

Bylaw 19240

To amend Bylaw 18985, to authorize the City of Edmonton to undertake, construct and finance Community Revitalization Levy Projects, Downtown CRL

Purpose

To amend Bylaw 18985, to decrease the borrowing authority by \$18,021,701 from \$82,484,000 to \$64,462,299.

Readings

Bylaw 19240 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 19240 be considered for third reading.”

Advertising and Signing

This Bylaw does not require advertising and the Bylaw can be signed and thereby passed following third reading.

Section 258(5) of the *Municipal Government Act* states that “the borrowing bylaw that authorizes the borrowing of the increased cost does not have to be advertised” if “the increased cost does not exceed 15% of the original cost of the property.”

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will decrease the borrowing authority by \$18,021,701 from \$82,484,000 to \$64,462,299. The decrease is offset by increases to the borrowing bylaws for the Jasper Avenue New Vision and Warehouse Campus Neighbourhood Central Park approved in May 2020.

Report

At the November 5, 2019 City Council meeting, Bylaw 18985 was passed.

The adjustments to this bylaw are as follows:

- On December 13, 2019 as part of the Fall 2019 Supplemental Capital Budget Adjustment, Council approved a scope increase for capital profile 17-74-4103 Jasper Avenue New Vision Phase 2. A portion of this increase is from a transfer of CRL debt funding from Capital Profile CM-74-4100 Downtown CRL. As a result of this budget adjustment the borrowing authority associated with Capital Profile 17-74-4100 was increased with Bylaw 19239, a Bylaw to amend Bylaw 18151, to authorize the City of Edmonton to undertake, construct and finance The City of Edmonton Capital City Downtown and The Quarters Community Revitalization Levy Area Projects, passed by City Council on May 11, 2020. This bylaw reduces the borrowing authority for the debt transferred between profiles.
- On May 25, 2020, Council approved a budget adjustment in CR_8009 Spring 2020 Supplemental Capital Budget Adjustment, which requested an \$8,000,000 transfer of CRL debt from CM-74-4100 Downtown CRL to standalone profile 15-74-4104 Warehouse Campus Neighbourhood Central Park Land Acquisition. As a result of this budget adjustment the borrowing authority associated with capital profile 15-74-4104 was increased in Bylaw 19241, a Bylaw to amend Bylaw 16846, as amended by Bylaw 17100, a Bylaw to authorize the City of Edmonton to undertake, construct and finance The City of Edmonton Capital City Downtown Community Revitalization Levy Area Projects. Bylaw 19241 received first reading by City Council on May 25, 2020 and is scheduled for second and third readings on June 22, 2020. This bylaw reduces the borrowing authority for the debt transferred between profiles.

All above noted budget adjustments result in a total project decrease of \$18,021,473 to a total cost of \$65,481,526. As a result, this bylaw amendment will decrease the borrowing authority by \$18,021,701 from \$82,484,000 to \$64,462,299.

Bylaw 19240 will be brought forward for three readings along with the second and third readings of Bylaw 19241.

Corporate Outcomes and Performance Management

Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position			
Outcomes	Measures	Results	Targets
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.	<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 City revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets. 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. 	<ul style="list-style-type: none"> Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2019, the City had used 54.8% of its debt limit and 29.5% of its debt servicing limit. Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2019, the City had used 58.4% of its tax-supported debt servicing limit and 44.1% of its total debt servicing limit. 	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> .

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Exceeding regulated debt and debt servicing limits.	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	1-Rare	4-Severe	4-Low	Quarterly monitor 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</i>	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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	<p>municipality to fall within the Debt Limit Regulations may result in the refusal of an application to the Alberta Capital Finance Authority to purchase the City's debentures in order to finance a capital project.</p>				<p>(C203C). The City considers and models the impact to the debt position and debt servicing limits due to future unapproved borrowings and potential changes to interest rates.</p>	
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Public Engagement

Borrowing bylaws reflect a legislative requirement of the borrowing process and as a result no public engagement is undertaken with respect to the borrowing bylaw process. Where required by the *Municipal Government Act* borrowing bylaws are advertised.

Attachments

1. Bylaw 19240
2. Capital Profile CM-74-4100