

Authority: Policy and Finance Committee Report No. 9, Clause No. 6,
as adopted by City of Toronto Council on September 22, 23, 24 and 25, 2003
Enacted by Council: September 24, 2003

CITY OF TORONTO

BY-LAW No. 945-2003

A By-law to authorize submitting an application to the Ontario Municipal Economic Infrastructure Financing Authority (“OMEIFA”) for financing certain ongoing capital works of the City of Toronto (The “Municipality”); and to Authorize long term borrowing for such works through the issue of debentures.

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-laws enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law (Schedule “A”) authorizing the ongoing capital works described in column (2) of Schedule “A” (individually, a “Project”, collectively, the “Projects”) and intends to long term borrow through the issue of debentures for each of the Projects in the respective amount set out in column (3) of Schedule “A”; and

WHEREAS before the Council of the Municipality approved each Project in accordance with section 4 of Ontario Regulation 403/02, the Council of the Municipality had its Treasurer update its 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 long term borrowing for each Ongoing Project as set out in column (3) of Schedule “A” (“Authorized Borrowing”), the Treasurer calculated the estimated annual amount payable in respect of each Project and determined that the estimated annual amount payable in respect of each Project would not exceed the Updated Limit, and accordingly the approval of the Ontario Municipal Board under the *Ontario Municipal Board Act* (Ontario), as amended, was not required before any such Project was authorized by Council; 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 OMEIFA has invited Ontario municipalities desirous of obtaining long term debt financing in order to meet capital expenditures incurred after December 31, 2002 in connection with eligible capital projects to make application to OMEIFA for such financing by completing and submitting an application on the form provided by OMEIFA (the “Application”); and

WHEREAS it is now deemed expedient for the Municipality to submit an Application to OMEIFA to request financing in order to meet capital expenditures incurred in connection with the Projects after December 31, 2002 (the "Post 2002 Expenditures") by way of long term borrowing through the issue of debentures to OMEIFA;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. The Clerk or the Treasurer is hereby authorized to complete or cause to be completed and submit or cause to be submitted to OMEIFA an Application by the Municipality for the financing of Post 2002 Expenditures for the Projects in the maximum aggregate principal amount of \$150,000,000.00 substantially in the form of Schedule "B" hereto and forming part of this By-law, with such changes thereon as such authorized official shall approve, the submission of such Application by such authorized official to be conclusive evidence of such approval.
2. The acceptance of the Application by OMEIFA and the approval by OMEIFA in such Application of the financing requested therein in respect of the Eligible Category (as such term is used in the Application) to which each Project belongs will be hereinafter referred to as "OMEIFA Approval".
3. Upon approval of the Application by OMEIFA, the Mayor 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 OMEIFA that provides for long term borrowing from OMEIFA in respect of Post 2002 Expenditures for the Projects on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.
4. Subject to and conditional upon OMEIFA Approval, and subject to the terms and conditions of the Financing Agreement and such other terms and conditions as OMEIFA may otherwise require, the Mayor and the Treasurer are hereby authorized to enter into long term borrowing in respect of the Projects and to issue debentures to OMEIFA on the terms and conditions provided in the Financing Agreement and on such other terms and conditions as such authorized officials may agree ("Debentures"); provided that the principal amount of such Debentures issued in respect of any Project does not exceed the Authorized Borrowing for such Project.
5. In accordance with the provisions of section 18 of the *Ontario Municipal Economic Infrastructure Financing Authority Act, 2002* (Ontario), as security for the payment by the Municipality of any indebtedness of the Municipality to OMEIFA incurred under any Debentures, the Municipality is hereby authorized to agree in writing with OMEIFA that the Minister of Finance is entitled to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by the Assembly for payment to the Municipality in respect of specified matters, amounts not exceeding the amounts that the Municipality fails to pay to OMEIFA on account of the outstanding indebtedness evidenced by any Debentures issued by the Municipality to OMEIFA, and to pay such amounts to OMEIFA.

6. Subject to and conditional upon OMEIFA approval, for purposes of meeting the obligations of the Municipality in respect of any Debentures, 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 Debenture, to the extent that such amounts have not been provided for by any other available source including other taxes or fees or charges imposed by persons or property by a by-law of any municipality.
7. (a) Subject to and conditional upon OMEIFA Approval, the Mayor and the Treasurer are hereby authorized to execute and deliver the Financing Agreement and to cause Debentures to be issued and the Clerk and Treasurer are severally hereby authorized to generally do all things and to execute all other documents and papers in the name of the Municipality in order to carry out the issuance of the Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.
- (b) The proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the respective Projects and to no other purpose except as permitted by the Act.
8. This By-law takes effect on the day of passing.

ENACTED AND PASSED this 24th day of September, A.D. 2003.

CASE OOTES,
Deputy Mayor

ULLI S. WATKISS
City Clerk

(Corporate Seal)

SCHEDULE “A”

(1)	(2)	(3)
<u>By-law Number</u>	<u>Description of Capital Work</u>	<u>Authorized Borrowing</u>
		\$
175-2003	Capital costs in connection with Transit Control Centre State of Good Repair	4,272,000
175-2003	Capital costs in connection with Subway Tracks State of Good Repair	12,339,000
175-2003	Subway Car Overhaul State of Good Repair	2,247,000
175-2003	Capital costs in connection with Surface Tracks State of Good Repair	8,117,000
175-2003	Capital costs in connection with Easier Access Phase 11	2,350,000
175-2003	Capital costs in connection with Bridges and Tunnels State of Good Repair	5,529,000
175-2003	Capital costs in connection with Signal System State of Good Repair	3,442,000
175-2003	Capital costs in connection with Eglinton Bus Terminal State of Good Repair	4,272,000
175-2003	Capital costs in connection with 40 Diesel Buses State of Good Repair	37,422,000
Total TTC		79,990,000
<u>Transportation</u>		
175-2003	Major Road Reconstruction State of Good Repair	14,500,000
175-2003	Major Road Resurfacing State of Good Repair	12,637,000
175-2003	Capital costs in connection with Sheppard Avenue East State of Good Repair & Growth related	7,225,000
Total Transportation		34,362,000

(1)	(2)	(3)
<u>By-law Number</u>	<u>Description of Capital Work</u>	<u>Authorized Borrowing</u>
<u>Bridges</u>		
175-2003	Major Bridge Rehabilitation State of Good Repair	35,648,000
Total Bridges		35,648,000
GRAND TOTAL		150,000,000

SCHEDULE "B"**ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY**2003 Loan Application

Application Id: 173

Date: 6-Oct-03

A. GENERAL INFORMATION

Name of Municipality: Toronto C
Address: 100 Queen Street West
Toronto
M5H 2N2

Code MMAH: 01106
MUNID: 20002

Questions regarding the information contained in the application form should be addressed to:

Name: Martin Willschick
Telephone: 416-392-8072
Fax No.: 416-397-4555
e-mail: mwillsch@toronto.ca

This Application form must be signed by an authorized official

Name of Clerk or Clerk/Treasurer: Joseph P. Pennachetti
Telephone: 416-392-8773

Signature: _____

Date: _____

B. BANK ACCOUNT INFORMATION - to be completed by borrowing Municipality**Account Information for Direct Deposit:**

Name of Bank: Royal Bank
Street Address: 200 Bay Street, Main Branch,
Toronto
M5J 2J5

Branch Transit #: 00002
Acc't. #: 1284777

Account Information for Direct Withdrawal (if different from above account):

Name of Bank:
Street Address:

Branch Transit #:
Acc't. #:

***** Please attach a 'Void Cheque' corresponding to the above mentioned accounts*****

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY**C. PROJECT INFORMATION**

Under the Eligible Category column, indicate one (or more if applicable) of the following categories related to the project: Clean Water Infrastructure, Sewage Treatment Facilities, Municipal Roads, Municipal Bridges, Public Transit, Waste Management Infrastructure and the borrowing Municipality.

For the financing term, please note that the length of the term cannot exceed the useful life of the project - max. 40 year under sub-section 408 (3) of the Municipal Act.

Municipality Name: Toronto C

ProjectID	Eligible Category	Benefiting Municipality (may be more than one)	Total OMEIFA Borrowing Requested (\$)
165894000	Public Transit	None	\$79,990,000.00
40710000	Municipal Roads	None	\$34,362,000.00
35648000	Municipal Bridges	None	\$35,648,000.00

D. TERMS OF FINANCING (Short Term)

OMEIFA provides both short-term borrowing (interim financing while the project is under construction) and long-term borrowing (financing when the project is complete). Please provide information in either one or both sections, based on your borrowing needs.

Municipality Name:

TEMPORARY BORROWING FOR WORKS (INTERIM FINANCING)**Benefiting Municipality****Eligible Category**

Estimated Construction Dates	Start Finish
---------------------------------------------	-------------------------

Year

Months

**Estimated
Drawdown Amount**

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY**D. LONG TERM FINANCING**

For the financing term, please note that the length of term cannot exceed the useful life of the project, or a maximum of 40 years under sub-section 408 (3) of the Municipal Act

Municipality Name: Toronto C

Benefiting Municipality: None

Eligible Category Public Transit
Amount of Loan (\$) \$79,990,000.00
Date when Funds are Required 15-Jan-04
Requested Term of Loan (years) 10
Type of Loan (Amortizing or Serial) Serial

Benefiting Municipality: None

Eligible Category Municipal Roads
Amount of Loan (\$) \$34,362,000.00
Date when Funds are Required 15-Jan-04
Requested Term of Loan (years) 10
Type of Loan (Amortizing or Serial) Serial

Benefiting Municipality: None

Eligible Category Municipal Bridges
Amount of Loan (\$) \$35,648,000.00
Date when Funds are Required 15-Jan-04
Requested Term of Loan (years) 10
Type of Loan (Amortizing or Serial) Serial

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY

E. PROJECT FINANCING

***If applying on behalf of one or more municipalities, complete separate copies of the next three pages for each additional municipality.

MUNICIPALITY OF: City of Toronto

Total combined project costs.

\$242,252,000.00

Proposed OMEIFA loan amount.

\$150,000,000.00

Difference between total combined project costs and OMEIFA loan amount.

\$92,252,000.00

SOURCES OF FINANCING:

Revenue Fund Contributions:

Taxation

User Fees and Service Charges

Sub-Total (Including other Revenue Fund Sources)

Reserves & Reserve Funds Contributions:

Reserves & Reserve Funds (excluding Development Charges)

\$4,349,649.60

Development Charges Reserve Funds

\$227,893.20

Sub-Total

\$4,577,542.80

Grants:

Provincial Grants

\$39,180,814.40

Federal Grants

\$39,189,404.80

Sub-Total

\$78,370,219.20

Other Financing:

Please specify: TTC Financng

\$7,533,780.80

Please specify: OTHER (TWRC)

\$1,770,457.20

Please specify:

Sub-Total

\$9,304,238.00

If you plan to repay a portion of the OMEIFA loan through water or sewer charges, please provide a brief description of how you plan to do this?:

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY

F: FEDERAL AND PROVINCIAL GRANTS

Municipality City of Toronto
Eligible Category: Public Transit
Name of Funding Program Goldenhorseshoe Transit Investment Partnership

Status of Application

Applied for Funding
 Funding Approved
 Allocation Received

Total Project Cost

Allocation of Funding

Federal Contribution
 Provincial Contribution
 Municipal Contribution

Subtotal

PROGRAM AMOUNT

Other Provincial Funding

G. DEBT SUMMARY

	2001	2002	2003
Total Debt, as of Jan 1:		\$1,497,540,000.00	\$1,566,560,000.00
New Debt Forecast:		\$150,000,000.00	\$314,600,000.00
Debt Retired:		\$80,980,000.00	\$180,770,000.00
Total Debt, as of Dec 31	\$1,497,540,000.00	\$1,566,560,000.00	\$1,700,390,000.00
	2004	2005	2006
Total Debt, as of Jan 1:	\$1,700,390,000.00	\$1,933,020,000.00	\$2,089,550,000.00
New Debt Forecast:	\$321,170,000.00	\$212,920,000.00	\$223,740,000.00
Debt Retired:	\$88,540,000.00	\$56,390,000.00	\$139,750,000.00
Total Debt, as of Dec 31	\$1,933,020,000.00	\$2,089,550,000.00	\$2,173,540,000.00

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY

G1. DEBT SUMMARY FOR BENEFITING MUNICIPALITY

Municipality Name:

	2001	2002	2003
Total Debt, as of Jan 1:			
New Debt Forecast:			
Debt Retired:			
Total Debt, as of Dec 31			

	2004	2005	2006
Total Debt, as of Jan 1:			
New Debt Forecast:			
Debt Retired:			
Total Debt, as of Dec 31			

H. LITIGATION

Is there any litigation threatened or existing which would affect any projects or substantially impair the applicant's ability to pay debt service costs on its general obligation indebtedness? Please indicate yes or no. If yes, please attach a summary of such litigation including its current status.

I. NON-REPAYMENT OF LOANS OR DEBENTURES

In the last 10 years, have you ever failed to make a loan or debenture repayment on time to any lender, including the Provincial Government? If yes, please provide details.

J. PROVINCIAL GRANTS AS SECURITY

Please note: Section 18 of the *Ontario Municipal Economic Infrastructure Authority Act, 2002* states:

"As security for the payment by an entity of an amount that the entity has agreed to pay to the Authority or a related entity, as defined in subsection (3), on account of the indebtedness of the entity to the Authority or related entity, the entity may agree in writing with the Authority or related entity that the Minister is entitled to deduct from money appropriated by the Assembly for payment to the entity, or from money appropriated by the Assembly for payment to the entity in respect of specified matters, amounts not exceeding the amounts that the entity fails to pay to the Authority or related entity on account of the indebtedness. 2002, c. 22, Sched. A, s. 18 (1)."

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY

K. ATTACHMENTS (Please indicate by a checkmark those boxes which are applicable):

MUNICIPALITY: City of Toronto

GENERAL

- | | |
|------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Yes | Certified copy of by-law authorizing the project borrowing |
| <input type="checkbox"/> Yes | Certified copy of by-law authorizing Clerk or Clerk/Treasurer to apply for a loan. |
| <input type="checkbox"/> No | Certified copy of project bylaw and environmental assessment |
| <input type="checkbox"/> No | Certificate of no litigation |
| <input type="checkbox"/> No | OMB approval if exceeding debt repayment limit |
| <input type="checkbox"/> No | Updated Annual Repayment Calculation (to incorporate proposed OMEIFA loan) |
| <input type="checkbox"/> No | Detailed Project Information which would normally be prepared to support a loan |
| <input type="checkbox"/> No | Other |

FOR WATER, SEWER AND WASTE MANAGEMENT PROJECTS

- | | |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> No | An explanation of the public health and safety concerns addressed by the proposed project using a Project Evaluation Schedule. |
| <input type="checkbox"/> No | Copies of any supporting studies or investigations, or copies of the Environmental Study Report, if required under the Environmental Assessment Act. |

FOR BRIDGES

- | | |
|-----------------------------|----------------------------------|
| <input type="checkbox"/> No | Bridge Inspection Report |
| <input type="checkbox"/> No | Identification of posted bridges |

FOR TRANSIT

- | | |
|------------------------------|---------------------------------------|
| <input type="checkbox"/> Yes | Council Resolution/ Approval |
| <input type="checkbox"/> No | Any supporting reports, if applicable |
| <input type="checkbox"/> No | Implementation schedule |

FOR ROADS

- | | |
|-----------------------------|------------------------|
| <input type="checkbox"/> No | Engineer design report |
|-----------------------------|------------------------|

ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE FINANCING AUTHORITY

L. FINANCIAL PROJECTIONS

	2002	2003	2004
Net Revenue Fund Revenues	\$4,600,000,000.00	\$4,700,000,000.00	\$4,800,000,000.00
Net Debt Charges	\$223,000,000.00	\$243,000,000.00	\$243,000,000.00
Number of Households	831,000	832,000	835,000
Population	2,481,494	2,500,000	2,600,000

	2005	2006
Net Revenue Fund Revenues	\$4,900,000,000.00	\$6,000,000,000.00
Net Debt Charges	\$243,000,000.00	\$243,000,000.00
Number of Households	835,000	836,000
Population	2,600,000	2,700,000

As the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA) is subject to the provisions within the *Freedom of Information and Protection of Individual Privacy Act*, R.S.O. 1990, c. F. 31, information contained within this loan application may be subject to disclosure and access by a member or members of the general public.