

# Bylaw No. 1016-2018

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**A BYLAW OF THE CITY OF LEDUC IN THE PROVINCE OF ALBERTA, TO BORROW MONEY TO FINANCE THE CONSTRUCTION OF SOUTHEAST BOUNDARY ROAD (HIGHWAY 2A TO COADY BOULEVARD).**

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The *Municipal Government Act*, R.S.A. 2000, Chapter M-26, as amended, grants a municipality the authority to enact a bylaw to authorize the borrowing of money for the purpose of financing the improvement of a capital property.

**AND**, in accordance with the Act, the City deems it necessary to undertake construction of Southeast Boundary Road (Hwy 2A to Coady Blvd).

**AND** based on specifications and design, the estimated total cost of the project is \$3,750,000.00 (Three Million Seven-Hundred Fifty-Thousand Dollars) whereas the expenditure for this capital project is included in the approved 2019 Budget.

**AND** based on the City's Offsite Levy Model, the entirety of the project is to be paid for by offsite levies;

**AND** projections with the Offsite Levy Model indicate that the amounts expected to be collected in transportation offsite levies during 2019 should be sufficient to fully pay for the project.

**AND** in order to proceed with the project now, the City must identify a method to ensure that the City will have sufficient funds available to pay for the project in the event that sufficient funds to pay for the project are not available in the Road Offsite Levy Reserve.

**AND** the Council has determined that the costs of the project will be paid in the first instance in the following manner:

|                      |                       |
|----------------------|-----------------------|
| 1. <u>Debentures</u> | <u>\$3,750,000.00</u> |
| TOTAL COST           | \$3,750,000.00        |

**AND** in order to construct and complete the said project, it will be necessary for the City of Leduc to borrow up to the sum of \$3,750,000.00 (the "indebtedness") on the terms and conditions referred to in this Bylaw whereas this borrowing will not cause the City to exceed its debt limit.

**AND** if additional money becomes available in the Road Offsite Levy Reserve, those additional funds shall be directed towards paying the costs of the project reducing the need to borrow the full amount of the indebtedness.

**AND** the City of Leduc will repay the indebtedness over a period of up to five (5) years in semi-annual installments, with interest not exceeding five per cent (5%), or

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the interest rate fixed from time to time by the Alberta Capital Finance Authority, or other financial institution, per annum, payable semi-annually.

**AND** the amount of the existing debenture debt of the City of Leduc at December 31, 2017 is \$48,548,931 no part of which is in arrears.

**AND** the estimated lifetime of the project's surface is twenty (20) years and the substructure is forty (40) years; and all required approvals for the project have been obtained and the project is in compliance with all acts and regulations of the Province of Alberta whereas the term of the borrowing does not exceed the probable lifetime of the capital property.

**THEREFORE**, the Council of the City of Leduc in the Province of Alberta duly assembled, hereby enacts as follows:

### **PART I: APPLICATION**

1. For the purpose of undertaking and completing construction of Southeast Boundary Road (Hwy 2A to Coady Blvd), the sum of up to Three Million Seven-Hundred Fifty-Thousand Dollars (\$3,750,000.00) be borrowed from the Alberta Capital Finance Authority, or other financial institution, by way of debenture on the credit and security of the City of Leduc at large, of which amount the sum of up to \$3,750,000.00 is to be paid by the City of Leduc at large.
2. The debentures to be issued under this bylaw shall be up to the sum of Three Million Seven-Hundred Fifty-Thousand Dollars (\$3,750,000.00), and may be in any denomination not exceeding the amount authorized by this bylaw and shall be dated having regard to the date of the borrowing.
3. The debentures shall bear interest during the currency of the debentures, at the interest rate fixed from time to time by the Alberta Capital Finance Authority, or other financial institution, per annum, payable semi-annually but, in any event, not to exceed a rate five per cent (5%).
4. The debentures shall be issued in such manner that the principal and interest will be combined and be made payable in, as nearly as possible, equal semi-annual installments over a period of up to twenty (20) years, in accordance with the schedule attached and forming a part of each debenture.

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5. The debentures shall be payable in lawful money of Canada at the Bank of Montreal in the City of Leduc or at such other bank or financial institution as Council may authorize as its banking agency during the currency of the debenture.
6. The Mayor and a Designated Officer of the City of Leduc 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.
7. The debentures shall be signed by the Mayor and a Designated Officer of the City of Leduc and the corporate seal of the City of Leduc shall be affixed to the debentures.
8. The principal and interest on the indebtedness shall be paid from the Road Offsite Levy Reserve and in the event that the amount available from the Road Offsite Levy Reserve is less than the principal and interest falling due on such debentures there shall be levied and raised in each year of the currency of the debentures a rate or rates on the assessed value of all lands and improvements shown on the assessment roll, sufficient to provide, an annual tax that, when combined with the amount available from the Road Offsite Levy Reserve, will be adequate to pay the principal and interest falling due in such year on such debentures. The said rates and taxes are collectible at the same time and in the same manner as other rates and taxes.
9. The indebtedness is contracted on the credit and security of the City of Leduc at large.
10. The net amount realized by the issue and sale of debentures authorized under this bylaw shall be applied only for the purposes of undertaking and completing construction of Southeast Boundary Road (Hwy 2A to Coady Blvd).

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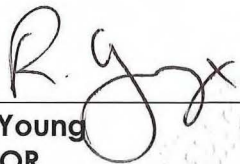
## PART II: ENACTMENT

This Bylaw shall come into force and effect when it receives Third Reading and is duly signed.

READ A FIRST TIME IN COUNCIL THIS 28TH DAY OF JANUARY, 2019.

READ A SECOND TIME IN COUNCIL THIS 11TH DAY OF MARCH, 2019.

READ A THIRD TIME IN COUNCIL AND FINALLY PASSED THIS 11TH DAY OF MARCH, 2019.

  
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**Bob Young**  
**MAYOR**

  
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**Paul Benedetto**  
**CITY MANAGER**

March 11, 2019

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Date Signed