

Corporate Planning and Financial Services Report to
Regular Meeting of Council
2025 June 24

ISC: UNRESTRICTED
C2025-0634

Calgary Municipal Land Corporation - Borrowing and Loan Bylaws

RECOMMENDATIONS:

That Council:

1. Give second and third readings to proposed Bylaws 5B2025 and 16M2025; and
2. Give second and third readings to proposed Bylaw 8M2025.

BORROWING BYLAW INFORMATION

Bylaw Number	- 5B2025
Purpose	- To authorize The City of Calgary ("The City") to borrow up to the maximum amount of \$25 million for financing Calgary Municipal Land Corporation ("CMLC") to support CMLC's strategic capital projects in the Rivers District per their shareholder approved Strategic and Business Plans
Amount	- \$25,000,000
Term	- 20 years
Type of Debt	- Self Sufficient Tax Supported
Statutory References	- <i>Municipal Government Act</i> , RSA 2000, c. M-26 ("MGA")
Borrowing Authorization and advertising requirement	- sections 251 and 258
Passing a Bylaw	- section 187

Borrowing Authorization and Advertising Requirement:

Section 251

"(1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw.

(2) A borrowing bylaw must set out

- (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
- (b) the maximum rate of interest, the term and the terms of repayment of the borrowing; and
- (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.

3) A borrowing bylaw must be advertised."

Section 258(1)

"This section applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years."

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Borrowing bylaws authorized under this section require advertising.

Passing a Bylaw:

Section 187(1)

"Every proposed bylaw must have 3 distinct and separate readings."

The readings of a bylaw must follow the legislated procedures set out in the MGA.

LOAN BYLAWS INFORMATION

Bylaw Number	- 16M2025
Loan made to	- CMLC
Purpose of loan	- To loan the funds to be borrowed under Bylaw 5B2025
Amount	- \$25,000,000
Repayment terms	- CMLC will repay the loan to The City in amounts of interest and principal when due and as required, over a period not exceeding 20 years, at the interest rate prescribed by The City of Calgary plus an administration fee calculated on the outstanding principal for each day at the rate of 0.25 per cent per annum computed on the basis of the number of days in the relevant period of determination.
Bylaw Number	- 8M2025
Loan made to	- CMLC
Purpose	- 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 source is currently limited to the Government of Alberta.
Amount	- \$165 million (per Bylaw 56M2021 as amended by Bylaw 9M2023). No change to existing authority.
Statutory references	- MGA
Loans to a Controlled Corporation and Advertising Requirement	- section 264(1)(b), as modified by subsection 4(11)(a)(i) of the <i>City of Calgary Charter, 2018 Regulation</i> , Alta Reg 40/2018 and section 265
Amendment	- section 191
Passing a Bylaw	- section 187

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Purpose of a Loan

Section 264(1) “The City may only lend money if
(b) the loan is made to one of its controlled corporations”

Loan Authorization and Advertising Requirement

Section 265

“(1) A municipality may only lend money to one of its controlled corporations if the loan is authorized by bylaw.

(2) The bylaw authorizing the loan must set out

- (a) the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used;
- (b) the minimum rate of interest, the term and the terms of repayment of the loan;
- (c) the source or sources of the money to be loaned.

(3) The bylaw that authorizes the loan must be advertised.”

Amendment and Repeal:

Section 191(1)

“The power to pass a bylaw under this or any other enactment includes a power to amend or repeal the bylaw.

(2) The amendment or repeal must be made in the same way as the original bylaw and is subject to the same consents or conditions or advertising requirements that apply to the passing of the original bylaw unless this or any other enactment provides otherwise.”

Passing a Bylaw:

Section 187(1)

“Every proposed bylaw must have 3 distinct and separate readings.”

The readings of a bylaw must follow the legislated procedures set out in the *Municipal Government Act*.

Council’s Authorizing Document - EC2025-0292

AFFIRMATIVE VOTES REQUIRED - Majority of members, provided a quorum is present

ADMINISTRATIVE COMMENTS

- On 2025 April 15, Council gave first reading to Bylaws 5B2025, 16M2025 and 8M2025 (collectively the “Proposed Bylaws”). Pursuant to section 231 of the MGA, the Proposed Bylaws were advertised in the Calgary Herald on 2025 May 8 and 2025 May 15. The 15-day statutory deadline for a petition asking for a vote on the Proposed Bylaws was 2025 May 30. No valid petitions were received.
- CMLC’s 2025-2029 Strategic Plan and 2025 Business Plan was approved by Council on behalf of The City, as sole shareholder, on 2024 December 6.
- 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.

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- 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: 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 allow 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 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. This amendment will result in funding source options in loan Bylaw 56M2021 being aligned with the funding source options in the related borrowing Bylaw 9B2021 loan (which was amended by Bylaws 6B2023 and 10B2023).
- The City and CMLC are parties to an existing credit agreement which will be amended to provide up to \$25 million of additional loans from The City to CMLC.
- CMLC shall pay to The City interest and principal installments when due and as required, plus an administration fee of 0.25 per cent per annum based on the outstanding principal for each day, all of which will be reflected in the amended form of credit agreement between The City and CMLC.

FINANCIAL CAPACITY

Pursuant to The City's Council approved Debt Policy (CP2020-05), the Total Debt (as defined in the Debt Policy) shall not exceed 1.6 times Revenue (as defined in the Debt Policy) and the Total Debt service shall not exceed 0.28 times Revenue. The debt originating from these proposed bylaws will be included in The City's consolidated debt but will not cause the debt limits to be exceeded.

ATTACHMENTS

1. Proposed Borrowing Bylaw 5B2025
2. Proposed Loan Bylaw 16M2025
3. Proposed Loan Bylaw 8M2025

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