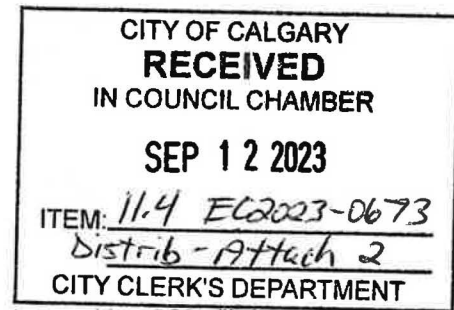


PROPOSED

EC2023-0673
ATTACHMENT 2

BYLAW NUMBER 10B2023

BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY TO INCUR INDEBTEDNESS BY WAY OF DEBT CAPITAL MARKETS ISSUANCES AND PRIVATE PLACEMENTS



WHEREAS the municipal Council ("**Council**") of The City of Calgary (the "**City**") has reviewed EC2023-0673 for the establishment of a debt capital markets and private placement program (the "**Program**") and the issuance of initial bonds thereunder (the "**Series 24-1 Bonds**");

AND WHEREAS Council considers it in the best interests of the City to establish the Program for the purposes of financing City projects that have been or will be approved by Council (including by way of loans or advances by the City to its controlled corporations and non-profit organizations for the purposes thereof);

AND WHEREAS the City is subject to the Municipal Government Act, R.S.A. 2000 c. M-26 (as amended from time to time, the "**MGA**"), which requires, among other matters, that the City may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS the City has in place Debt Policy CP 2020-05, which was adopted on November 2, 2020 and became effective on January 1, 2021 (as amended from time to time, the "**Debt Policy**"), which requires, among other matters, that the issuance of any new debt by the City be approved by Council and authorized by adopting a borrowing bylaw;

AND WHEREAS Council wishes to pass this bylaw number 10B2023 (this "**Bylaw**") pursuant to Sections 251 and 258 of the MGA and Sections 1.4 and 6.2 of the Debt Policy to authorize (i) the establishment, formation and implementation of the Program, (ii) borrowing under the Program by way of the issuance of the Series 24-1 Bonds and (iii) future borrowings under the Program as set out herein;

AND WHEREAS the Series 24-1 Bonds will be issued for the purposes of:

- a. financing or refinancing the capital works projects set out in Schedule A to this Bylaw (the "**Current Projects**") (including, in each case, by way of loans or advances by the City to its controlled corporations and non-profit organizations for the purposes thereof), each of which has previously been duly approved by Council and is hereby being ratified and has been included in the City's budget in accordance with Section 258 of the MGA;
- b. financing or refinancing any capital works projects (including, in each case, by way of loans or advances by the City to its controlled corporations and non-profit organizations for the purposes thereof) that are duly approved by the Council in the future and included in the City's budget in accordance with Section 258 of the MGA and in respect of which an approving bylaw makes reference to the Program as a potential borrowing source (such projects referred to as "**Future Projects**" and, collectively with the Current Projects, referred to as the "**Designated Projects**");

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- c. replenishing cash assets and reserves of the City that have been used, expended or advanced for the purposes of funding or financing the Current Projects prior to the issuance of the Series 24-1 Bonds; and
- d. refinancing or repaying (prior to maturity) the 5.19000% Debenture due June 15, 2048 issued by the City to The Province of Alberta in the aggregate principal amount of \$172,807,000 (the "**2048 Debenture**") under a Master Loan Agreement between His Majesty the King in right of Alberta as represented by the President of Treasury Board and Minister of Finance and the City made effective as of April 22, 2014 and as amended and restated on December 15, 2020;

AND WHEREAS In connection with the offering, sale and issuance of the Series 24-1 Bonds, the City requires Council authorization to enter into (among other agreements and instruments):

- a. a term sheet and/or offering document setting out the principal terms of the Series 24-1 Bonds (the "**Offering Documents**");
- b. an engagement, agency and/or underwriting agreement (the "**Dealer Agreement**") in respect of the placement and sale of the Series 24-1 Bonds;
- c. a book entry only securities services agreement (the "**BEO Services Agreement**");
- d. a paying agent or similar agreement with a trust company in Canada to act as paying agent and registrar in respect of the Series 24-1 Bonds (the "**Paying Agent Agreement**"); and
- e. global or definitive certificates representing the Series 24-1 Bonds (the "**Bond Instruments**") and, together with the Offering Documents, Dealer Agreement, the BEO Services Agreement and the Paying Agent Agreement and any other agreement, instrument or document necessary or desirable in respect of the offering, sale and issuance of the Series 24-1 Bonds, the "**Agreements**";

AND WHEREAS the amount of the long-term debt of the City as at 2022 December 31 is \$2,695 million with (i) \$332 million thereof being tax supported debt; (ii) \$247 million thereof being self-sufficient tax supported debt; and (iii) \$2,116 million thereof being self-supported debt, and no part of the principal or interest of any of the foregoing debt is in arrears;

AND WHEREAS all required approvals for the borrowing will be obtained to ensure the City is in compliance with all laws in force in the Province of Alberta;

AND WHEREAS this Bylaw has been advertised in accordance with the requirements of the MGA.

NOW, THEREFORE, THE COUNCIL ENACTS AS FOLLOWS:

1. The City is hereby authorized to establish, form and implement the Program.

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2. The City is hereby authorized to incur indebtedness through the issuance of the Series 24-1 Bonds with:
 - a. up to a maximum aggregate principal amount of \$1,800 million (including in respect of any re-openings of the Series 24-1 Bonds; provided that, for the avoidance of doubt, after such maximum principal amount is reached, the City may incur additional indebtedness under the Program pursuant to paragraph 8 hereof);
 - b. a maximum interest rate per annum of 8.00%; and
 - c. a maximum term of thirty (30) years.
3. The proceeds of the Series 24-1 Bonds will be used to:
 - a. finance or refinance the Designated Projects (including, in each case, by way of loans or advances by the City to its controlled corporations and non-profit organizations for the purposes thereof); and
 - b. refinance or repay (prior to maturity) the 2048 Debenture (including any accrued interest or early prepayment penalty, premium or similar fees thereon).
4. Any of the Chief Financial Officer or the City Manager of the City, together with any other person that, at the applicable time has an official job title within the City listed in Schedule B to this Bylaw (including any person holding such title on an acting or interim basis) (together, the “**Authorized Program Representatives**” and each an “**Authorized Program Representative**”), are, acting jointly, hereby authorized to finalize the terms of the Series 24-1 Bonds, including, without limitation, the following:
 - a. the principal amount of the Series 24-1 Bonds to be issued, subject to the limitation specified in paragraph 2 hereof;
 - b. the issue price of the Series 24-1 Bonds;
 - c. the interest rate payable on the Series 24-1 Bonds (subject to the limitation specified in paragraph 2(b) hereof);
 - d. interest payment dates in respect of the Series 24-1 Bonds;
 - e. the date upon which any Series 24-1 Bonds shall be issued and delivered and the date upon which any Series 24-1 Bonds shall mature (subject to the limitation specified in paragraph 2(c) hereof);
 - f. all matters relating to the redemption of any Series 24-1 Bonds prior to their maturity at the option of the City;
 - g. all matters relating to any reopening of the Series 24-1 Bonds which results in additional issuances of Series 24-1 Bonds (subject to the limitation specified in paragraph 2(a) hereof); and

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- h. all other matters relating to any other characteristics or terms of any Series 24-1 Bonds,

and such determination and approval shall be conclusively evidenced by the execution and delivery of the Series 24-1 Bonds executed by the Authorized Program Representatives, acting jointly.

- 5. The Authorized Program Representatives are hereby authorized, empowered and directed, in the name and on behalf of the City, acting jointly, to:
 - a. approve the content and form of each of the Agreements;
 - b. take such action, as is necessary, appropriate or desirable to (i) obtain one or more CUSIP numbers for the Series 24-1 Bonds and to have the Series 24-1 Bonds registered in the name of CDS & Co., the nominee of The Canadian Depository for Securities Limited (“CDS”) (and CDS is hereby authorized as the depository for the Series 24-1 Bonds), and to otherwise make the Series 24-1 Bonds eligible for book-entry transfer through the services of CDS and (ii) deposit the Bond Instruments with CDS; and
 - c. take such action as the Authorized Program Representatives shall deem necessary, appropriate or desirable to obtain one or more credit ratings for the Series 24-1 Bonds by an appropriate rating agency or rating agencies.
- 6. The City shall repay the Series 24-1 Bonds over a period not exceeding thirty (30) years in accordance with one or more of the following repayment structures:
 - a. in instalments of principal and interest, as and when due, throughout the term of the Series 24-1 Bonds (such instalments being no less often than semi-annually); and
 - b. interest only instalment payments followed by payments of principal and accrued interest, as and when due under the terms of the Series 24-1 Bonds (such instalments being no less often than semi-annually).
- 7. The source of repayment of principal and interest in respect of the Series 24-1 Bonds shall be City revenues and taxes, user fees, proceeds from the sale of properties, special assessment levies and funds from other sources. In the event of any revenue deficiency, the City shall levy and raise municipal taxes sufficient to repay such principal and interest.
- 8. For a period of four (4) years from the date of this Bylaw, the Authorized Program Representatives are hereby authorized and empowered, acting jointly and on behalf of the City, to incur future indebtedness by way of the issuance of bonds in the debt capital markets or the private placement of bonds or notes under the Program (“**Program Bonds**”) and to enter into any necessary agreements, instruments or documents in respect thereof, subject to the following conditions:
 - a. no individual issuance of a series of Program Bonds (including any re-openings of such series of Program Bonds) shall exceed \$1,800 million in aggregate principal amount;

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- b. the aggregate outstanding principal amount under the Program at any given time shall not exceed \$2,907 million and shall in no event exceed the limits set out in the Debt Policy;
- c. the interest rate per annum in respect of any Program Bonds shall not exceed 8%; and
- d. the term of any Program Bonds shall not exceed thirty (30) years; and
- e. the proceeds of any Program Bonds shall only be used (i) for Designated Projects (including, in each case, by way of loans or advances by the City to its controlled corporations and non-profit organizations for the purposes thereof) and (ii) to replenish cash assets and reserves of the City that have been used, expended or advanced for the purposes of funding or financing the Designated Projects prior to the issuance of such Program Bonds;

in each case without a further borrowing bylaw of Council.

- 9. The indebtedness under the Program shall be contracted on the credit and security of the City.
- 10. Without derogating from any bylaws previously passed by Council in respect of the Current Projects (such bylaws as set out under the heading "Bylaw" in Schedule A hereto, the "**Applicable Bylaws**"), as a confirmatory matter, each of the Current Projects is hereby ratified and each of the Current Projects may be fully or partially financed or refinanced with proceeds from the Series 24-1 Bonds or any future Program Bonds. Each of the Applicable Bylaws is hereby amended, as applicable, to permit the Current Project(s) approved thereunder to be fully or partially financed or refinanced with proceeds from the Series 24-1 Bonds or any future Program Bonds and, to the extent applicable or necessary for the purposes of specifying the sources of funding for such Current Project(s), amended to include the following sentence at the end of each such Applicable Bylaw:

"The capital works or other projects set out, contemplated or approved herein may be financed or refinanced with proceeds from The City of Calgary's debt capital markets and private placement program approved by Council of The City of Calgary under Bylaw 10B2023, including any bonds, debentures, notes or similar instruments issued or placed thereunder."
- 11. The net amount borrowed pursuant to this Bylaw shall be applied only to the purposes specified by this Bylaw (which, for the avoidance of doubt, may include (i) repaying, redeeming or refinancing any indebtedness previously incurred or to be incurred in the future by the City or any of its controlled corporations or non-profit organizations in respect of the Designated Projects or (ii) replenishing cash assets and reserves of the City that have previously been used, expended or advanced for the purposes of funding or financing any Designated Projects).

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12. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME ON _____

READ A SECOND TIME ON _____

READ A THIRD TIME ON _____

MAYOR

SIGNED ON _____

CITY CLERK

SIGNED ON _____

PROPOSED

BYLAW NUMBER 10B2023

SCHEDULE A

CURRENT PROJECTS

As at 2023/06/30
Generated 2023/08/24

Term	Bylaw	Bylaw Description	Approved Authority	Remaining Authority
Waste & Recycling Services 015				
20	14B2011	Landfill/Treatment Infrastructure	\$4,000,000	\$0
25	23B2014	Landfill/Treatment Infrastructure	\$7,187,000	\$6,787,000
			256 Total	\$11,187,000
20	14B2011	Facilities & equipment	\$7,533,000	\$5,813,000
25	11B2021	Facilities & equipment	\$30,000,000	\$30,000,000
			258 Total	\$37,533,000
			Waste & Recycling Services Total	\$48,720,000
Mobility 020				
15	1R2021	Sidewalk,Curb&gutt,str. lighting, str. scape,driveway,DTconcrpaving	\$5,051,402	\$0
15	2R2021	Sidewalk,Curb&gutt,str. lighting, str. scape,driveway,DTconcrpaving	\$1,616,563	\$0
15	1R2022	Sidewalk,Curb&gutt,str. lighting, str. scape,driveway,DTconcrpaving	\$5,897,634	\$5,234,634
15	1R2023	Sidewalk,Curb&gutt,str. lighting, str. scape,driveway,DTconcrpaving	\$4,576,713	\$4,576,713
			147 Total	\$17,142,312
20	18B2003	Macl Tr widen.-traffic infrastr.upgrade	\$1,080,000	\$0
			130 Total	\$1,080,000
			Mobility Total	
Parks and Open Spaces 051				
20	30B2006	Golf course upgrades & replacements	\$2,000,000	\$1,500,000
			505 Total	\$2,000,000

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			Parks and Open Spaces Total	<u>\$1,500,000</u>
Public Spaces Delivery 065				
20	18B2003	Pedestrian Overpass	\$1,500,000	\$581,335
20	18B2003	Pedestrian Overpass	\$1,500,000	\$0
			223 Total	\$3,000,000
20	18B2003	Macleod Tr widening-Shawnessy-Can.Meadows	\$7,768,000	\$0
20	18B2003	Macl/Shawn.Can.Mea. Widen-gst reduction	\$232,000	\$232,000
			719 Total	\$8,000,000
			Public Spaces Delivery Total	\$11,000,000
Green Line 068				
25	5B2020	Green Line	\$1,800,000,000	\$1,800,000,000
			869 Total	\$1,800,000,000
			Green Line Total	\$1,800,000,000
Calgary Transit 110				
30	8B2015	Stoney Compressed N.Gas bus storage & transit facility PPP	\$49,000,000	\$4,000,000
30	7B2015	Stoney Compressed N. Gas bus storage & transit facility PPP	\$97,000,000	\$97,000,000
			659 Total	\$146,000,000
			Calgary Transit Total	\$146,000,000
Fleet and Inventory 310				
5	19B2008	Acquisition of vehicle & equipment	\$110,412,000	\$0
5	11B2011	Acquisition of vehicle & equipment	\$56,974,000	\$0
5	20B2014	Acquisition of vehicle & equipment	\$136,495,000	\$74,883,683
10	9B2018	Acquisition of vehicle & equipment	\$149,350,000	\$27,351,779
			871 Total	\$453,231,000
5	19B2008	Shop Renovation & equip. upgrades	\$4,000,000	\$3,779,000
5	11B2011	Shop Renovation & equip. upgrades	\$1,650,000	\$1,650,000
20	7B2014	Fleet Services maintenance facility	\$11,600,000	\$1,347,000
20	6B2021	Facilities Machinery LC UP	\$7,340,000	\$5,160,000
20	6B2021	Technology Solutions	\$3,210,000	\$2,881,000
			872 Total	\$27,800,000
			Fleet and Inventory Total	\$481,031,000

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Real Estate & Development Services 320

10	13B2010	Point Trotter Industrial Lands WIGI	\$38,000,000	\$38,000,000
			697 Total	\$38,000,000

Real Estate & Development Services Total **\$38,000,000** **\$38,000,000**

Calgary Housing 321

30	7B2020	Rental Housing Projects	\$10,000,000	\$10,000,000
30	8B2021	Rundle Project - Calgary Housing Company	\$5,500,000	\$5,500,000
			489ss Total	\$15,500,000

Calgary Housing Total **\$15,500,000** **\$15,500,000**

Calgary Exhibition & Stampede 4150

25	19B98	Stampede Park-redevelop & exp.	\$60,000,000	\$60,000,000
			998 Total	\$60,000,000

Calgary Exhibition & Stampede Total **\$60,000,000** **\$60,000,000**

Enmax 510

25	4B2022	ENMAX Electric system upgrades	\$192,195,000	\$0
25	4B2023	ENMAX Electric system upgrades	\$176,372,000	\$8,465,000
			1000 Total	\$368,567,000
20	3B2022	ENMAX Distrib.Network system upgrades	\$13,446,000	\$0
20	3B2023	ENMAX Distrib.Network system upgrades	\$10,229,000	\$486,000
			1002 Total	\$23,675,000
5	1B2022	ENMAX - hardware & software upgrades	\$16,673,000	\$0
5	1B2023	ENMAX - hardware & software upgrades	\$21,977,000	\$803,000
			1003 Total	\$38,650,000
10	2B2022	ENMAX-Replacement of fleet and equipment	\$7,553,000	\$0
10	2B2023	ENMAX-Replacement of fleet and equipment	\$5,598,000	\$245,000

1004 Total **\$13,151,000** **\$245,000**

Enmax Total **\$444,043,000** **\$9,999,000**

Water Services 5200

25	15B2011	Water Treatment Plants	\$78,318,000	\$10,939,000
25	23B2014	Water Treatment Plants	\$27,619,000	\$27,619,000

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25	8B2018	Water Treatment Plants		\$14,494,000	\$14,494,000
			891 Total	\$120,431,000	\$53,052,000
25	15B2011	Water distribution systems		\$60,976,000	\$60,976,000
25	23B2014	Water distribution systems		\$1,140,000	\$1,140,000
25	8B2018	Water distribution systems		\$44,477,000	\$44,477,000
			892 Total	\$106,593,000	\$106,593,000
25	15B2011	Wastewater Treat. Plant upgrade		\$40,680,000	\$0
25	8B2018	Wastewater Treat. Plant upgrade		\$192,216,000	\$192,216,000
			894 Total	\$232,896,000	\$192,216,000
25	18B2010	Front-ended repayments		\$6,700,000	\$6,700,000
25	15B2014	Wastewater Collection systems		\$2,900,000	\$2,900,000
25	8B2018	Wastewater Collection systems		\$59,176,000	\$59,176,000
			895 Total	\$68,776,000	\$68,776,000
25	18B2010	Front-ended repayments		\$1,460,000	\$1,460,000
25	15B2011	Drainage system & Mgmt facility		\$12,119,000	\$0
25	23B2014	Drainage system & Mgmt facility		\$16,492,000	\$0
25	8B2018	Drainage system & Mgmt facility		\$38,854,000	\$346,000
			897 Total	\$68,925,000	\$1,806,000
25	15B2011	Stormwater Monitoring Infrastr. - 436		\$1,464,000	\$1,464,000
			898 Total	\$1,464,000	\$1,464,000
25	17B2010	Front-ended improvements		\$6,700,000	\$6,700,000
9	14B2014	Front-ended Keystone improvements		\$8,800,000	\$8,800,000
			895 Total	\$15,500,000	\$15,500,000
25	17B2010	Front-ended improvements		\$1,460,000	\$1,460,000
9	14B2014	Front-ended Keystone improvements		\$1,700,000	\$1,700,000
			897 Total	\$3,160,000	\$3,160,000
25	15B2011	Water Treatment Plants - OSL		\$578,000	\$0
25	23B2014	Water Treatment Plants - OSL		\$169,000	\$0
			891 Total	\$747,000	\$0
25	15B2011	Water distribution systems -OSL		\$41,450,000	\$7,000,000
			892 Total	\$41,450,000	\$7,000,000
25	15B2011	Wastewater Treatment Plants - OSL		\$89,985,000	\$0

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25	23B2014	Wastewater Treatment Plants - OSL	\$335,881,000	\$0
25	8B2018	Wastewater Treatment Plants - OSL	\$44,511,000	\$2,000,000
			894 Total	\$470,377,000
25	15B2011	WasteWater Collection - OSL	\$66,383,000	\$0
25	23B2014	WasteWater Collection - OSL	\$61,877,000	\$0
25	15B2014	WasteWater Collection - OSL	\$5,900,000	\$0
25	8B2018	WasteWater Collection - OSL	\$4,396,000	\$0
			895 Total	\$138,556,000
25	15B2011	Drainage systems & management facilities - OSL	\$27,700,000	\$0
25	23B2014	Drainage systems & management facilities - OSL	\$12,879,000	\$0
25	15B2014	Drainage systems & management facilities - OSL	\$1,700,000	\$0
25	8B2018	Drainage systems & management facilities - OSL	\$11,700,000	\$9,000,000
			897 Total	\$53,979,000
			Water Services Total	\$1,322,854,000
				\$460,567,000
Civic Partners 600				
15	3B2008	Calgary Zoo - parking lot expansion	\$5,040,000	\$5,040,000
			510 Total	\$5,040,000
			Civic Partners Total	\$5,040,000
Calgary Housing Company 730				
20	9B2015	Calgary Housing Corporation property acquisition	\$10,000,000	\$6,100,000
			492 Total	\$10,000,000
			Calgary Housing Company Total	\$6,100,000
Calgary Municipal Land Corporation 750				
28	2B2018	9th Avenue SE Bridge/ 17th Avenue SE Extension	\$80,000,000	\$0
25	7B2021	Envrmnt Remed, Festival Strt, Strrgc Projects, Strgc Land	\$85,000,000	\$29,500,000
25	9B2021	Phase 1 - Arts Commons Transformation	\$165,000,000	\$165,000,000
25	5B2023	Strat projs, New proj interfaces & Mrkt escalation	\$45,000,000	\$45,000,000

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999 Total	<u>\$375,000,000</u>	<u>\$239,500,000</u>
Calgary Municipal Land Corporation Total	<u>\$375,000,000</u>	<u>\$239,500,000</u>
	<u>\$4,777,410,312</u>	<u>\$2,907,483,144</u>

PROPOSED

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SCHEDULE B

ADDITIONAL AUTHORIZED PROGRAM REPRESENTATIVES

General Manager

Deputy City Manager

City Solicitor and General Counsel

City Treasurer/Director of Finance

Deputy Director Finance