

BYLAW NUMBER 12M2019

**BEING A BYLAW OF THE CITY OF CALGARY
AUTHORIZING MUNICIPAL LOANS TO
CALGARY MUNICIPAL LAND CORPORATION**

WHEREAS the Council of The City of Calgary ("**Council**") is authorized to provide for the lending of money by The City of Calgary ("**The City**") to one of its controlled corporations pursuant to Sections 264(1)(b) and 265 of the *Municipal Government Act* (R.S.A. 2000, c.M-26) and the regulations passed thereunder;

AND WHEREAS Calgary Municipal Land Corporation ("**CMLC**") is one of The City's controlled corporations;

AND WHEREAS Council, as shareholder, approved CMLC's proposed BMO Centre expansion capital project (the "**Capital Project**") on 2019 March 18;

AND WHEREAS Council Report C2019-0349 BMO Centre Expansion Funding, being a report which described the Capital Project, was approved by Council on 2019 March 18;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CITY OF CALGARY, DULY ASSEMBLED, ENACTS THE FOLLOWING:

1. The City shall lend to CMLC monies out of The City's Council directed Reserve up to a maximum sum of \$333,333,334.00 for the financing of the Capital Project, (the "**Loan**").
2. The Loan shall be advanced by The City to CMLC through multiple drawdown requests during construction of the Capital Project and only after:
 - a. Council has given three readings to this bylaw;
 - b. either:
 - i. a new credit agreement between The City and CMLC is entered into with respect to the Loan; and/or
 - ii. the existing Second Amended and Restated Credit Agreement between The City and CMLC dated 2010 July 23, as amended, has been further amended to reflect the Loan;in either case, in form and content acceptable to the City Treasurer of The City;
 - c. security which, collectively and in the opinion of the Chief Financial Officer and City Solicitor and General Counsel, sufficiently secures the obligations of CMLC under the Loan, all in form and content acceptable to the City Treasurer of The City, is in place; and

- d. upon receipt of a written request from CMLC and approval from the City Treasurer of The City.
3. The term of the Loan shall not exceed a period of approximately 28 years, terminating on or before December 31, 2047.
4. The initial loan interest rate will be 1.990%, but it will be adjusted annually on the 1st of June of each year, starting in 2019, such that the rate for the prevailing year will be equal to the average weighted rate of return on the total fixed income portfolio for the period starting on May 1 of the preceding calendar year and ending on April 30 of the same calendar year, but at all times subject to a minimum interest rate of 1% per annum.
5. Semi-annually, on June 1st and December 1st each year during the term of the Loan starting December 1, 2019, CMLC shall pay to The City an interest payment on the average weighted outstanding principal balance of the Loan during the interest period then expiring. In each case the 'interest period' being the preceding 6 month period, excepting the first interest period, which shall commence on the initial draw date and run to December 1, 2019.
6. Semi-annually CMLC shall pay to The City a fixed annuity payment calculated on the principal amount of the Loan then outstanding on June 1st and December 1st of each year, with the first principal payment payable as of June 1, 2028, based on the applicable interest rate for the semi-annual period. Each semi-annual principal payment amount will be equal to the semi-annual fixed annuity payment amount less the semi-annual interest payment amount for the same semi-annual period.
7. CMLC shall repay all indebtedness, in full, including the principal amount of the Loan and all accrued interest then outstanding on or before December 31, 2047. Further, CMLC shall be given a right to prepay the Loan prior to maturity on any semi-annual interest payment date or principal payment date.
8. CMLC shall pay to The City a basic fee at rate equal to 0.25% per annum on the principal amount of the Loan outstanding from time to time, such fee to be calculated monthly.
9. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS DAY OF , 2019.

READ A SECOND TIME THIS DAY OF , 2019.

READ A THIRD TIME THIS DAY OF , 2019.

MAYOR

DATED THIS ___ DAY OF _____, 2019.

CITY CLERK

DATED THIS ___ DAY OF _____, 2019.