

CITY OF EDMONTON**BYLAW 15726**

A Bylaw to authorize the City of Edmonton to undertake,
construct and ~~finance Integrated Infrastructure Services to finance City~~
~~Operations~~ Project, Valley Line LRT

WHEREAS:

The Council of the City of Edmonton has decided to issue a bylaw pursuant to Sections 251 and 258 of the *Municipal Government Act*, R.S.A. 2000, c. M-26 to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Valley Line LRT (the Project”) ~~to undertake and to finance land acquisition for City Operations Project, Valley Line LRT;~~

The City of Edmonton has made plans, specifications and estimates for the said Project and confirms the total cost of the said Project is ~~\$1,776,531,000.00;~~ \$1,694,844,603.24;

The City of Edmonton has estimated grants or contributions will be received or applied to the said Project as detailed in Schedule "A";

Grant funding under the Federal P3 Canada Fund is not paid until the project reaches substantial completion. The said Bylaw allows the City of Edmonton to borrow, as defined in Section 241(a) of the MGA, to incur expenses for the Valley Line LRT that will be paid for by the Federal grant when the Valley Line LRT project reaches substantial completion;

In order to construct and complete the said Project, it will be necessary for the City of Edmonton to borrow the sum of \$660,015,099.00 for the terms and conditions referred to in this bylaw and as detailed in Schedule "A";~~In order to acquire land for the said Project, it will be necessary for the City of Edmonton to borrow the sum of \$1,169,286,000.00 for the terms and conditions referred to in this bylaw, as detailed in Schedule "A";~~

The above expenditure was approved by the City of Edmonton in its estimate of capital expenditures through the 2012 - 2014, 2015 - 2018, 2019 - 2022 and 2023 - 2026 Capital Budgets~~2012-2014 and 2015-2018 Capital Budget;~~

The City of Edmonton will pay the lease or purchase of the capital property over a period of up to thirty-five (35) years with interest not exceeding twelve per cent (12%) per annum in accordance with the terms set by the lender, lessor or vendor;

The amount of the existing debenture debt of the City of Edmonton on December 31, 2023 is \$4,167,485,798.43 as calculated in accordance with the City of Edmonton Debt Management Fiscal Policy C203D, no part of which is in arrears;~~The amount of the existing debenture debt of the City of Edmonton at December 31, 2016 is \$3,338,949,882.41 as calculated in accordance with the *Debt Limit Regulation, A.R. 255/2000*, as amended, no part of which is in arrears;~~

The probable lifetime of the said Project is a minimum of thirty-five (35) years;

All required approvals for the said Project will be obtained and the Project is in compliance with all Acts and Regulations of the Province of Alberta and Canada;

THEREFORE, THE COUNCIL OF THE CITY OF EDMONTON DULY ASSEMBLED ENACTS AS FOLLOWS:

1. That for the purpose of said Project the sum of ~~\$1,169,286,000.00~~ **\$660,015,099.00** be borrowed, as defined under Section 241 (a) of the MGA, by way of a debenture and an agreement to lease or purchase capital property on the credit and security of the City of Edmonton at large.
2. The total of the borrowing as defined under Section 241 (a) of the MGA by way of debenture and an agreement to lease or purchase capital property under this bylaw shall not exceed the sum of ~~\$1,169,286,000.00~~ **\$660,015,099.00**.
3. The borrowing as defined under Section 241 (a) of the MGA by way of debenture and an agreement to lease or purchase capital property shall bear interest during the currency of the debenture and the lease or purchase agreement not exceeding twelve per cent (12%) per annum payable in accordance with the terms set by the lender, lessor or vendor.
4. The debentures to be issued and the agreement to lease or purchase capital property shall be issued for a period of up to thirty-five (35) years and the City of Edmonton will repay the amounts owing in accordance with the terms set by the lender, lessor or vendor.
5. For the purpose of this bylaw, the Chief Elected Official (as defined by the *Municipal Government Act*) means the Mayor, and the Chief Administrative Officer (as defined by the *Municipal Government Act*) means the City Manager, of the City of Edmonton. **At least two of the following positions; the Mayor, the Chief Financial Officer, or the City Manager, shall authorize such bank or financial institution to make payments to the holder of the debentures, on such date and in such amounts as specified in the repayment schedule forming part of**

~~each debenture. The Mayor and the City Manager shall authorize such bank or financial institution to make payments to the holder of the debentures, on such date and in such amounts as specified in the repayment schedule forming part of each debenture.~~

6. The debentures shall be signed by at least two of the following positions: the Chief Financial Officer, the City Manager or the Mayor of the City of Edmonton and the City Manager shall affix thereto the corporate seal of the City of Edmonton to the debentures.~~The debentures shall be signed by the Mayor and the City Manager of the City of Edmonton and the City Manager shall affix thereto the corporate seal of the City of Edmonton to the debentures.~~
7. There shall be levied and raised in each year of the currency of the debentures a rate or rates, sufficient to pay the principal and interest falling due in such year on such debentures by a rate sufficient therefore on all the taxable property in the City and collectible at the same time and in the same manner as other rates.
8. The indebtedness is contracted on the credit and security of the City of Edmonton at large.
9. The net amount realized by the issue and sale of debentures authorized under this bylaw shall be applied only for the purposes for which the indebtedness was created.
10. This bylaw shall take effect on the day of the final passing thereof.

Bylaw 15726 passed by Council February 15, 2012

Amendments:

Bylaw 16376, April 10, 2013

Bylaw 17390, November 17, 2015

Bulaw 17979, June 13, 2017

Schedule "A"

Integrated Infrastructure Services Project, Valley Line LRT
Up to 35 Years
(in thousands of dollars)

Project Number	Project Name	Estimated Total Cost	Grant and Other Funding	Debenture	2023 and Prior	2024
11-66-1673	Valley Line LRT	\$ 1,694,845	\$ 1,034,830	\$ 660,015	\$ 607,311	\$ 52,704
		\$ 1,694,845	\$ 1,034,830	\$ 660,015	\$ 607,311	\$ 52,704

Schedule 'A'

City Operations Project
Up to 35 Years
(in thousands of dollars)

<u>Capital Profile</u>	<u>Project Name</u>	<u>Estimated Total Cost</u>	<u>Grant and Other Funding</u>	<u>P3 Liability (Note 1)</u>	<u>Debenture</u>	<u>Total Debenture and P3 Liability (Note 1)</u>	<u>Prior Years</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
11-66-1673	Valley Line LRT	\$ 1,776,531	\$ 607,245	\$ 250,000	\$ 286	1,169,286	\$ 166,029	\$ 266,874	\$ 151,098	\$ 118,591	\$ 466,694

Note 1: An amount of up to \$250,000 will be incurred as a P3 liability at the end of the construction period. The \$250,000 P3 liability will be funded through the Federal P3 Canada Grant which is estimated to be received on substantial completion of the contract through a Certification of Service Commencement issued on or about December 15, 2020. Under Section 241(a.1)(iv) of the Municipal Government Act (MGA), the City may need to recognize the P3 liability as debt if the date of construction completion exceeds April 22, 2021 which is 5 years after the P3 liability was first incurred which was on April 22, 2016. In the event that service commencement has not been reached by April 22, 2021, the City will record the P3 liability as debt in the City's financial accounts and record the respective debt servicing. The \$250,000 in P3 liability is currently included in the borrowing authority under this bylaw.