



The Calgary Exhibition and Stampede Limited EC2022-0520

2021 Credit Facility Update

2022 June 29





The Calgary Exhibition and Stampede Limited Representatives

Introductions:

- Joel Cowley, Chief Executive Officer
- Graeme Ryder, Vice President – Business Services and Chief Financial Officer

Opening remarks by the Stampede's representatives



The Calgary Exhibition and Stampede Limited 2021 Credit Facility Update

- Annually, Administration updates Council regarding the credit facilities guaranteed by The City of Calgary for the Calgary Exhibition and Stampede Limited (The Stampede) park redevelopment and expansion.
- After being cancelled in 2020, the annual exhibition returned in 2021 but on a greatly reduced scale with fewer attractions offered compared to pre-pandemic levels.
 - Allowed for physical distancing
 - Compliance with all public health measures in effect at the time.
 - Many members of the public were apprehensive of venturing out
 - Travel was restricted
- Other year-round revenue generating activities continued to be negatively impacted.
- The loan guarantee with The Stampede has been in place since 1998.



Credit Facilities

- As of 2021 December 31, a total of \$60.1 million was outstanding on the three guaranteed credit facilities; \$13.4 million of credit Facility D is available for park expansion and development activities, for a total maximum available credit facility of \$73.5 million. Details are outlined below:

| Description (\$000s) | Facility B | Facility C | Facility D | Total |
|------------------------------------------|-----------------|-----------------|-----------------|------------------|
| Initial Authorization (1998) | \$30,000 | \$30,000 | | \$60,000 |
| Addition (2005) | | | \$80,000 | \$80,000 |
| Reduction (2014) | | | (\$20,000) | (\$20,000) |
| Total Authorized | \$30,000 | \$30,000 | \$60,000 | \$120,000 |
| Total Drawn | \$30,000 | \$30,000 | \$46,600 | \$106,600 |
| Opening Balance 2021 Jan 01 | \$19,660 | \$8,379 | \$32,061 | \$60,100 |
| (Net Amount Repaid) / Drawn Down in 2021 | \$0 | \$0 | \$0 | \$0 |
| Balance Outstanding 2020 Dec 31 | \$19,660 | \$8,379 | \$32,061 | \$60,100 |
| Undrawn Availability | \$0 | \$0 | \$13,400 | \$13,400 |
| Maximum Availability | | | | \$73,500 |



2021 Financial Highlights & Covenants

- The annual exhibition represents approx. 60% of The Stampede's revenue and approx. 62% of operating income.
- Due to the pandemic management have reduced operating expense and limited capital deployment.
- Current strategy: Federal support programs, asset dispositions, and amended bank funding including a new \$10 million revolving credit facility, facility extensions, amendments to lender's security, covenant amendments and further principal repayment deferrals.
- Revenues increased to \$67 million in 2021 from \$25 million in 2020 but were still well down from \$154 million in 2019 prior to the pandemic.
- With support from its lenders and The City, The Stampede has remained in compliance with all credit agreement covenants. The City did not require The Stampede to meet a 2021 debt service coverage ratio financial covenant in 2021 in its Credit Agreement. It has been reinstated in 2022.

Recommendation

That the Executive Committee recommends that Council receive this report for information and the corporate record.