

TOWN OF STRATFORD RESOLUTION

No. FT002-2022 – Stratford Community Campus Land Purchase- Long Term Financing

Motion Carried Motion Lost Motion Withdrawn	✓ Council ChambersTown HallFebruary 9, 2022
Committee Moved by Seconded by	Finance & Technology Committee Gail MacDonald Derek Smith
	tford has purchased land from 1011523 P.E.I Inc. (part of PID 608141) arson (part of PID 1086107) for the development of a community
	land will be sold to the province for the construction of a new high be sold to the Business Park Corporation for an extension of the
	ort term financing of \$1,500,000 through a Bankers Acceptance (BA) da; we are now ready to go to long term financing for the \$1,500,000;
WHEREAS we requested prinancial institutions:	roposals for long term financing of \$1,500,000 from the following
	Bank of Montreal
	CIBC
	Provincial Credit Union
	Royal Bank
	TD Bank

AND WHEREAS the request for proposals closed at 1:30 pm on February 8, 2022; and

AND WHEREAS the long-term financing of \$1,500,000 is within the 10% capital debt threshold of the Town of Stratford given that the current borrowing limits for the Town of Stratford is based on its total assessed tax base ($$935,740,000 \times 10\% = $93,574,000$) of which the Town is using \$15,250,673 as of March 31, 2021; and

WHEREAS the tender provided two options for bidding. Option 1 was fixed term loan amortized over 20 years, and option 2 was a banker acceptance loan amortized over 20 years. The following rates were received for Option 1:

Term	<u>TD</u>	RBC	CIBC
10 year	3.25%	2.20%	2.625%
15 year	3.45%	2.92%	
20 year	3.50%		

And Option 2

	<u>TD</u>	RBC		CIBC
10 yr term	3.30%	3.09%		3.53%
	Swap rate of 2.41%	Swap rate of	2.53%	
	Stamping Fee of .89%	Stamping Fe	ee of .56%	
15 yr term	3.53%	3.37%		3.67%
	Swap rate of 2.54%	Swap rate of	2.63%	
	Stamping Fee of .99%	Stamping Fe	ee of .74%	
20 yr term	3.62%	3.40%		3.73%
	Swap rate of 2.59%	Swap rate of	2.66%	
	Stamping Fee of 1.03%	Stamping Fe	ee of .74%	

BE IT RESOLVED that the Town of Stratford enter into a Bankers' Acceptance with the Royal Bank of Canada for a 20 year term for the Community Campus Land Purchase in the amount of \$1,500,000, at the rate of 2.66% and a credit spread of 0.74% for an all-in rate of 3.40% subject to market fluctuations prior to closing, and that the Mayor and Chief Administrative Officer be authorized to enter into the Bankers' Acceptance Service Agreement, a Credit Facilities Agreement, and an ISDA Agreement with the Royal Bank of Canada on behalf of the Town of Stratford.

BE IT FURTHER RESOLVED THAT:

- the Town of Stratford enter into a Bankers' Acceptance Service Agreement, a Credit Facilities Agreement and an ISDA Agreement with the Royal Bank of Canada (the "Agreements");
- 2. Facility 1 under the Credit Facilities Agreement, being a \$1,500,000.00 non-revolving term facility for the Community Campus Land financing, be and hereby is authorized to be repaid by consecutive quarterly principal payments in accordance with the schedule to be provided by RBC Capital Markets, each based on an original amortization period of 240 months and the balance repayable in full 240 months from the date of draw down, all in accordance with the terms of the Credit Facilities Agreement;

3.	the Mayor and CAO be and are hereby authorized to sign the Agreements on behalf of the Town of Stratford; and
4.	this Resolution serves as the security requested for Facility 1 under the Credit Facilities Agreement.
	Resolution bears the recommendation of the Finance and Technology Committee as ted via an email poll on February 9, 2022.