

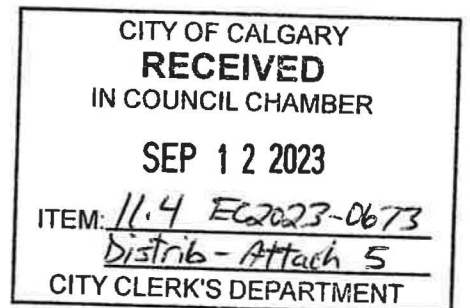
New Capital Debt Borrowing Option

EC2023-0673

2023 September 6

ISC: Unrestricted

New Capital Debt Borrowing Option





Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2022 May 19	IGA2022-0587	Corporate Borrowing Strategy Direct Administration to continue to assess and implement additional forms of financing
2022 January 11	IGA2021-1694	Government Relations Administration to continue related work, reporting back through the Intergovernmental Affairs Committee no later than Q2, 2022.



Recommendation(s)

That the Executive Committee:

- 1) Forward this report to the 2023 September 12 Regular Meeting of Council; and
- 2) Direct that Attachment 2 be held confidential pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the Freedom of Information and Protection of Privacy Act, RSA 2000, c. F-25 until 2023 September 12.

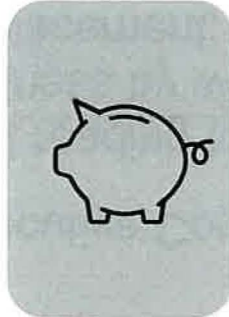
That the Executive Committee recommend that Council:

- 1) Give first reading to the proposed bylaw authorizing The City of Calgary ("The City") to incur indebtedness by way of issuances of debt securities into the debt capital markets or by way of private placement;
- 2) Withhold second and third readings until the advertising requirements set out in the Municipal Government Act, RSA 2000, c. M-26, have been met; and
- 3) Direct that Attachments 3, and 4, be held confidential pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the Freedom of Information and Protection of Privacy Act, RSA 2000, c. F-25 until 2025 September 15.

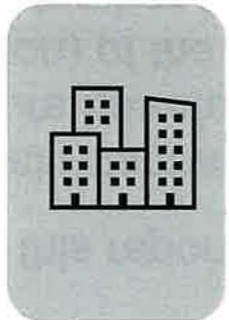
Highlights

A New Capital Debt Borrowing Option for The City

Key highlights & benefits



Greater value for Calgarians through anticipated cost savings. Obtaining a lower interest rate for capital projects and reducing City risk.



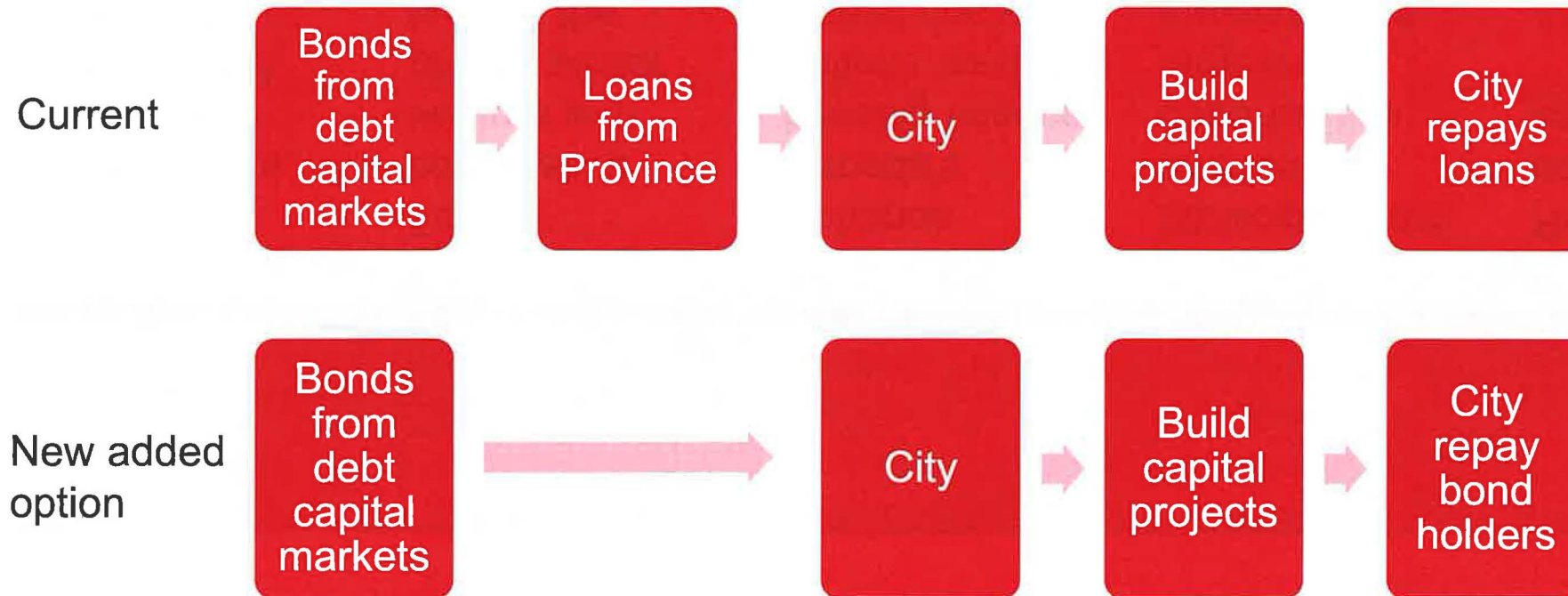
Well established approach used by major Canadian cities such as Toronto, Vancouver, Ottawa & Montreal for decades. Supported and used by the Alberta Treasury Board & Finance

The City's Capital Financing Framework

Financing Options:	Canada Infrastructure Bank (CIB)	Public-Private Partnerships (P3)	Canada Mortgage and Housing Corporation (CMHC)	Federation of Canadian Municipalities (FCM)	Capital Debt Borrowing: - Provincial - <u>Municipal Bonds</u>
Purpose:	Green infrastructure, clean power, public transit, trade and transport and broadband infrastructure.	Formal cooperative venture with private sector built on the expertise of each partner in pursuit of a defined public need.	Enhance Canada's housing finance options, assisting Canadians who cannot afford housing in the private market.	Municipal grant and funding opportunities targeting transportation, land use, energy, housing, water, waste.	Residual funding source used only as required. Municipal Bonds (New)

Note: The City will continue to **prioritize cost-effective sources first, only using debt strategically.**

Note: Developed with the intention of *preserving and leveraging established processes, systems, and resources to mitigate risk;*





Legal and Governance

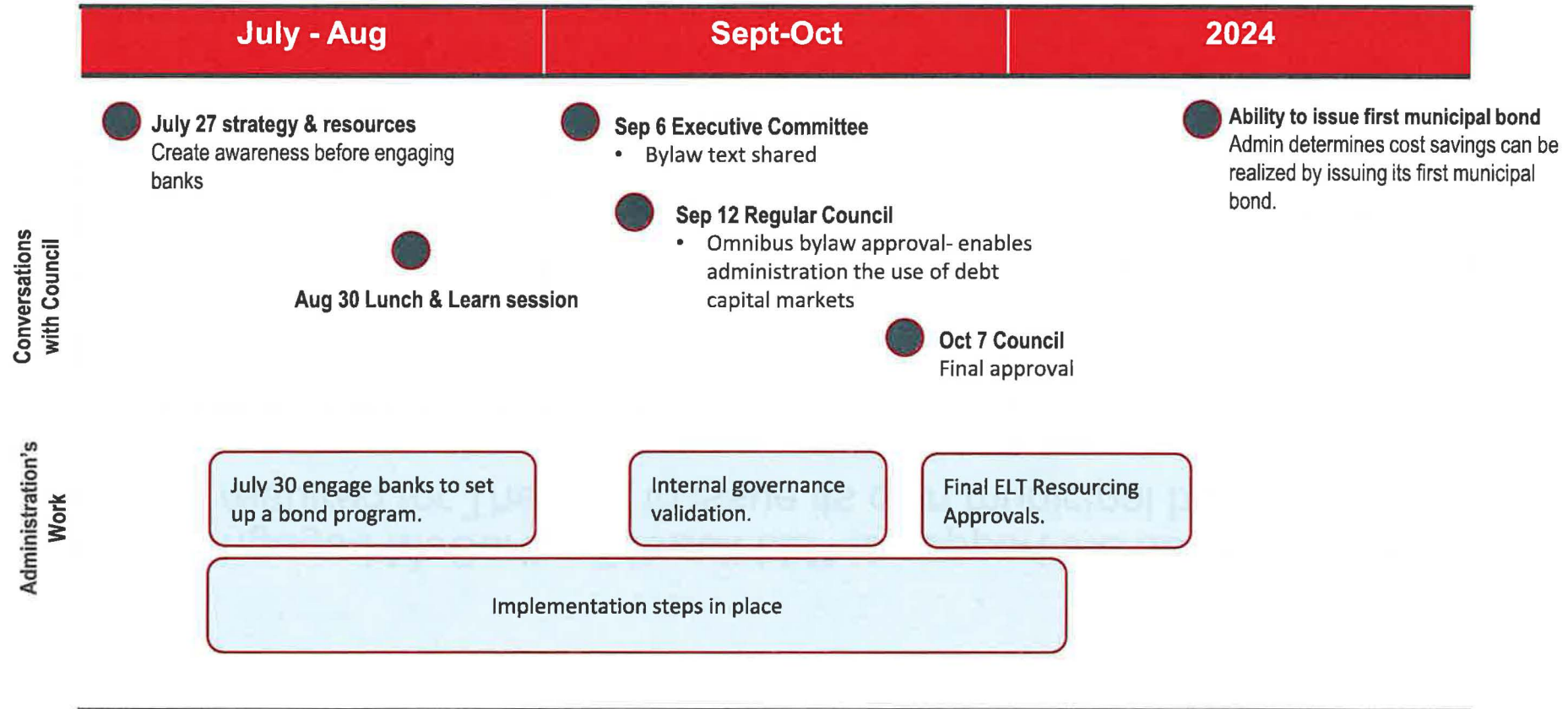
Administration has engaged McCarthy Tétrault LLP to support the development of this bylaw and the legal framework required for The City to issue its own municipal bonds.

Key Points:

- Omnibus Bylaw
- Future borrowing bylaws will make reference to the debt capital markets and private placement program as a potential funding source so that bond proceeds can be used towards financing the underlying projects

What questions did we hear?

What's Next?



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