



City of North Bay Report to Council

Report No: CAO-2021-008

Date: December 17, 2021

Originator: David Euler, Chief Administrative Officer

Business Unit:
Administration

Department:
Office of the CAO

Subject: Cassellholme Redevelopment - Financing

Closed Session: yes no

Recommendation

That the City of North Bay approves the Cassellholme Board of Management's ability to proceed with financing of the Cassellholme Redevelopment through Infrastructure Ontario, subject to the City of North Bay's final approval of the financing agreement.

Background

The bridge financing loan approved for Cassellholme by Council Resolution 2021-797, which was passed at the Special Council Meeting held December 16, 2021, will allow Cassellholme to meet their cash flow requirements for the redevelopment project to the end of January and provide the necessary time to allow Cassellholme and the member municipalities to put the Infrastructure Ontario financing and supporting guarantees in place.

This resolution, the form of which has been provided to the City by the Chair of the Board of Management, will allow Cassellholme to proceed with the application to Infrastructure Ontario.

Procedure

Procedurally, in order to consider the recommendation above, Council would be required to undertake the following:

1. Pursuant to subsection 2.2 of the City of North Bay's Procedural By-law, Council will be required to suspend the rules noted within subsection 36.3 with a 2/3rd affirmative vote of the number of members present and voting.

2. Without discussion, and by recorded vote in accordance with section 36.2 (a) of the City's Procedural By-Law, Council will need to pass a motion reconsidering the Cassellholme Redevelopment Motion passed by Council at its Regular Meeting held on January 26, 2021 as Resolution No. 2021-29.
3. Upon the passage of the Motion to Reconsider, the Deputy City Clerk will read the motion to rescind Resolution No. 2021-29. The Mayor will allow discussion regarding the motion to rescind Resolution No. 2021-29.
4. Once the motion to rescind is passed, the Deputy City Clerk will read the recommendation within this report for Council's consideration. The Mayor will allow discussion regarding the new recommendation and take the vote.

Financial/Legal Implications

By providing Cassellholme with the ability to proceed with financing through Infrastructure Ontario, the City's share of debt for the reconstruction project will be reduced by the Provincial guarantee. Furthermore, a reduced rate of interest will be received during the construction phase of the project thus reducing the overall financing costs associated with the project.

The City's estimated share of the project to be financed with debt is approximately \$55 million. However, this amount is subject to change based on the final total construction value of the project. The City's 2022 Capital Budget and 2023-2031 Forecast Plan includes funding for the City's share of the principal and interest payments based on a \$55 million loan amount, repayable over 25 years at 2.99%. The budget is based on estimated financing terms and the City's share of principal and interest payments is subject to change following finalization of the financing terms with I.O.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Ensure the efficient and effective operations of the City, with particular consideration to the impact of decisions on the property tax rate.

Options Analysis

Option 1: That the City of North Bay approves the Cassellholme Board of Management's ability to proceed with financing of the Cassellholme Redevelopment through Infrastructure Ontario, subject to the City of North

Bay's final approval of the financing agreement.

This is the recommended option.

Option 2: That the City of North Bay not approve the Cassellholme Board of Management's ability to proceed with financing of the Cassellholme Redevelopment through Infrastructure Ontario, subject to the City of North Bay's final approval of the financing agreement.

This is not the recommended option.

Recommended Option

That the City of North Bay approves the Cassellholme Board of Management's ability to proceed with financing of the Cassellholme Redevelopment through Infrastructure Ontario, subject to the City of North Bay's final approval of the financing agreement.

Respectfully submitted,

Name: David Euler, P.Eng., PMP
Title: Chief Administrative Officer

I concur with this report and recommendation

Name Peter E.G. Leckie, B.A. (Hons.), LL.B.
Title: City Solicitor

Name Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer

Personnel designated for continuance:

David Euler, P.Eng., PMP
Chief Administrative Officer