

**THE CITY OF CALGARY
TABULATION OF GUARANTEE BYLAW
TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY
ON TUESDAY, 2023 JUNE 13**

GUARANTEE BYLAW INFORMATION

Bylaw Number	- 11M2023
Purpose	- To provide a guarantee for the repayment of loan of Calgary Exhibition and Stampede Limited
Amount	- \$10 million
Term	- 25 years
Statutory references	- <i>Municipal Government Act</i> - Section numbers
Guarantee authorization and advertising requirement	- 264(2)(b), as modified by subsection 4(11)(a)(i) of the <i>City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018</i> and 266
Passing a bylaw	- 187

Guarantee Authorization and Advertising Requirement:

Section 264

“(2) The City may

 (b) guarantee the repayment of a loan between a lender and a non-profit organization

if the council considers that the money loaned or money obtained under the loan that is guaranteed will be used for a purpose that will benefit the municipality.”

Section 266

“(1) A municipality may only guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations if the guarantee is authorized by bylaw.

(2) The bylaw authorizing the guarantee must set out

 (a) the amount of money to be borrowed under the loan to be guaranteed and, in general terms, the purpose for which the money is borrowed;

 (b) the rate of interest under the loan or how the rate of interest is calculated, the term and the terms of repayment of the loan;

 (c) the source or sources of the money to be used to pay the principal and interest owing under the loan if the municipality is required to do so under the guarantee.

(3) The bylaw that authorizes the guarantee must be advertised.”

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 *Municipal Government Act*.

Council’s Authorizing Document - EC2023-0199

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AFFIRMATIVE VOTES REQUIRED FOR PASSING OF A BYLAW - Majority of members present

ADMINISTRATIVE COMMENTS

The City of Calgary (“The City”) currently guarantees the repayment of credit facilities B, C and D, provided by a Canadian chartered bank (the “Lender”) to Calgary Exhibition and Stampede Limited (“The Stampede”) for Stampede Park redevelopment and expansion, with a total amount of approximately \$70.8 million.

The Stampede has requested additional support from The City, to guarantee the repayment of credit facility H provided by the Lender in the amount of \$10 million (“Facility H”). This additional guarantee will provide complementary support to The Stampede as it continues to recover from the pandemic. Administration is supportive of this request due to The Stampede’s strong history of debt reduction and its importance as a significant contributor to the City’s economy and cultural identity.

The Lender provided Facility H to The Stampede to fund costs incurred during the global COVID-19 pandemic including the forced cancellation of the annual exhibition in 2020, a reduced annual exhibition in 2021, and which also prevented The Stampede from conducting other year-round revenue generating activities.

The proposed Bylaw 11M2023 seeks authority for The City to guarantee the repayment of Facility H for 25 years. The City and The Stampede are parties to an existing credit agreement which will be amended to cover the \$10 million of additional guarantee in accordance with the terms and conditions outlined in Report EC2023-0199 and The City’s Credit Documentation – Loans and Loan Guarantees Policy and Procedures. The Stampede has agreed to pay to The City an administration fee of 0.10 per cent per annum on the outstanding Facility H loan balance guaranteed.

On 2023 April 25, Council gave first reading to Guarantee Bylaw 11M2023. Pursuant to Section 231 of the *Municipal Government Act*, Guarantee Bylaw 11M2023 was 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. Debt guaranteed by The City is included in the total debt calculations for purpose of calculating The City’s debt limit. The \$10 million loan guarantee will not cause The City to exceed its debt limits.

RECOMMENDATION

That Council give:

1. Guarantee Bylaw 11M2023 second and third readings

ATTACHMENT

1. Guarantee Bylaw 11M2023