

**TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS  
TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY  
ON TUESDAY, 2023 JUNE 13**

**BORROWING BYLAWS INFORMATION**

<b>Bylaw Number</b>	- <b>5B2023</b>
Purpose	- To borrow up to \$45 million for capital infrastructure projects proposed by Calgary Municipal Land Corporation ("CMLC"), including strategic projects, new project interfaces and market escalation for the Rivers District which have an estimated cost of \$45 million
Amount	- \$45 million
Term	- 25 years
Type of Debt	- Self-sufficient tax supported
<b>Bylaw Number</b>	- <b>6B2023</b>
Purpose	- To amend the maximum borrowing authority set out in Borrowing Bylaw 9B2021 from \$135 million to \$165 million for an increase in the estimated costs for the Arts Commons Transformation project from \$240 million to \$270 million
Amount	- \$30 million
Term	- 25 years
Type of Debt	- Self-sufficient tax supported
Statutory References (Sections)	- <i>Municipal Government Act ("MGA") and City of Calgary Rivers District Community Revitalization Levy Regulation ("Regulation") – Section Numbers</i>
Borrowing Authorization and advertising requirement	- 251 of the MGA
Amendment	- 191 of the MGA
Passing a Bylaw	- 187 of the MGA
Advertising of Bylaw	- 6 of the Regulation and 606 of the MGA

Borrowing Authorization and Advertising Requirement:

Section 251

“(1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw; and

(2) A borrowing bylaw must set out

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- (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.”

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.

Amendment:

Section 191

“(1) The power to pass a bylaw under this or any other enactment includes a power to amend or repeal the bylaw.

(2) The amendment or repeal must be made in the same way as the original bylaw and is subject to the same consents or conditions or advertising requirements that apply to the passing of the original bylaw, unless this or any other enactment provides otherwise.”

Passing a Bylaw:

Section 187

“(1) Every proposed bylaw must have 3 distinct and separate readings.”

The readings of a bylaw must follow the legislated procedures set out in the MGA.

**LOAN BYLAWS INFORMATION**

<b>Bylaw Number</b>	- <b>9M2023</b>
Purpose	- To amend the maximum loan authority set out in Loan Bylaw 56M2021 from \$135 million to \$165 million
Amount	- \$30 million
Repayment Terms	- CMLC shall pay to The City amounts of principal and interest when due and as required on the indebtedness over a period not exceeding a term of 25 years plus an administration fee of 0.25 per cent per annum on the average monthly outstanding indebtedness held by The City on behalf of CMLC
<b>Bylaw Number</b>	- <b>10M2023</b>
Purpose	- To loan to CMLC the funds raised under Borrowing Bylaw No. 5B2023

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Amount	- \$45 million
Repayment Terms	- CMLC shall pay to The City amounts of principal and interest when due and as required on the indebtedness over a period not exceeding a term of 25 years plus an administration fee of 0.25 per cent per annum on the average monthly outstanding indebtedness held by The City on behalf of CMLC
Statutory References	- MGA – Section Numbers
Loan Authorization and advertising requirement	- 264, as modified by subsection 4(11)(a)(i) of the <i>City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018</i> and 265
Amendment	- 191
Passing a Bylaw	- 187

Loan Authorization and Advertising Requirement:

Section 264

- “(1) The City may lend money if  
    (b) the loan is made to one of its controlled corporations.”

Section 265

- “(1) A municipality may only lend money to one of its controlled corporations if the loan is authorized by bylaw.  
(2) The bylaw authorizing the 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;  
    (c) the source or sources of the money to be loaned.  
(3) The bylaw that authorizes the loan must be advertised.”

Amendment:

Section 191

- “(1) The power to pass a bylaw under this or any other enactment includes a power to amend or repeal the bylaw.  
(2) The amendment or repeal must be made in the same way as the original bylaw and is subject to the same consents or conditions or advertising requirements that apply to the passing of the original bylaw, unless this or any other enactment provides otherwise.”

Passing a Bylaw:

Section 187

- “(1) Every proposed bylaw must have 3 distinct and separate readings.”  
The readings of a bylaw must follow the legislated procedures set out in the MGA.

Council’s Authorizing Document - EC2023-0197

ISC:UNRESTRICTED

Director: Les Tochor, Deputy Director: Aaron Brown, Author: Ron Albrecht

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

#### **ADMINISTRATIVE COMMENTS**

CMLC has requested The City to provide additional funding in the maximum amount of \$45 million to support the strategic projects, new project interfaces and market escalation for the Rivers District projects currently underway and \$30 million for financing the increase in the estimated costs for Phase 1 of the Arts Commons Transformation Capital Project. These projects are included in the CMLC's Shareholder approved 2023 Business Plan and 2020-2024 Strategic Plan Update. The City and CMLC are parties to an existing credit agreement which will be amended to cover these additional loans.

The City will borrow and loan the funds to CMLC.

CMLC shall pay to The City interest and principal when due and as required, plus an administration fee of 0.25 per cent per annum based on average monthly outstanding indebtedness balances.

On 2023 April 25, Council gave first reading to Borrowing Bylaws 5B2023 and 6B2023 and Loan Bylaws 9M2023 and 10M2023. Pursuant to Section 231 of the *Municipal Government Act*, Borrowing Bylaws 5B2023 and 6B2023 and Loan Bylaws 9M2023 and 10M2023 were advertised in the Calgary Herald on 2023 May 4 and 2023 May 11. The 15-day statutory deadline for a petition asking for a vote on the Bylaws was 2023 May 26. There were no valid petitions received.

#### **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. This debt will be included in the total debt calculations for purpose of calculating The City's debt limit. The \$75 million loan will not cause The City to exceed its debt limits.

#### **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.

#### **RECOMMENDATIONS**

That Council give:

1. Borrowing Bylaws 5B2023 and 6B2023 second and third readings; and
2. Loan Bylaws 9M2023 and 10M2023 second and third readings.

#### **ATTACHMENTS**

1. Borrowing Bylaw 5B2023
2. Borrowing Bylaw 6B2023
3. Loan Bylaw 9M2023
4. Loan Bylaw 10M2023