

BYLAW NUMBER 7B2015

**BEING A BYLAW TO AUTHORIZE THE CITY OF
CALGARY TO INCUR INDEBTEDNESS UP TO
\$97 MILLION AS PART OF A PUBLIC PRIVATE
PARTNERSHIP FOR CONSTRUCTION OF THE
STONEY COMPRESSED NATURAL GAS BUS
STORAGE AND TRANSIT FACILITY**

WHEREAS Council of The City of Calgary (“The City”) is to approve Report C2015-0502 for the Stoney Compressed Natural Gas Bus Storage and Transit Facility;

AND WHEREAS The City seeks to enter into a public private partnership agreement with the Preferred Proponent (the “Project Agreement”) for the design, building, financing and maintenance of the Stoney Transit Facility (the “Project”);

AND WHEREAS the Project has an estimated cost of \$244.4 million;

AND WHEREAS it is estimated that \$48.4 million of the total capital cost of the Project will be financed from PPP Canada;

AND WHEREAS it is estimated that \$50 million of the total cost of the Project will be financed from sources other than borrowing;

AND WHEREAS the borrowings for \$49 million of capital assets for the Project are to be approved pursuant to Bylaw 8B2015;

AND WHEREAS Council has deemed it advisable to pass a bylaw pursuant to Sections 251 and 258 of the Municipal Government Act (R.S.A. 2000 c. M-26) to undertake a borrowing not exceeding \$97 million to pay for a portion of the capital cost of the Project;

AND WHEREAS the estimated lifetime of the Project is equal to, or in excess of thirty (30) years;

AND WHEREAS the amount of the long term debt of The City as at 2014 December 31 is \$3,626 million with \$529 million being tax supported debt, \$1,032 million being self-sufficient tax supported debt and \$2,065 million being self supported debt and no part of the principal or interest is in arrears;

AND WHEREAS all required approvals for the Project will be obtained to ensure the Project is in compliance with all applicable laws in force in the Province of Alberta and Canada.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:

Definitions

1. In this Bylaw and the Preamble hereto:

- (a) "Preferred Proponent" means the entity selected by The City through the procurement process to enter into the Project Agreement;
- (b) "Private Sector Contribution" means the portion of the total capital cost of the Project to be paid by the Preferred Proponent, in the form of both equity and debt investment, pursuant to the Project Agreement; and
- (c) "Stoney Transit Facility" means the facility to be built pursuant to the Project Agreement.

Authorization

- 2. The City is hereby authorized to incur indebtedness up to \$97 million to finance the Project, by entering into the Project Agreement with the Preferred Proponent as follows:
 - (1) The Preferred Proponent agrees to pay the Private Sector Contribution as set out in the Project Agreement; and
 - (2) The City agrees to pay the Preferred Proponent for the Private Sector Contribution, principal and interest when due and as required, with the principal repayment not exceeding \$97 million over a period not exceeding thirty (30) years at an effective interest rate not exceeding 8% per annum.
- 3. The net amount of the indebtedness under this Bylaw shall be applied only to the Project specified by this Bylaw.
- 4. The indebtedness shall be contracted on the credit and security of The City.

Source of Repayment

- 5. The City shall levy and raise in each year an amount by way of municipal taxes sufficient to pay the interest, principal, fees and deposits when due and as required on the indebtedness.

Coming into Force

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

READ A FIRST TIME THIS ___ DAY OF _____, 2015.

READ A SECOND TIME THIS ___ DAY OF _____, 2015.

READ A THIRD TIME THIS ___ DAY OF _____, 2015.

MAYOR
SIGNED THIS ___ DAY OF _____, 2015.

CITY CLERK
SIGNED THIS ___ DAY OF _____, 2015.

