

**BYLAW NO. 462
OF THE CITY OF LACOMBE**

(hereinafter referred to as “the Municipality”)

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) or bank loan in the amount of \$750,000 (Seven Hundred and Fifty thousand dollars) for the purpose of advancing commercial development at 4951 Wolf Creek Drive, Lacombe Alberta.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 256 of the *Municipal Government Act* (“the Act”) to facilitate the development of a commercial project in Lacombe Alberta. The Municipality will facilitate the transfer of certain lands at 4951 Wolf Creek Drive, Lacombe Alberta between arms’ length developers to enable the securing a large Canadian retailer as anchor tenant.

Agreements have been prepared between parties and the total cost to the Municipality is \$750,000. The Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants (MSI)	\$0
Bank Loan(s)	<u>\$750,000</u>
Total Cost	\$750,000

In order to facilitate the commercial development it will be necessary for the Municipality to borrow the sum of \$750,000 for a period not to exceed 15 years, from an authorized financial institution, by the issuance of a debenture or bank loan and on the terms and conditions referred to in this bylaw.

Section 256 of the Act provides that a municipality may make a borrowing for the purpose of financing operating expenditures of the municipality provided that the amount to be borrowed, together with the unpaid principal of other borrowings made for this purpose, must not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made.

The total amount of taxes to be levied in the City of Lacombe in 2018 is \$14,216,251. The principal amount of the outstanding debt of the Municipality at December 31, 2017 is \$16,176,619 and no part of the principal or interest is in arrears.

The expenditure for which said borrowing is contemplated has been approved by Council and said borrowing shall not cause the municipality to exceed its debt limit.

The expenditure for said initiative is included in the Municipality’s operating budget.

All required approvals for the project have been obtained or will be obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. That for the purchasing of the land on 4951 Wolf Creek Drive, Lacombe, Alberta, the sum of three million, three hundred and twenty five thousand DOLLARS (\$3,325,000) will be paid.
2. That for the sale of the land on 4951 Wolf Creek Drive, Lacombe, Alberta, the sum of two million, five hundred and seventy five thousand DOLLARS (\$2,575,000) will be received.
3. That to facilitate commercial development and attract a major Canadian retailer to 4951 Wolf Creek Drive, Lacombe, Alberta, the sum of seven hundred and fifty

- thousand DOLLARS (\$750,000) be borrowed from an authorized financial institution by way bank loan on the credit and security of the Municipality at large, of which amount the full sum of \$750,000 is to be paid by the Municipality at large.
4. The proper officers of the Municipality are hereby authorized to issue debenture(s) or sign loan documents on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely to facilitate commercial development on 4951 Wolf Creek Drive, Lacombe, Alberta.
 3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely, monthly, semi-annual or annual payments of combined principal and interest instalments not to exceed fifteen (15) years calculated at a rate not exceeding the interest rate fixed by an authorized financial institution on the date of the borrowing, and not to exceed eight (8 %) percent.
 4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
 5. The indebtedness shall be contracted on the credit and security of the Municipality.
 6. The funds borrowed under the by-law shall be applied only to the project specified by this by-law.
 7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS _____ DAY OF , 2018.

READ A SECOND TIME THIS _____ DAY OF , 2018.

READ A THIRD TIME THIS _____ DAY OF , 2018.

(MAYOR)

(CHIEF ADMINISTRATIVE OFFICER)

SEAL