

BY-LAW NO. _____

**A By-law to Incur a Debt by the Issue and Sale of a
Debenture to the Federation of Canadian Municipalities in
the Aggregate Principal Amount of \$5,000,000 for Costs
Associated with the Burrard Bridge Renewal and
Transportation Improvement Project**

WHEREAS:

- A. On April 6, 2016, Vancouver City Council ("**Council**") approved an application from the the City of Vancouver (the "**City**") to the Federation of Canadian Municipalities ("**FCM**"), as trustee of the Green Municipal Fund, for a loan of up to \$10,000,000 and a grant of up to \$1,500,000 to pay for costs associated with the City's Burrard Bridge Renewal and Transportation Improvement Project (RTS 11390) (the "**Project**");
- B. On September 30, 2016, the FCM approved a loan of up to \$5,000,000 (the "**Loan**") and a grant of up to \$750,000 (the "**Grant**") to the City for the Project;
- C. On April 17, 2018, the Council adopted a resolution on consent to authorize the City's Director of Legal Services, in consultation with the Director of Finance, to enter into an agreement on behalf of the City for the Loan and the Grant;
- D. On May 8, 2018 the City entered into a Combined Loan and Grant Agreement (the "**Agreement**") with the FCM for the Loan and the Grant. Under the Agreement, the FCM will transfer the Loan and the Grant to the City upon delivery by the City to the FCM of various documents, including a duly enacted by-law of the Council authorizing the issuance of a debenture to FCM in consideration for the Loan;
- E. Pursuant to section 242 of the *Vancouver Charter*, S.B.C. 1953, c. 55, as amended (the "**Vancouver Charter**"), on the 15th day of November, 2014 the Council submitted to the electors of the City of Vancouver entitled to vote on by-laws requiring assent of the electors the question set out in Schedule A to this by-law. As shown by the report entitled "Local General Election Results – 2014" dated December 3, 2014 from the Chief Election Officer to Council, a majority of all of the votes cast on the question set out in Schedule A to this by-law were affirmative. As a result of the votes cast on the 15th day of November, 2014, the Council obtained the power to pass, without the further assent of the electors, by-laws in any year between 2015 and 2018, inclusive, to borrow money by the issue and sale of debentures in the aggregate principal amounts not exceeding the amounts set out for the various projects referred to in Schedule A to this by-law;
- F. From January 1, 2015 to the date of this by-law, the City has borrowed by the issue and sale of debentures \$29,589,602 of the \$56,450,000 that the Council is authorized to borrow on behalf of the City between 2015 and 2018, inclusive, to provide for major maintenance, reconstruction and enhancement of the arterial and neighbourhood transportation networks, greenways and cycle routes and to undertake major maintenance of bridges and other

structures. Consequently, the Council will not, by enacting this by-law to approve the issuance of a debenture to the FCM in consideration for the Loan, exceed the maximum borrowing authority for street and bridge infrastructure that was assented to by the electors and that is stated in Schedule A to this by-law;

- G. It is now deemed expedient under the authority of the Vancouver Charter and pursuant to the provisions of Section 242 of the Vancouver Charter to borrow the principal amount of \$5,000,000 in lawful money of Canada bearing interest at the rate of 4.07 percent per annum by the issue and sale of a debenture of the City of Vancouver;
- H. The value according to the last revised assessment roll of all the real property within the boundaries of the City of Vancouver liable to taxation is \$412,064,682,140; and
- I. The total amount of the existing debenture debt of the City of Vancouver as of September 21, 2018 is \$1,083,201,543 (exclusive of debts incurred for local improvements secured by special rates or assessments), of which none of the principal or interest is in arrears as at that date.

NOW THEREFORE VANCOUVER CITY COUNCIL in open meeting assembled enacts as follows:

- 1. THAT the City contract a debt by borrowing from FCM \$5,000,000 for the purpose of paying for costs associated with the Burrard Bridge Renewal and Transportation Improvement Project pursuant to the Agreement and that, in consideration for the Loan, the City issue a debenture to FCM in the principal amount of \$5,000,000 (the "Debenture").
- 2. THAT the Debenture will bear interest in accordance with the Agreement at an annual rate of 4.07%.
- 3. THAT the Debenture shall be substantially in the form attached hereto as Schedule B to this by-law, together with such amendments, additions, and deletions as the Director of Finance and the Director of Legal Services determine are necessary or desirable.
- 4. THAT interest under the Debenture will be payable semi-annually in arrears in blended payments of principal and interest on the dates set out in the amortization schedule that is attached as Attachment 1 to Schedule B to this by-law.
- 5. THAT the Debenture shall be dated November 20th, 2018 and shall be for a term of one hundred and twenty (120) months and, subject to the pre-payment provisions set out in the Agreement, shall be paid in full by the date that is one hundred and twenty (120) months after the Loan Disbursement Date, as that term is defined in the Agreement.
- 6. THAT the Debenture shall be sealed with the common seal of the City, shall bear the signature or facsimile signature of the Mayor of the City and shall be signed by any one of the following officials as the authorized signing officers of

the City: the City Treasurer, the Deputy City Treasurer, or the Director of Finance. The common seal of the City may be stamped, printed, lithographed or otherwise reproduced.

7. THAT in each of the years 2019 to 2028, inclusive, a sum shall be levied and raised, in addition to all other rates, by way of real property taxes by a specific rate on all rateable real property in the City of Vancouver or by way of special levies, charges, rates or taxes sufficient to pay the principal and interest amounts falling due in such years on the Debenture.
8. THAT the Debenture shall rank pari passu with all other general obligations of the City of Vancouver.
9. THAT Schedules A and B to this by-law shall at all times be deemed an integral part of this by-law.
10. THAT this by-law shall come into force and take effect on the 30th day of October, 2018.

DONE AND PASSED in open Council this 30th day of October, 2018.

[SEAL]

MAYOR

CITY CLERK

SCHEDULE A

**CITY OF VANCOUVER
2015 – 2018 CAPITAL PLAN BORROWING QUESTIONS
PUBLIC SAFETY AND PUBLIC WORKS
SUBMITTED TO ALL ELECTORS**

This question seeks authority to borrow funds to be used in carrying out the basic capital works program with respect to Public Safety and Public Works.

1. ARE YOU IN FAVOUR OF COUNCIL HAVING THE AUTHORITY, WITHOUT FURTHER ASSENT OF THE ELECTORS, TO PASS BY-LAWS BETWEEN JANUARY 1, 2015 AND DECEMBER 31, 2018 TO BORROW AN AGGREGATE \$95,700,000 FOR THE FOLLOWING PURPOSES?

A. Public Safety Facilities

To provide for major maintenance, upgrading or replacement of existing public safety facilities, such as fire halls and police buildings, that are beyond economical repair or no longer meet operational requirements.	\$ 22,250,000
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B. Street and Bridge Infrastructure

To provide for major maintenance, reconstruction and enhancement of the arterial and neighbourhood transportation networks, greenways and cycle routes and to undertake major maintenance of bridges and other structures.	\$ 56,450,000
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C. Street Lighting, Traffic Signals and Communications Systems

To provide for major maintenance, replacement and expansion of street lighting, traffic signal and communication systems that are beyond economical repair or no longer meet operational requirements.	<u>\$ 17,000,000</u>
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Total	<u><u>\$ 95,700,000</u></u>
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If this question receives the assent of the electors, Council has the power, without further assent of the electors, to pass by-laws, as and when Council considers appropriate, to borrow money for the projects described up to \$95,700,000.

SCHEDULE B

CANADA

PROVINCE OF BRITISH COLUMBIA

CITY OF VANCOUVER

DEBENTURE

For value received, CITY OF VANCOUVER (the "City") hereby promises to pay to:

FEDERATION OF CANADIAN MUNICIPALITIES, AS TRUSTEE FOR THE GREEN MUNICIPAL FUND

("FCM")

subject to the conditions attached as Attachment 2 to this debenture (the "Conditions") the principal sum of

\$5,000,000

by semi-annual instalments of combined (blended) principal and interest in the manner and in the amounts set forth in the amortization schedule attached to this debenture as Attachment 1 (the "Schedule") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Interest shall be paid until the maturity date of this debenture in like money in semi-annual payments from the Loan Disbursement Date, as that term is defined in the Combined Loan and Grant Agreement (the "Agreement"), or from the last date on which interest has been paid on this debenture, whichever is later at the rate determined pursuant to Section 2.06 of the Agreement, per annum, in arrears, on the specified dates as set forth in the Schedule (each, a "Payment Date") in the manner provided in the Conditions. Interest shall be paid on default at the applicable rate set out in the Conditions both before and after default and judgement. The applicable rate of interest, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

The Debenture ranks *pari passu* with all other general obligations of the City.

All acts, conditions and things necessary to be done and to exist precedent to and in the issuance of this Debenture have been properly done, fulfilled, and performed and exist in regular and in due form as required by the laws of the Province of British Columbia and the total indebtedness of the City, including this Debenture, does not exceed any statutory limitations, and provision has been made to levy real property taxes or to levy special levies, charges, rates, or taxes sufficient to pay the interest promptly as it matures and to pay the principal of this Debenture when due.

This Debenture is subject to the Conditions.

IN WITNESS WHEREOF the City has caused this Debenture to be sealed with the common seal of the City, to bear the signature of its Mayor, to be signed by its authorized signing officer and to be dated October 30, 2018.

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[SEAL]

Mayor

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Authorized Signing Officer

ATTACHMENT 1
AMORTIZATION SCHEDULE

Payment	Date	Payment	Rate	Principal	Interest	Balance
1	20/05/2019	\$351,750.00	4.07 %	\$250,000.00	\$101,750.00	\$4,750,000.00
2	20/11/2019	\$346,662.50	4.07 %	\$250,000.00	\$96,662.50	\$4,500,000.00
3	20/05/2020	\$341,575.00	4.07 %	\$250,000.00	\$91,575.00	\$4,250,000.00
4	20/11/2020	\$336,487.50	4.07 %	\$250,000.00	\$86,487.50	\$4,000,000.00
5	20/05/2021	\$331,400.00	4.07 %	\$250,000.00	\$81,400.00	\$3,750,000.00
6	20/11/2021	\$326,312.50	4.07 %	\$250,000.00	\$76,312.50	\$3,500,000.00
7	20/05/2022	\$321,225.00	4.07 %	\$250,000.00	\$71,225.00	\$3,250,000.00
8	20/11/2022	\$316,137.50	4.07 %	\$250,000.00	\$66,137.50	\$3,000,000.00
9	20/05/2023	\$311,050.00	4.07 %	\$250,000.00	\$61,050.00	\$2,750,000.00
10	20/11/2023	\$305,962.50	4.07 %	\$250,000.00	\$55,962.50	\$2,500,000.00
11	20/05/2024	\$300,875.00	4.07 %	\$250,000.00	\$50,875.00	\$2,250,000.00
12	20/11/2024	\$295,787.50	4.07 %	\$250,000.00	\$45,787.50	\$2,000,000.00
13	20/05/2025	\$290,700.00	4.07 %	\$250,000.00	\$40,700.00	\$1,750,000.00
14	20/11/2025	\$285,612.50	4.07 %	\$250,000.00	\$35,612.50	\$1,500,000.00
15	20/05/2026	\$280,525.00	4.07 %	\$250,000.00	\$30,525.00	\$1,250,000.00
16	20/11/2026	\$275,437.50	4.07 %	\$250,000.00	\$25,437.50	\$1,000,000.00
17	20/05/2027	\$270,350.00	4.07 %	\$250,000.00	\$20,350.00	\$750,000.00
18	20/11/2027	\$265,262.50	4.07 %	\$250,000.00	\$15,262.50	\$500,000.00
19	20/05/2028	\$260,175.00	4.07 %	\$250,000.00	\$10,175.00	\$250,000.00
20	20/11/2028	\$255,087.50	4.07 %	\$250,000.00	\$5,087.50	\$0.00

ATTACHMENT 2

CONDITIONS OF THE DEBENTURE

1. The debentures issued pursuant to the borrowing by-law enacted by the City of Vancouver (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons.
2. The Debentures are direct, unsecured and unsubordinated obligations of the City. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the City except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is one fully registered Debenture registered in the name of FCM and held by FCM.
4. The City shall maintain at its designated office a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the City is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
5. The City shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The City shall deem and treat registered holders of Debentures, including this Debenture as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the City on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the City. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the City.
6. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including the maturity date. Principal of and interest on the Debentures are payable by the City to the persons registered as holders in the registry on the relevant record date. The City shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
7. The City shall make all payments in respect of semi-annual instalments of combined (blended) principal and interest on the Debentures on each Payment Date commencing on May 20, 2019 (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender of this Debenture) on such terms as the City and the registered holder may agree.

8. Following November 20, 2023, the City may on any subsequent semi-annual payment date, on not less than thirty (30) days' notice to FCM, prepay all or part of the principal that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the principal, the amortization schedule set out in the Schedule shall be adjusted accordingly. In the case of a prepayment of a part of the principal, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars (\$100,000.00). Upon delivery of such notice, the City shall be obligated to effect prepayment in accordance with the terms of the notice and this section. Any amounts prepaid may not be re-borrowed.
9. If the City defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, the City shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the principal that is from time to time outstanding at an annual rate that equals the total of: (a) **[Note to Draft: Need to replace this bracketed part with the interest rate]** 4.0700 percent plus (b) two point five percent (2.5%) per annum, calculated from the date of such default.
10. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days, as appropriate.
11. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (an "**Ottawa Business Day**"), and if any date for payment is not an Ottawa Business Day, payment shall be made on the next following Ottawa Business Day and no further interest shall be paid in respect of the delay in such payment.
12. The Debentures are transferable or exchangeable at the office of the Treasurer of the City upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the City and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
13. The City shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the City with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the City in its discretion; and (c) surrendered to the City any mutilated or defaced Debentures in respect of

which new Debentures are to be issued in substitution.

14. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
15. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures shall be borne by the City. When any of the Debentures are surrendered for transfer or exchange to the Treasurer of the City shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
16. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the City. Where new Debentures are issued in substitution in these circumstances the City shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.
17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the City or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not an Ottawa Business Day then such notice may be given on the next following Ottawa Business Day.
18. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Ottawa, Ontario time.
19. The Debentures are governed by and shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia.