it is borrowed.

Section 258(1) of the MGA applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years, and stipulates that:

- the expenditure for the capital property must be included in a budget; and
- the term of the borrowing must not exceed the probable lifetime of the capital property.

### Reading of Bylaw:

Section 187 of the MGA stipulates:

- that every proposed bylaw must have 3 distinct and separate readings; and
- sets out the procedures for the readings of bylaws.

### Advertising of Bylaw

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TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS  
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY  
ON MONDAY, 2021 MAY 10

Section 251 of the MGA stipulates that a borrowing bylaw must be advertised.

Section 6 of the Regulation stipulates that despite Sections 256 to 263 of the MGA, a borrowing bylaw for the purpose of implementing the community revitalization plan, in whole or in part, must be advertised in accordance with Section 606 of the MGA.

Section 606 of the MGA sets out the requirements for advertising bylaws.

**LOAN BYLAW INFORMATION**

Bylaw No.	- 19M2021
Loan made to	- Calgary Municipal Land Corporation (" <b>CMLC</b> ")
Purpose of loan	- To loan to CMLC the funds raised under Borrowing Bylaw No. 7B2021
Amount	- \$85 million
Repayment Terms	- CMLC shall pay to The City semi-annual principal and interest installments not exceeding a term of 25 years plus a basic fee of 0.25% per annum on the average monthly outstanding debenture held by The City on behalf of CMLC
Bylaw No.	- 17M2021
Loan made to	- Attainable Housing Calgary Corporation (" <b>AHCC</b> ")
Purpose of loan	- To amend Bylaw 41M2014 by extending the term from 7 to 10 years of a guarantee to a loan made to the AHCC
Bylaw No.	- 18M2021
Loan made to	- Attainable Housing Calgary Corporation (" <b>AHCC</b> ")
Purpose of loan	- To amend Bylaw 31M2011 by extending the term from 10 to 12 years of a Municipal Loan to AHCC
Statutory References	<i>Municipal Government Act ("<b>MGA</b>")</i>
Lending Authorization	- Sections 264(1)(b) and 265
Advertising of Bylaw	- Section 265(3)
Amendment	- Section 191

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Lending Authorization

Section 264(1)(b) of the MGA provides that a municipality may lend money to one of its controlled corporations.

Section 265 of the MGA stipulates that:

- a municipality may only lend money to one of its controlled corporations if the loan is authorized by bylaw; and
- a bylaw authorizing a loan must set out:
  - (a) the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used;
  - (b) the minimum rate of interest, the term and the terms of repayment of the loan; and
  - (c) the source or sources of the money to be loaned.

Advertising of Bylaw

Section 265(3) of the MGA stipulates that a bylaw that authorizes a loan must be advertised.

Section 191 of the MGA sets out the power to amend or repeal the bylaw.

**CAPITAL PROGRAM INFORMATION**

Authorizing Document(s)	- Calgary Municipal Land Corporation's 2021 Business Plan & 2020-2024 Strategic Plan
Council's Approval Date (as Shareholder)	- 2020 December 11

**AFFIRMATIVE VOTES REQUIRED** - Majority of members present

**ADMINISTRATIVE COMMENTS**

Borrowing Bylaw No. 7B2021 is to finance the Capital Projects included in CMLC's 2021 Business Plan and 2020-2024 Strategic Plan, which Council, as Shareholder, approved on 2020 December 11.

The City will issue debentures and loan the funds to CMLC.

The City and CMLC are parties to an existing credit agreement which will be amended to provide up to \$85 million of additional loans from The City to CMLC.

CMLC shall pay to The City interest and principal installments when due and as required, plus a basic fee of 0.25% per annum based on average monthly outstanding debenture balances, all of which will be reflected in the amended form of credit agreement between The City and CMLC.

Loan Bylaw No. 19M2021 is required to loan the debenture funds to CMLC, a controlled

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corporation, pursuant to Sections 264 and 265 of the MGA.

Loan Bylaw No 17M2021 is to amend Bylaw 41M2014 by extending the term from 7 to 10 years.

Loan Bylaw No 18M2021 is to amend Bylaw 31M2011 by extending the term from 10 to 12 years.

On 2021 March 22, Council gave first reading to Borrowing Bylaw 7B2021 and Loan Bylaws 17M2021, 18M2021 and 19M2021. Pursuant to Section 231 of the Municipal Government Act, Borrowing Bylaw 7B2021 and Loan Bylaws 17M2021, 18M2021 and 19M2021 were advertised in the Calgary Herald on 2021 April 1 and 8. The 15-day statutory deadline for a petition asking for a vote on the Bylaws was 2021 April 23. There have been no valid petitions received for the bylaws.

#### **FINANCIAL CAPACITY**

Pursuant to the City's Debt Policy, total debt will not exceed 1.6 times revenue. The total debt service will not exceed 0.28 times revenue.

#### **OTHER LEGISLATIVE REQUIREMENTS**

Section 254 of the MGA stipulates that no municipality may acquire, remove or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.

#### **RECOMMENDATION**

That Council give Borrowing Bylaw 7B2021 and Loan Bylaws 17M2021, 18M2021 and 19M2021 second and third readings.

#### **ATTACHMENTS**

1. Bylaw 7B2021
2. Bylaw 17M2021
3. Bylaw 18M2021
4. Bylaw 19M2021