

Bylaw 18111

To authorize the City of Edmonton to construct, finance and assess Aurum Energy Park - Water, Sanitary Sewer, Storm Sewer and Facilities Construction (Stage 7 and Aurum Road) Local Improvement

Purpose

To authorize the City of Edmonton to borrow the sum of \$11,562,500.03 to construct, finance and assess Aurum Energy Park - Water, Sanitary Sewer, Storm Sewer and Facilities Construction (Stage 7 and Aurum Road) Local Improvement.

Readings

Bylaw 18111 is ready for three readings.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree "That Bylaw 18111 be considered for third reading".

Advertising and Signing

This Bylaw does not require advertising.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw provides for borrowing to finance Water, Sanitary Sewer, Storm Sewer and Facilities Construction (Stage 7 and Aurum Road) local improvement within Aurum Energy Park scheduled for 2017.

Report

Required City approvals are in the process of being obtained for the Project and the Project is in compliance with all Acts and Regulations of the Province of Alberta.

The petition period expired on June 30, 2017. There were no valid petitions against the project as outlined in Attachment 2, which is less than the two-thirds petition requirement under the *Municipal Government Act*. As a result, this Bylaw may proceed.

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The total cost of the water, sanitary sewer, storm sewer and facilities construction (stage 7 and Aurum Road) local improvement is estimated to be \$11,790,000.03. The City will be contributing \$227,500.00 for the cost of servicing a City owned property. Borrowing of \$11,562,500.03 is required to finance the property owners' share of the estimated local improvement costs.

Policy

This Bylaw is consistent with the City of Edmonton's *Debt Management Fiscal Policy* (C203C), *Financing of Local Improvements Policy* (C200B), Master Loan Agreement between the City of Edmonton and Alberta Capital Finance Authority and applicable sections of the *Municipal Government Act*.

Corporate Outcomes

This report contributes to the corporate outcome "The City of Edmonton has sustainable and accessible infrastructure" by facilitating local improvement projects.

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Exceeding regulated debt and debt servicing limits	The internal City policy <i>Financing of Local Improvements (C200B)</i> directs the City to obtain debt financing for Local Improvements in accordance with the <i>Debt Management Fiscal Policy (C203C)</i> . The description of risk includes exceeding debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal <i>Debt Management Fiscal Policy (C203C)</i> . Exceeding the Debt Limit Regulations requires approval from the minister. Failure by a municipality to fall within the Debt Limit Regulations may result in the refusal of an application to the Alberta Capital Finance	1-Rare	4-Severe	4-Low	Quarterly monitoring of the City's debt borrowings, debt positions and debt servicing to ensure compliance with the debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal <i>Debt Management Fiscal Policy (C203C)</i> . The City considers and models the impact to the debt position and debt	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

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	Authority to purchase the City's debentures in order to finance a capital project.				servicing limits due to future unapproved borrowings and potential changes to interest rates.	
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Public Engagement

The City engages with the public when a local improvement plan is proposed for the affected areas. When a local improvement is proposed, the City must prepare a local improvement plan and send notice to the persons who will be liable to pay the local improvement. If the affected property owners are not in favour of this local improvement, the affected property owners may file a petition as set out in sections 222 to 226 and 392 of the *Municipal Government Act*. These petitions must be filed and received by the City's Chief Administrative Officer within 30 days from the notices being sent. If no sufficient petitions have been received, the City may proceed with the preparation of a local improvement bylaw. Council must pass a separate local improvement bylaw for each local improvement. Local improvement bylaws are prepared in accordance with sections 263, 397 and 398 of the *Municipal Government Act*. In the case that sufficient petitions are received, the City cannot proceed with the local improvement.

Metrics, Targets and Outcomes

Metrics	Targets	Outcomes
<ul style="list-style-type: none"> The City of Edmonton is subject to limits both for total debt and debt servicing by the <i>Municipal Government Act</i> and by the City's internal <i>Debt Management Fiscal Policy (C203C)</i> <ul style="list-style-type: none"> The <i>Municipal Government Act</i> debt limit is 2 times the revenue of the City and the debt servicing limit is 35% of consolidated revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets. As of December 31, 2016, the City had used 59.3% of its debt limit and 34.6% of its debt servicing limit. The internal <i>Debt Management Fiscal Policy (C203C)</i> sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues. As of December 31, 2016, the City had used 49.0% of its tax-supported debt servicing 	<ul style="list-style-type: none"> Total debt and debt servicing are in line with the limits set by the <i>Municipal Government Act</i> and by the internal <i>Debt Management Fiscal Policy (C203C)</i> Debt financing preparation for Local Improvements is performed in accordance with internal policy <i>Financing of Local Improvements (C200B)</i> 	<ul style="list-style-type: none"> Ensure transparent, conservative and reasonable debt financing as a source of funding to support the City's long-term capital plans and strategies while maintaining long-term financial affordability, flexibility and sustainability

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<p>limit and 42.3% of its total debt servicing limit.</p> <ul style="list-style-type: none">• Debt financing preparation for Local Improvements is performed in accordance with internal policy <i>Financing of Local Improvements (C200B)</i>.		
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Attachments

1. Bylaw 18111
2. Petitions Received
3. Declaration Re: Local Improvement
4. Location of Proposed Local Improvement