

By-law 22-2021

A By-law to Authorize the Submission of an Application to Ontario Infrastructure and Lands Corporation (“OILC”) for Financing of Certain Ongoing Capital Work(s) of the Corporation of the County of Northumberland (the “Municipality”); to Authorize Temporary Borrowing from OILC to Meet Expenditures in Connection with such Capital Work(s); and to Authorize Long-Term Borrowing for such Capital Work(s) Through the Issue of Debentures to OILC

Whereas the *Municipal Act, 2001* (Ontario), as amended, (the “**Act**”) provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and

Whereas the Council of the Municipality has passed the by-law(s) enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law (“**Schedule A**”) authorizing the capital work(s) described in column (2) of Schedule “A” (“**Capital Work(s)**”) in the amount of the respective estimated expenditure set out in column (3) of Schedule “A”, subject in each case to approval by OILC of the financing for such Capital Work(s) requested by the Municipality in the Application as hereinafter defined; and

Whereas before the Council of the Municipality approved the Capital Work(s) in accordance with section 4 of Ontario Regulation 403/02 (the “**Regulation**”), the Council of the Municipality had its Treasurer calculate an updated limit in respect of its then most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing (as so updated, the “**Updated Limit**”), and, on the basis of the authorized estimated expenditure for the Capital Work or each Capital Work, as the case may be, as set out in column (3) of Schedule “A” (the “**Authorized Expenditure**” for any such Capital Work), the Treasurer calculated the estimated annual amount payable in respect of the Capital Work or each Capital Work, as the case may be, and determined that the estimated annual amount payable in respect of the Capital Work or each Capital Work, as the case may be, did not cause the Municipality to exceed the Updated Limit, and accordingly the approval of the Local Planning Appeal Tribunal pursuant to the Regulation, was not required before any such Capital Work was authorized by the Council of the Municipality; and

Whereas subsection 405 (1) of the Act provides, amongst other things, that a municipality may authorize temporary borrowing to meet expenditures made in connection with a work to be financed in whole or in part by the issue of debentures if,

the municipality is an upper-tier municipality, a lower-tier municipality in a county or a single-tier municipality and it has approved the issue of debentures for the work; and

Whereas subsection 401(1) of the Act provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt; and

Whereas the Act also provides that a municipality shall authorize long-term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act; and

Whereas OILC has invited Ontario municipalities desirous of obtaining temporary and long-term debt financing in order to meet capital expenditures incurred on or after the year that is five years prior to the year of an application in connection with eligible capital works to make application to OILC for such financing by completing and submitting an application in the form provided by OILC; and

Whereas the Municipality has completed and submitted or is in the process of submitting an application to OILC, as the case may be (the "**Application**") to request financing for the Capital Work(s) by way of long-term borrowing through the issue of debentures to OILC and by way of temporary borrowing from OILC pending the issue of such debentures; and

Whereas OILC has accepted and has approved or will notify the Municipality only if it accepts and approves the Application, as the case may be;

Now Therefore Be It Enacted as a by-law of the Council of the Corporation of the County of Northumberland as follows:

1. The Council of the Municipality hereby confirms, ratifies and approves the execution by the Treasurer of the Application and the submission by such authorized official of the Application, duly executed by such authorized official, to OILC for the financing of the Capital Work(s) in the maximum aggregate principal amount of \$11,961,534 substantially in the form of Schedule "B" hereto and forming part of this By-law, with such changes thereon as such authorized official may hereafter, approve such execution and delivery to be conclusive evidence of such approval.
2. The Warden and the Treasurer are hereby authorized to negotiate and enter into, execute and deliver for and on behalf of the Municipality a financing agreement (a "**Financing Agreement**") with OILC that provides for temporary and long-term borrowing from OILC under the authority of this By-law in respect of the Capital Work(s) on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.

3. The Warden and/or the Treasurer are hereby authorized, pending the substantial completion of the Capital Work or of each Capital Work, as the case may be, or as otherwise agreed with OILC, to make temporary borrowings pursuant to section 405 of the Act in respect of the Capital Work or of each Capital Work, as the case may be, on the terms and conditions provided in the Financing Agreement which Financing Agreement provides that the information contained in the Record, as defined in the Financing Agreement, in respect of such temporary borrowings shall be deemed final, conclusive and binding on the Municipality, and on such other terms and conditions as such authorized officials may agree; and the Treasurer is authorized to sign such certifications as OILC may require in connection with such borrowings in respect of the Capital Work(s); provided that the amount of borrowings allocated to the Capital Work or of each Capital Work, as the case may be, does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in column (4) of Schedule "A" in respect of such Capital Work.
4. Subject to the terms and conditions of the Financing Agreement and such other terms and conditions as OILC may otherwise require, the Warden and the Treasurer are hereby authorized to long-term borrow for the Capital Work(s) and to issue debentures to OILC on the terms and conditions provided in the Financing Agreement and on such other terms and conditions as such authorized officials may agree (the "**Debentures**"); provided that the principal amount of the Debentures issued in respect of the Capital Work or of each Capital Work, as the case may be, does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in column (4) of Schedule "A" in respect of such Capital Work.
5. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011*, as amended from time to time hereafter, the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding the amounts that the Municipality fails to pay to OILC on account of any unpaid indebtedness of the Municipality to OILC under any outstanding temporary borrowing and/or the Debentures, as the case may be (the "**Obligations**") and to pay such amounts to OILC from the Consolidated Revenue Fund.
6. For the purposes of meeting the Obligations, the Municipality shall provide for raising in each year as part of the general levy, the amounts of principal and interest payable in each year under any outstanding temporary borrowing and/or any Debenture outstanding pursuant to the Financing Agreement, to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.

7. (a) The Warden and the Treasurer are hereby authorized to enter into, execute and deliver the Financing Agreement, and to issue the Debentures, one or more of the Clerk and the Treasurer are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Municipality in order to perform the Obligations of the Municipality under the Financing Agreement, to request and receive any temporary borrowing and to issue the Debentures, and the Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.

(b) The money realized in respect of any temporary borrowing for the Capital Work(s) and the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to any such temporary borrowing and to the issue of the Debentures, if any, shall be apportioned and applied to the respective Capital Work and to no other purpose except as permitted by the Act.

8. This By-law takes effect on the day of passing.

That By-law 22-2021 be introduced, deemed to be read a first, second, and third time and passed, signed, and sealed this 21st day of July 2021.





R.J. (Bob) Crate, Warden



Nancy MacDonald, Clerk

Schedule "A" to By-law 22-2021

(Ongoing Capital Work(s))

(1)	(2)	(3)	(4)
<u>By-Law Number</u>	<u>Description of Capital Work</u>	<u>Estimated Expenditure</u>	<u>Loan Amount</u>
22-2021	Elgin Park Redevelopment	\$18,450,000	\$11,961,534

Webloans Loan Application PDF

Application for

Projects

SIT ID	Project ID	Project Name	Construction/Purchase Start	Construction/Purchase End	Project Cost	OILC Loan Amount
1	0	Elgin Park Redevelopment Phase 1	09/01/2021	09/02/2022	\$9,345,610.00	5,306,610.00
2	0	Elgin Park Redevelopment Phase 2	09/02/2022	10/31/2023	\$9,104,390.00	6,654,924.00

Details of Project Elgin Park Redevelopment Phase 1

Project Category	<input type="text" value="Municipal Social Housing"/>
Project Name	<input type="text" value="Elgin Park Redevelopment Phase 1"/>
Construction/Purchase Start	<input type="text" value="09/01/2021"/>
Construction/Purchase End	<input type="text" value="09/02/2022"/>
Energy Conservation	<input checked="" type="checkbox"/>
Project Address 1	<input type="text" value="265-327 Elgin St"/>
Project Address 2	<input type="text"/>
City / Town	<input type="text" value="Cobourg"/>
Province	<input type="text" value="ON"/>
Postal Code	<input type="text" value="K9A 1A2"/>
Description	<input type="text" value="The development proposal consists of the re-development of the existing 9 semi-detached buildings into four (4) two storey 10-plex buildings, resulting in an increase from 18 to 40 units. Twenty eight (28) of the units will be subsidized by Northumberland County (a net increase of 10 subsidized units). Phase 1 is the first 2 (of 4) buildings being constructed for the project."/>
Comments and/or Special Requests	<input type="text" value="We are requesting that the Debenture be a phased approach as the construction will happen over 2 phases."/>
Project Life Span (Years)	<input type="text" value="40"/>

Project Financial Information

Project Cost (A)

Other Project Funding / Financing (B):

Description	Timing	Amount
Canada-Ontario Community Housing Initiative Grant	Existing	\$4,039,000.00
Other Project Funding/Financing Total (B)		\$4,039,000.00
OILC Loan Amount (A-B)		\$5,306,610.00

Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.

Required Date	Amount	Term	Type
09/02/2022	\$5,306,610.00	25	Amortizing
Long-term Borrowing Total	\$5,306,610.00		

Details of Project Elgin Park Redevelopment Phase 2

Project Category Municipal Social Housing

Project Name Elgin Park Redevelopment Phase 2

Construction/Purchase Start 09/02/2022

Construction/Purchase End 10/31/2023

Energy Conservation

Project Address 1 265-327 Elgin St

Project Address 2

City / Town Cobourg

Province ON

Postal Code K9A 1A2

Description The development proposal consists of the re-development of the existing 9 semi-detached buildings into four (4) two storey 10-plex buildings, resulting in an increase from 18 to 40 units. Twenty eight (28) of the units will be subsidized by Northumberland County (a net increase of 10 subsidized units). Phase 2 is the last 2 (of 4) buildings being constructed for the project.

Comments and/or Special Requests We are requesting that the Debenture be a phased approach as the construction will happen over 2 phases.

Project Life Span (Years) 40

Project Financial Information

Project Cost (A) **\$9,104,390.00**

Other Project Funding / Financing (B):

Description	Timing	Amount
Northumberland County Contribution & DC Waiver	Existing	\$518,964.00
Town of Cobourg DC Waiver & Waiver of Fees	Existing	\$199,502.00
Canada-Ontario Community Housing Initiative Grant	Existing	\$1,731,000.00
Other Project Funding/Financing Total (B)		\$2,449,466.00
OILC Loan Amount (A-B)		\$6,654,924.00

Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.

Required Date	Amount	Term	Type
10/31/2023	\$6,654,924.00	25	Amortizing
Long-term Borrowing Total	\$6,654,924.00		

Debt and Re-payments Summary

Has there been any new/undisclosed debt acquired since last FIR was submitted?

Yes No

Please describe any re-financing plans for any existing "interest only" debt, if applicable.

Non Re-payments of Loans or Debenture

In the last 10 years, has the borrower ever failed to make a loan payment or debenture repayment on time to any lender, including the Provincial Government?

If yes, please provide details.

OILC Loan Repayment Information

Please indicate the source(s) of revenue you plan to use to repay the OILC Loan

Taxation	100.00
User Fees	0.00
Service Charges	0.00
Development Charges	0.00
Connection Fees	0.00
Repayment Subsidies	0.00
Other	
Total	100.00%

Documentation and Acknowledgements

Please ensure all required documents are submitted with the signed application. OILC requires originals as noted below to be mailed or couriered. Also, please retain a copy of all documents submitted to OILC for your records.

To obtain templates for documents see listed below.

- Loan Application Signature Page signed and dated by the appropriate individual (original to be submitted)
- Certificate and sealed copy of OILC template By-law authorizing project borrowing and applying for a loan (original with seal)
- Certificate of Treasurer Regarding Litigation using the OILC template (original, signed & sealed)
- Updated Certified Annual Repayment Limit Calculation (original)

I acknowledge and agree that all of the above referenced documents must be submitted in the form required by OILC and understand that the application will not be processed until such documents have been fully completed and received by Infrastructure Ontario.

Please note: OILC retains the right to request and review any additional information or documents at its discretion.

Confidential Information

OILC is an institution to which the Freedom of Information and Protection of Privacy Act (Ontario) applies. Information and supporting documents submitted by the Borrower to process the loan application will be kept secure and confidential, subject to any applicable laws or rules of a court or tribunal having jurisdiction.

Infrastructure Ontario

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