



TOWN OF STRATFORD RESOLUTION

No. FT012-2023 – Community Campus and Waterfront Boardwalk Construction Financing

Motion Carried X
Motion Lost
Motion Withdrawn

Council Chambers
Town Hall
October 11, 2023

Committee Finance & Technology Committee
Moved by Ron Dowling
Seconded by Jeff MacDonald

WHEREAS the Town of Stratford is currently constructing the Community Campus Infrastructure (roads, water and sewer, and active transportation network) and the boardwalk at the Waterfront Park. The expected date of completion for both projects is by March 31, 2024; and

WHEREAS the Town of Stratford asked for proposals for interim construction financing of \$10,000,000. It is the Town of Stratford's intention to replace the construction financing net of funding from other funding partners with term financing on or before June 30, 2024; and

WHEREAS we requested proposals from the following financial institutions:

- Bank of Montreal;
- Provincial Credit Union;
- CIBC;
- Royal Bank;
- Scotia Bank;
- TD Bank;

AND WHEREAS the request for proposals closed at 1:30 pm on October 10, 2023; and

WHEREAS the construction financing is planned to be approximately \$10,000,000 and is within the 10% capital debt threshold of the Town of Stratford. The current borrowing limits for the Town of Stratford based on our total assessed tax base ($\$1,173,569,500 \times 10\% = \$117,356,950$) of which we are using \$15,911,256 as of March 31, 2023; and

WHEREAS the following rates were received for construction financing:

Option 1: One Month Term Loans

Royal Bank: 5.70% (CORRA base rate + spread .70%)

TD Bank: 6.35% (Prime -.75%)

Scotia Bank: 6.20% (Prime -1)

Option 2 – Bankers Acceptance 1 month term

TD Bank: 6.23%

Scotiabank: 6.16%

RBC: 5.80%

BE IT RESOLVED that the Town of Stratford enter into a CORRA (Canadian Overnight Repo Rate Average) loan with RBC for the Community Campus Infrastructure and Waterfront Boardwalk at the rate of 5.0% and a credit spread 0.70% for an all-in rate of 5.70% subject to market fluctuations prior to closing, and that the Mayor and Chief Administrative Officer be authorized to enter into the CORRA Service Agreement with RBC, on behalf of the Town of Stratford.

This Resolution bears the recommendation of the Finance and Technology Committee as submitted via an email poll on October 11, 2023.