

CITY OF LACOMBE

BYLAW NO 371

A BYLAW OF THE COUNCIL OF THE CITY OF LACOMBE, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE LENDING MONEY TO A NON-PROFIT ORGANIZATION

WHEREAS pursuant to Sections 264 and 265 of the Municipal Government Act, R.S.A. 2000, Chapter M-26 and amendments thereto, a municipality may loan funds to a non for profit organization

AND WHEREAS the Lacombe Athletic Park Association is a not-for-profit body corporate duly incorporated under the laws of the Province of Alberta.

AND WHEREAS the Lacombe Athletic Park Association is a tenant of and has constructed football facilities on Lot 6, Block 1, Plan 0124031 known as MEGlobal Athletic Park (the "Park")

AND WHEREAS the Lacombe Athletic Park Association plans to construct an artificial turf field and a regulation track at the Park known as the Phase III development of the Park and is seeking the assistance of the City of Lacombe in advance funding of the project through a loan

AND WHEREAS the City of Lacombe's debt limit established by the provisions of Section 276(2) of the Municipal Government Act, R.S.A. 2000, Chapter M-26 was \$29,948,028 as of the end of the 2010 fiscal year and the Municipality's obligations of \$11,243,873 the end of that fiscal year provide for it to assume up to \$18,704,155 in additional debt

NOW THEREFORE the Municipal Council of the City of Lacombe in Council assembled enacts as follows

- 1) The City of Lacombe will lend to the Lacombe Athletic Park Association non-profit organization the amount of Two Hundred Fifty Thousand dollars (\$250,000) for the purpose of installation of the artificial turf and a regulation Track at MEGlobal Athletic Park . The term of the loan is nine (9) years beginning January 1, 2012.
- 2) The interest rate offered is 2.7% (per annum), and is based on interest rates offered by Alberta Capital Finance Authority as of September 1, 2011.
- 3) The loan will be repaid by the Lacombe Athletic Park Association semi-annually on or before June 30, and December 31 of each year, hereafter called the "due date". The

loan will be repaid according to the schedule outlined in Schedule "A", attached hereto and forming part of this bylaw.

- 4) Payments may be made without penalty in advance of the due dates above. Payments in advance of the due date will result in the recalculation of future payments. Interest is due or payable on the outstanding balance at the time of each repayment installment.
- 5) It is anticipated that the Lacombe Athletic Park Association will repay the loan from funding raising, user fees, advertising, and donations sources during the term of the loan.
- 6) The source of money to be loaned to the Lacombe Athletic Park Association shall be from the General Capital Reserve Fund held by the City of Lacombe. All interest and repayments received by the City from the Lacombe Athletic Park Association shall be returned to this reserve.
- 7) The City of Lacombe and the Lacombe Athletic Park Association shall enter into a loan agreement consistent with the terms of this bylaw. The Agreement will form Schedule "B", attached hereto and forming part of this bylaw.
- 8) Any funds not used by the Lacombe Athletic Park Association for the purposes contained in this bylaw or the funding agreement shall be immediately returned to the City.
- 9) This bylaw shall take effect on the day of the final passing thereof and shall remain in effect until all amounts due to the City of Lacombe specified within this bylaw have been received.

INTRODUCED AND GIVEN FIRST READING this 26th day of September, A.D. 2011

GIVEN SECOND READING this 31st day of October, A.D. 2011

GIVEN THIRD AND FINAL READING this 31st day of October, A.D. 2011

Steve Christie
Mayor

Norma MacQuarrie
Chief Administrative Officer

Bylaw 371
Schedule "A"

\$15,737.75 due June 30, 2012
\$15,737.75 due December 31 2012
\$15,737.75 due June 30, 2013
\$15,737.75 due December 31 2013
\$15,737.75 due June 30, 2014
\$15,737.75 due December 31 2014
\$15,737.75 due June 30, 2015
\$15,737.75 due December 31 2015
\$15,737.75 due June 30, 2016
\$15,737.75 due December 31 2016

\$15,737.75 due June 30, 2017
\$15,737.75 due December 31 2017
\$15,737.75 due June 30, 2018
\$15,737.75 due December 31 2018
\$15,737.75 due June 30, 2019
\$15,737.75 due December 31 2019
\$15,737.75 due June 30, 2020
\$15,737.75 due December 31 2020

UNCERTIFIED

COPY

Bylaw 371
Schedule B

THIS agreement made this 14 day of November, 2011.

BETWEEN

The City of Lacombe
(referred to as the City)

And

Lacombe Athletic Park Association
(referred to as The L.A.P.A.)

WHEREAS pursuant to Sections 264 and 265 of the Municipal Government Act, R.S.A. 2000, Chapter M-26 and amendments thereto, a municipality may loan funds to a not for profit organization

AND WHEREAS the Lacombe Athletic Park Association is a not-for-profit body corporate duly incorporated under the laws of the Province of Alberta.

AND WHEREAS the Lacombe Athletic Park Association is a tenant of and has constructed football facilities on Lot 6, Block 1, Plan 0124031 known as MEGlobal Athletic Park (the "Park")

AND WHEREAS the Lacombe Athletic Park Association plans to construct an artificial turf field and a regulation track at the Park known as the Phase III

development of the Park and is seeking the assistance of the City of Lacombe in advance funding of the project through a loan

AND WHEREAS City of Lacombe Municipal Council gave 3rd and final reading to Bylaw 371 on October 17, 2011

AND WHEREAS the Municipal Council of the City of Lacombe has agreed to the following:

- 1.1 The City of Lacombe will lend to the Lacombe Athletic Park Association non-profit organization the amount of Two Hundred Fifty Thousand dollars (\$250,000) for the purpose of installation of the artificial turf and a regulation Track at MEGlobal Athletic Park. The term of the loan is nine (9) years commencing from the date the funds are issued in 2012.
- 1.2 To provide funds to the LAPA pursuant to this Agreement up to the approved sum for the period specified in this Agreement, provided that the terms and conditions have been met by the LAPA.
- 1.3 The interest rate offered is 2.7% (per annum), and is based on interest rates offered by Alberta Capital Finance Authority as of September 1, 2011.
- 1.4 The loan will be repaid by the Lacombe Athletic Park Association semi-annually on or before June 30, and December 31 of each year, hereafter called the "due date". The loan will be repaid according to the schedule outlined in Schedule "A", attached hereto and forming part of this bylaw.
- 1.5 Payments may be made without penalty in advance of the due dates above. Payments in advance of the due date will result in the recalculation of future payments. Interest is due or payable on the outstanding balance at the time of each repayment installment.
- 1.6 The source of money to be loaned to the Lacombe Athletic Park Association shall be from the General Capital Reserve Fund held by the City of Lacombe. All interest and repayments received by the City from the Lacombe Athletic Park Association shall be returned to this reserve.

- 1.7 The City of Lacombe and the Lacombe Athletic Park Association shall enter into a loan agreement consistent with the terms of Bylaw 371.
- 1.8 Any funds not used by the Lacombe Athletic Park Association for the purposes contained in Bylaw 371 or the funding agreement shall be immediately returned to the City.
- 1.9 Loan proceeds will be issued when Lacombe Athletic Park Associations provides evidence that:
 - a) Lacombe Athletic Park Association does not have any outstanding debt to the City of Lacombe
 - b) Lacombe Athletic Park Association or MEGlobal park does not have any outstanding debt to creditors for prior construction Phases
 - c) All required construction permits are in place
 - d) Construction milestones and plans that demonstrate the project can be completed within the proposed timelines and budget
- 1.10 These funds are to be used solely for Phase Three of the project and will not be applied to indebtedness for prior or future Phases of the project
- 1.11 This agreement shall be binding on all the parties hereto and their successors and assigns

Lacombe Athletic Park Association Agrees:

- 2.1 LAPA will not proceed nor take advance on any funds from the city until funds are committed or in place for each stage of Phase Three in accordance with the Lacombe Athletic Park Association Business Plan.
- 2.2 The LAPA represents that it is fully experienced and properly qualified to carry out the Program provided herein, and that it is properly licensed, equipped, organized, and financed to perform the Program. The LAPA shall act as an independent contractor and not as the agent of the City in performing this Agreement, maintaining complete control over its employees, volunteers, and all of its subcontractors. Nothing in this Agreement or any subcontract awarded by the LAPA shall create any contractual relationship between any subcontractor and the City. The LAPA shall perform all work in accordance with its own methods subject to compliance with this Agreement.

THE CITY AND THE LAPA MUTUALLY AGREE AS FOLLOWS:

- 3.1 This Agreement embodies the entire agreement between LAPA and the City. The parties shall not be bound by or liable for any statement, representation, promise, inducement, or understanding of any kind or nature not stated in this Agreement. No additional changes, amendments, or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing and signed by both parties.

The City designates its Chief Administrative Officer or designate as its representative for purposes of administering this agreement.

THIS AGREEMENT has been signed by a person or persons duly authorized to do so.

LACOMBE ATHLETIC PARK ASSOCIATION

Lacombe Athletic Park Association Representative

CITY OF LACOMBE

Mayor

Chief Administrative Officer