

Background

Historic summary of loan guarantees to Calgary Exhibition and Stampede Limited

Context

The City of Calgary ("The City") has guaranteed three credit facilities (Facilities B, C, and D) for Calgary Exhibition and Stampede Limited ("The Stampede") related to the Stampede Park redevelopment and expansion.

In September 1998, Council approved a \$60 million loan guarantee for land acquisition, the initial expansion of the BMO Centre, and subsequent on-site upgrades (FB98-49). In October 1998, Council approved Guarantee Bylaw No. 38M98. Council also directed Administration to provide regular project updates which have since been presented annually.

In December 2005 (FCS2005-42), Council approved an additional loan guarantee of \$80 million related to The Stampede's Master Plan (Guarantee Bylaw No. 49M2005). In 2014, the loan guarantee was reduced by \$20 million at the request of The Stampede (PFC2014-0463).

The City entered into an amended credit agreement dated 2008 April 1 to add guaranteed Facility D for \$80 million, which was reduced in 2014 to \$60 million in the amended and restated credit agreement dated 2014 April 11.

Challenges arose in 2020 with the COVID-19 pandemic resulting in cancellation of the annual exhibition for the first time in nearly a century. The annual exhibition returned in 2021 but on a greatly reduced scale to allow for physical distancing and to ensure compliance with all public health measures in effect at the time. Up to and including 2019 fiscal year, The Stampede remained in full compliance with all covenants set out in its credit agreement facilities, but, as a result of the COVID-19 pandemic, The Stampede required The City's consent to amend certain credit facilities and amend certain financial covenants for fiscal year 2020 (PFC2020-0670). For fiscal year 2021 and beyond, The Stampede required The City's consent to further amend certain credit facilities and amend certain financial covenants (PFC2021-0687) in order to ensure The Stampede remained in good standing under its credit facilities and to align with those granted by The Stampede's lender.

Previous Council Direction

Previous bylaws related to Calgary Exhibition and Stampede Limited:

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2021 June 8	PFC2021-0687	Calgary Exhibition and Stampede Limited requested consent to amend certain credit facilities and amend certain financial covenants for fiscal year 2021 and beyond to ensure The Stampede remained in good standing under its credit facilities and to align with those granted by The Stampede's lender. Approved per third amended and restated credit agreement dated 2021 June 22.
2020 July 14	PFC2020-0670	Calgary Exhibition and Stampede Limited requested consent to amend certain credit facilities and amend certain financial covenants for fiscal year 2020 to ensure The Stampede remained in good standing under its credit facilities and to align with those granted by The Stampede's lender. Approved per second amended and restated credit agreement dated 2020 July 29.
2014 June 17	PFC2014-0463	Calgary Exhibition and Stampede Limited requested debt guarantee approved per Bylaw 49M2005 be reduced by \$20 million. Reduced per amended and restated credit agreement dated 2014 April 11.
2006 January 16	49M2005	Bylaw to guarantee Calgary Exhibition and Stampede Limited debt \$80 million loan guarantee bylaw
1998 October 05	38M98	Bylaw to guarantee Calgary Exhibition and Stampede Limited debt \$60 million loan guarantee bylaw