

Bylaw 19241

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

Purpose

To amend Bylaw 16846, as amended by Bylaw 17100, to decrease the borrowing authority by \$18,800,381 from \$117,028,839 to \$98,228,458.

Readings

Bylaw 19241 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Saturday, May 30, 2020, and Saturday, June 6, 2020. The Bylaw cannot be signed and thereby passed prior to Monday, June 22, 2020.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will decrease the borrowing authority by \$18,800,381 from \$117,028,839 to \$98,228,458. This budget affects a number of projects, including downtown stormwater servicing, Green and Walkable Downtown, Jasper Ave New Vision, and land acquisition for a new park in the Warehouse Campus Neighbourhood.

Report

At the July 16, 2014, City Council meeting, Bylaw 16846 was passed.

At the April 14, 2015, City Council meeting, Bylaw 17100, amending Bylaw 16846, was passed.

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Bylaw Adjustments

The table below provides a summary of the amendment to this bylaw by capital profile in thousands of dollars.

Profile #	Profile Name	Current Bylaw	Bylaw 19241	Net Change
		Authority	Amendment	
14-31-4102	Initial Phase Downtown Stormwater Drainage Servicing	38,850	38,853	3
15-74-4101	Initial Phase Green and Walkable Downtown	16,356	16,356	-
15-74-4103	Initial Phase Jasper Avenue New Vision	20,752	374	(20,378)
15-74-4104	Warehouse Campus Neighbourhood Central Park Land Acquisition	28,047	36,047	8,000
15-74-4106	Initial Phase 105 Street 102 Avenue Park	4,351	2,333	(2,018)
15-74-4109	Future Phase Green and Walkable - Other Streets	8,672	4,265	(4,407)
		117,028	98,228	(18,800)

The details of these adjustments are:

- On December 13, 2019, as part of the Fall 2019 Supplemental Capital Budget Adjustment, Council approved a total decrease of \$18,687,108 to two profiles under this bylaw: 15-74-4103 Initial Phase Jasper Avenue New Vision and 15-74-4109 Future Phase Green and Walkable - Other Streets. The decrease in borrowing authority related to this budget adjustment will be offset by increases to the following bylaws:
 - 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, and
 - Bylaw 18986, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Streetscape Improvements (97 Street: Jasper Avenue to 102 Avenue).
- As part of the May 25, 2020, Financial Services report CR_8009, Spring 2020 Supplemental Capital Budget Adjustment, approval of \$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 is requested. If Council chooses to approve this recommendation in CR_8009, Spring 2020 Supplemental Capital Budget Adjustment, this Bylaw is available for first reading. As this increase exceeds 15 percent of the original cost of the property, this Bylaw will require advertising. The increase in borrowing authority on this Bylaw is offset by reductions in borrowing authority to Bylaw 18985, to authorize the City of Edmonton to undertake, construct and finance Community Revitalization Levy Projects, Downtown CRL.
- A net budget decrease of \$6,095,895 to profiles under this bylaw was adjusted through Spring and Fall Supplemental Capital Budget Adjustments in 2017 and

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2018. The majority of these adjustments were transfers of CRL debt to other capital profiles and the offsetting increase in bylaw authority has been previously approved.

- The remaining decrease of \$2,017,378 were budget releases of CRL debt as profiles under this bylaw were completed.

The total of all above noted budget adjustments result in a net project decrease of \$18,800,381 to a total cost of \$105,375,497. As a result, this bylaw amendment will decrease the borrowing authority from \$117,028,839 to \$98,228,458.

Bylaw 19241 will be submitted for second and third readings after the advertising and the expiration of the associated petition period. Bylaw 19241 will be brought forward together with the readings of Bylaw 19240, amending Bylaw 18985.

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, 2018, the City had used 54.5% of its debt limit and 29.1% of its debt servicing limit. • Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2018, the City had used 57.6% of its tax-supported debt servicing limit and 43.9% 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 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.	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 (C203C)</i> . 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.	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

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 19241
2. Capital Profiles