

Clause No. 7 in Report No. 12 of the Committee of the Whole was adopted, as amended, by the Council of The Regional Municipality of York at its meeting held on June 26, 2014.

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ONTARIO INFRASTRUCTURE AND LANDS CORPORATION LOAN FOR THE TOWN OF AURORA

Regional Council at its meeting on June 26, 2014 amended this report as follows:

Page 2, Analysis and Options, first paragraph - remove "per year"

Page 2, Analysis and Options, third paragraph - delete "City of Vaughan" and replace with "Town of Aurora".

Committee of the Whole recommends adoption of the recommendation contained in the following report dated June 5, 2014 from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that subject to the receipt of the necessary supporting documents from the Town of Aurora, that:

1. Council approve a request by the Town of Aurora for long-term financing to fund a Joint Operation Centre in an amount not to exceed \$25,000,000 for a term not to exceed 15 years.
2. Council approve the submission of an application to Ontario Infrastructure and Lands Corporation (OILC) for all or part of the above financing, on behalf of the Town of Aurora.
3. The Regional Chair and Regional Treasurer be authorized to execute the necessary documents subject to review by Legal Services.

2. PURPOSE

This report seeks approval of long-term financing from the Ontario Infrastructure and Lands Corporation to fund a capital project in the Town of Aurora.

3. BACKGROUND

The Town of Aurora has requested a long-term loan from the Ontario Infrastructure and Lands Corporation for an amount up to \$25,000,000 to finance a Joint Operations Centre, to be located on Industrial Parkway North, Aurora.

Under section S.401 of the *Municipal Act*, Regional Council must approve all long-term financing required by local municipalities, including applications to OILC for financing. Additionally, the *Municipal Act* indicates that all Regional debentures for either its own purpose or the purposes of its lower-tier municipalities are direct, joint and several obligations of the Region and its lower-tier municipalities. The Region's role for the duration of the loan is to guarantee the repayment of debt and ensure that payments are received by OILC on a timely basis from the local municipality.

4. ANALYSIS AND OPTIONS

Based upon OILC's posted borrowing rate of 3.27% for a 15-year term (as at May 23, 2014), the Town would incur costs of approximately \$6.3M to service a \$25M loan.

The Town Treasurer has indicated that the town's most recent annual debt and financial obligation limit (ARL) from the Ministry of Municipal Affairs and Housing has been updated to incorporate the additional financing costs associated with the requested loan and that it remains within the limits set out by the Ministry. As a result, Ontario Municipal Board approval of the project and its associated financing is not required. Prior to executing the necessary documents for this application, the Regional Treasurer will confirm that Town Council has authorized debt financing for the project.

The Municipal Act excludes the Region's repayment of the long-term debt borrowed for its local municipalities in the Region's ARL calculation. Therefore, the financial obligation relates to the Town of Aurora and will not result in any impact to the Region's ARL

Link to Key Council-approved Plans

The Region supports its local municipalities by assisting them in acquiring long term financing for their capital projects.

5. FINANCIAL IMPLICATIONS

There is no financial impact to the Region, as it only acts as an intermediary in the OILC loan process.

6. LOCAL MUNICIPAL IMPACT

Obtaining this OILC financing will allow the Town of Aurora to finance a Joint Operations Centre, which is deemed necessary for the Town's continued growth and has a high degree of alignment with its Strategic Plan.

7. CONCLUSION

The Region is obligated to approve long-term financing required by local municipalities. The Town of Aurora has asked the Region to obtain long-term financing from the Ontario Infrastructure and Lands Corporation. Aurora intends to use the financing for a Joint Operations Centre.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at Ext. 71644.

The Senior Management Group has reviewed this report.