

Corporate Planning & Financial Services Report to
Executive Committee
2025 April 15

ISC: UNRESTRICTED
EC2025-0292

Calgary Municipal Land Corporation - Borrowing and Loan Bylaws

PURPOSE

The purpose of this report is to:

- 1) seek Council approval of proposed borrowing Bylaw 5B2025 and proposed loan Bylaw 16M2025. If approved, these bylaws will allow The City of Calgary (“**The City**”) to provide up to a maximum of \$25 million of debt financing to Calgary Municipal Land Corporation (“**CMLC**”) to support strategic capital projects in the Rivers District as described in CMLC’s 2025-2029 Strategic Plan and 2025 Business Plan (collectively, the “**Strategic and Business Plans**”), which was approved by Council on behalf of The City, as sole shareholder; and
- 2) seek Council approval of proposed Bylaw 8M2025 to amend Bylaw 56M2021 for CMLC’s Arts Commons Transformation Phase 1 Project to provide authority for additional funding sources for loans to CMLC, which sources are currently limited to the Government of Alberta.

PREVIOUS COUNCIL DIRECTION

CMLC is a wholly owned subsidiary of The City that was formed to implement and execute the Rivers District Community Revitalization Plan (the “**Plan**”). The Plan, which has the mandate to kick-start Calgary’s urban renewal, formed part of the Community Revitalization Levy Bylaw (27M2007, as amended). CMLC manages several construction, design and vision projects within the Rivers District. At Council’s direction, The City has provided a variety of financial supports to CMLC, including loans.

RECOMMENDATIONS:

That the Executive Committee recommends that Council:

- 1) Give first reading to Bylaw 5B2025 (Attachment 2), being the proposed bylaw authorizing The City to borrow up to the maximum amount of \$25 million for financing capital projects of CMLC;
- 2) Give first reading to Bylaw 16M2025 (Attachment 3), being the proposed bylaw authorizing a loan to CMLC in the maximum amount of \$25 million;
- 3) Give first reading to Bylaw 8M2025 (Attachment 4), being the proposed bylaw to amend loan Bylaw 56M2021 to authorize additional financing sources for loans to CMLC, in addition to the Government of Alberta;
- 4) Withhold second and third readings of the attached bylaws until the advertising requirements set out in the *Municipal Government Act*, RSA 2000, c. M-26, have been met; and
- 5) Direct Administration to enter into and/or amend any existing agreements between The City and CMLC, as applicable, in accordance with the Credit Documentation – Loans and Loan Guarantees Policy and Procedures.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning and Financial Services concurs with this report.

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HIGHLIGHTS

- CMLC's 2025-2029 Strategic Plan and 2025 Business Plan (Attachment 5) was approved by Council on behalf of The City, as sole shareholder, in December 2024.
- CMLC's Strategic and Business Plans identified the need to allocate additional Community Revitalization Levy ("CRL") revenue to support special community-building opportunities that have arisen as development of the Rivers District progresses.
- CMLC has requested that The City borrow and lend up to a maximum of \$25 million to fund existing and new capital projects in the Rivers District.
- The requested borrowings are to support the following strategic and interface projects within the Rivers District, specifically: Rivers District wayfinding, infrastructure upgrades and park spaces, public art, and Reconciliation Bridge safety lighting.
- Council approval of proposed Bylaws 5B2025 and 16M2025 is required to enable the requested \$25 million in additional financing to support these projects. CMLC will use the CRL to repay the requested borrowings within the remaining term of the CRL, which is anticipated to end in 2047.
- Proposed Bylaw 8M2025 authorizes the necessary amendments to loan Bylaw 56M2021 to permit The City to use other financing sources, in addition to the Government of Alberta, for loans to CMLC in connection with the construction of Arts Commons Transformation Phase 1. Corporate Borrowing Strategy Bylaw 10B2023 already amends the corresponding borrowing Bylaws 9B2021 and 6B2023 to allow for a variety of financing sources.

DISCUSSION

- CMLC has received the CRL revenue since 2008, relying on 2008 property value assessments inside the Rivers District as a baseline.
- The CRL is levied against incremental property value assessment increases in the Rivers District since 2008 and revenue from such levies is used towards the cost of development in the Rivers District.
- In 2020, CMLC completed a review of all Rivers District projects to identify those that would bring the most value prior to the end of the CRL term in 2047.
- In 2024, CMLC identified additional strategic projects to support special community-building opportunities that were not in the original Rivers District master plan. These strategic projects require an increase in funding of up to \$25 million.
- On 2024 December 6, Council on behalf of The City, as CMLC's sole shareholder, approved CMLC's Strategic and Business Plans, which appropriated a total budget of \$25 million from future CRL revenues to fund these strategic projects.
- The timing difference between the \$25 million in near term expenditures for these strategic projects and future CRL revenues necessitates that CMLC borrow the funds for these projects now and then repay such borrowings using the CRL uplift that will result over time as public and private investments in infrastructure and place making initiatives take shape.
- CMLC continues to monitor CRL revenue against its forecasts and remains confident in its forecasts and ability to meet current and proposed obligations.
- CMLC's third-party financial institution provides an operating revolving credit facility to support continued growth in CMLC's portfolio of projects and to assist with managing

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timing differences between cash inflows and outflows. CMLC's lender remains supportive of its operations and continues to provide CMLC with the required liquidity.

- The City's Finance Business Unit continues to monitor CMLC's cash flow projections, forecasts, the CRL, and general market conditions to identify risks and work closely with CMLC to understand options to mitigate and/or adapt to changing economic conditions.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

CMLC has reviewed and concurs with this report and its attachments.

IMPLICATIONS

Social

The City supports CMLC through the provision of loans to implement and execute the Rivers District Community Revitalization Plan – a public infrastructure program approved by The City and the Government of Alberta to kick-start Calgary's urban renewal.

Environmental

CMLC manages its land and infrastructure investments to enable long-term environmental resilience. CMLC seeks to pursue sustainable development that combines environmental stewardship, social well-being, and economic prosperity.

Economic

The CRL is designed to provide self-sustaining funding for the Rivers District redevelopment with no impact on The City's operating and capital budgets. CMLC has administered the CRL and received CRL revenue since 2008.

Service and Financial Implications

Other: Self-Sufficient Tax Supported

\$25 Million

If the recommendation to provide the loan is approved, The City will charge CMLC the standard Administration Fee of 0.25 per cent per annum on the outstanding loan balance.

RISK

The CRL may be insufficient to fund, in its entirety, all of CMLC's priority capital projects in the Rivers District and additional sources of funding may be required in the event of any deficits experienced over the time horizon of the CRL.

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CMLC's financial profile continues to be updated to reflect the extended CRL term ending in 2047, the announcement of new capital projects, and prioritization of existing projects within the Rivers District.

The debt financing of up to \$25 million of the project costs is over an extended design and construction period which could be impacted by interest rates, market conditions and available financing structures.

Many factors influencing CRL generation are beyond CMLC's control and the pace of private development is not always predictable; however, CMLC actively monitors changes and is in constant communication with the development community to proactively plan and adapt.

ATTACHMENT(S)

1. Attachment 1 – Background and Previous Council Direction
2. Attachment 2 – Proposed Borrowing Bylaw 5B2025
3. Attachment 3 – Proposed Loan Bylaw 16M2025
4. Attachment 4 – Proposed Loan Bylaw 8M2025
5. Attachment 5 – Calgary Municipal Land Corporation 2025-2029 Strategic Plan and 2025 Business Plan
6. Attachment 6 – Calgary Municipal Land Corporation - Borrowing and Loan Bylaws Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor	Corporate Planning and Financial Services	Approve

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