

Corporate Planning and Financial Services Briefing to

Executive Committee

2025 April 15

ISC: UNRESTRICTED

EC2025-0276

Calgary Exhibition and Stampede Limited – 2024 Credit Facility Update

PURPOSE OF BRIEFING

This Briefing is presented to the Executive Committee to provide the annual update from Administration to Council regarding the credit facilities guaranteed by the City of Calgary (“The City”) for the Calgary Exhibition and Stampede Limited (“The Stampede”).

SUPPORTING INFORMATION

PREVIOUS COUNCIL DIRECTION

- Council previously approved The City’s guarantee of certain credit facilities provided by a Canadian chartered bank (the “Lender”) to The Stampede. The credit facilities guaranteed by The City have included facilities B, C, D and H. The Stampede’s total debt related to these facilities was \$30.0 million at year end 2024, a reduction of \$44.6 million from a balance of \$74.6 million at the end of 2023.

HIGHLIGHTS

- In 2024 The Stampede held a highly successful annual exhibition with record setting attendance of nearly 1.5 million, exceeding expectations. Other year-round events also contributed significantly to 2024 revenue of \$206 million, exceeding 2023 revenue of \$173 million, also setting a record.
- The newly expanded BMO Centre was completed and opened in June 2024, just in time for the annual Stampede event.
- The City and The Stampede entered into a purchase and sale agreement whereby the Stampede sold land to the City. The two parties also entered into a non-cash land exchange agreement, exchanging lands estimated to be of equal value. Both agreements combined to result in City ownership of land required for Scotia Place, the new event centre in Calgary. Due to long-term holding of the lands by The Stampede, The Stampede reported a gain on disposition of the land of nearly \$90 million, with the majority of the gain related to the land exchange. The land exchange agreement will be concluded when the City transfers ownership of land to The Stampede, following demolition of the Saddledome.
- Through the pandemic and to date The Stampede has remained fully compliant with all the covenants in its credit agreements. This is due in part to The Stampede’s prudent fiscal management as well as the support from its Lender and The City. This support has included amendments to credit agreements to defer principal repayments, to modify or waive financial covenants as appropriate, plus the addition of City guaranteed credit Facility H to provide liquidity during the pandemic. The Federal government also contributed significant financial assistance in response to the pandemic and the Provincial government continues to provide financial support to The Stampede.

DISCUSSION

Guaranteed Credit Facilities

- The City’s credit facilities guarantee provides support to The Stampede and results in lower borrowing costs.
- Guaranteed non-revolving credit facilities B, C and D are to support Stampede Park redevelopment and expansion. In 2024 The Stampede fully repaid Facility C plus a

significant portion of credit Facility D using a large portion of the proceeds from the land sale transaction mentioned above.

- Facility H was a new \$10 million revolving credit facility granted by the Lender in 2021 to provide liquidity during the pandemic. Facility H was converted to a non-revolving term loan on 2022 September 30 and was guaranteed by The City in 2023 following Council’s approval. Facility H was fully repaid in 2024.
- As of 2024 December 31, a total of \$30.004 million remained outstanding to the Lender on guaranteed credit facilities B and D, as shown in the table below. Due to the non-revolving nature of the Lender’s credit facilities, this is the maximum availability of City guaranteed debt.

Description (\$000s)	Facility B	Facility C	Facility D	Facility H	Total
Initial Authorization (1998)	\$30,000	\$30,000			\$60,000
Addition (2005)			\$80,000		\$80,000
Reduction (2014)			(\$20,000)		(\$20,000)
Addition (2023)				\$10,000	\$10,000
Total Authorized (Fully Drawn as at year end 2023)	\$30,000	\$30,000	\$60,000	\$10,000	\$130,000
Opening Loan Balance 2024 January 1	\$17,877	\$5,460	\$41,821	\$9,400	\$74,558
Amount Borrowed in 2024	\$0	\$0	\$0	\$0	\$0
Amount Repaid in 2024	(\$1,270)	(\$5,460)	(\$28,424)	(\$9,400)	(\$44,554)
Ending Loan Balance 2024 December 31	\$16,607	\$0	\$13,397	\$0	\$30,004
Undrawn Availability	\$0	\$0	\$0	\$0	\$0
Maximum Guarantee					\$30,004

2024 Financial Highlights

- With the success of the annual exhibition in 2024, The Stampede’s revenues increased to \$206.4 million from \$173.4 million in 2023. In 2024, The Stampede realized an excess of revenues over expenses from normal operations of \$4.8 million. In addition, the Stampede reported a gain of \$89.9 million on the disposition of land as mentioned above. The profits are reinvested into the Stampede’s programs. Further financial details are available in Attachment 2.

Risk

- Financial loss to The City as guarantor of The Stampede’s term debt in the event of default is mitigated by way of a fixed-charge debenture covering all loans guaranteed by The City and secured with specific property owned by The Stampede. The Stampede is required to pledge specific property of sufficient value to maintain a minimum Asset Value to Loan Ratio of 125 per cent which provides excess value to secure the guarantee in the event appraised values do not materialize. At the end of 2024 the Asset Value to Loan Ratio was equal to 307 per cent of the maximum guaranteed amount, much greater the minimum required. With Council’s approval in 2023 of the new \$10 million guarantee of Facility H, The City requested additional property owned by The Stampede to be pledged. That, combined with The Stampede’s significant debt reduction in 2024, has resulted in the very high Asset Value to Loan Ratio.
- An updated appraisal of the aggregate market value of “The City Charged Lands” is to be delivered every fifth year during the term of The City’s credit agreement. As required, an updated appraisal was conducted in 2024 following the land transactions mentioned previously. The next appraisal is due to be completed in 2029 April.

Class Action Lawsuit

- On 2024 February 6 a joint statement was publicly released by the Class, the Calgary Stampede and Calgary Stampede Foundation. <https://jssbarristers.ca/class-actions/philip-heerema-and-calgary-stampede-foundation/>.

The Stampede has reviewed and concurs with the information in this Briefing.

ATTACHMENTS:

1. Previous Council Direction, Background
2. Summary of The Stampede's Operating Results

Author: Ron Albrecht, Treasury, Corporate Finance

Les Tochor concurs with the information in this Briefing.