



Legislation Details (With Text)

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Title: Bylaw 2/2025 Transit Garage Expansion Borrowing Bylaw (1st Reading)
Presented by: Brenda Barclay, Manager of Financial Operations

Sponsors:

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Attachments: 1. BL 2-2025 Transit Garage Expansion Borrowing Bylaw FINAL, 2. Transit Garage Expansion Borrowing Bylaw Ad Timelines, 3. Transit Garage Expansion Borrowing Bylaw Debt and Tax Impacts

Date	Ver.	Action By	Action	Result
1/21/2025	1	City Council	approved	

TAMRMS#: B06

9.1

Bylaw 2/2025 Transit Garage Expansion Borrowing Bylaw (1st Reading)

Presented by: Brenda Barclay, Manager of Financial Operations

RECOMMENDED MOTION(S)

That Bylaw 2/2025, being a borrowing bylaw for the Transit Garage Expansion, be read a first time.

SUMMARY

At the December 17, 2024, Council Meeting, as part of the approval of the 2025 budget, Council approved this project to increase the transit garage capacity to meet current and future service levels, and to accommodate growth transit/para-transit buses.

The cost of the project was estimated and approved at \$10.8 million dollars. The borrowing bylaw is being set at \$13.5 million, which includes a 25% contingency. The intent is to fund this project through borrowing with Alberta Treasury.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

Council approved the following motions on December 17, 2024:

AR-24-598

That the 2025 Consolidated Municipal and Utility Budget in the amount of \$404,834,000 and the Net Tax Requirement of \$141,608,500 as shown in the attachment titled "2025 Consolidated Municipal & Utility Budget" be approved.

That the 10 Year Municipal Growth Capital Plan provided as attachment titled "10 Year Municipal Capital Plan" be approved.

That the 10 Year Utility Growth Capital Plan provided as attachment titled "10 Year Utility Capital Plan" be approved.

That the 2025 Municipal RMR Capital Charter COMS-001 Community Capital grant Program be increased by \$11,000.

BACKGROUND AND DISCUSSION

This project is required to increase the transit garage capacity to meet current and future service levels, and to accommodate growth transit/para-transit buses.

The project is the design and construction of a 12-lane parking garage extension, an additional maintenance bay, and storage to Liggett Place. This is required to accommodate present and future service levels, growth in the number of transit buses and additional support equipment, FTE's, and infrastructure.

Liggett Place (StAT Transit Garage specifically) has been at capacity since 2015. Steady upward trend in transit service hours over time has increased annual kilometers driven, and thus increased our maintenance component. In 2024, the transit fleet hit an all time high of 2.77 million kilometers driven. Storage and space to maintain and repair units is challenging on a daily basis. The 2014 and newer clean diesel and electric buses have also increased maintenance requirements.

The existing StAT garage is over capacity, with buses being parked outside. Transit buses and associated bus technology's (Smart Bus, Smart Fare, On-Demand and Handibus tablets) are sensitive to cold, requiring warmth to maintain in-service. Moving buses multiple times throughout the day to accommodate service and maintenance has substantially increased Fleet's operational burden.

2025 - Finalize design and start construction (Phasing of construction and coordination with RMR still being finalized).

2027 - Complete project and commission.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

The borrowing bylaw will be advertised in accordance with provisions detailed in the MGA as well as Council Policy C-CAO-22 Borrowing Bylaw Advertising.

IMPACTS OF RECOMMENDATION(S)

Financial:

The City will be looking to borrow the funds from the Alberta Treasury Board for up to a 20-year term. The actual interest rate will be based on current posted rates at the time of borrowing and advancement of funds and the term will also be selected at that time.

It is important to note that the borrowing bylaw sets the maximum amount that **may** be borrowed for a

project. Any project costs in excess of the approved project charter amount will require Council approval in an open meeting. Without this borrowing contingency, these approvals would require a new borrowing bylaw. An approved borrowing bylaw creates no obligation to borrow any or all of the amount. Actual borrowing will be aligned with total project costs, cash flow needs, and may be secured in smaller denominations as the project proceeds. This ensures that the City only borrows what is needed when it is required.

The City is responsible for 100% of the project, which will be funded from taxes. Based on the assumption that a 20-year term will be chosen, that the current posted rate remains the same, and the cash flow needs of the project are in line with the approved capital charter, the annual tax impact for debt servicing is expected to be \$546,836 in 2026, and \$384,170 in 2027.

Provincial legislation requires municipalities to calculate a debt limit and a service on debt limit and to stay within those limits. In addition to the MGA regulations, the City of St. Albert Council Policy C-FS-03 - Debt Management imposes further restrictions on the use of debt financing. Policy restriction stipulates that the City will stay within 85% of the provincial limits overall. The new levels of debt contemplated for the City against these various limits, presented in the attachment titled Debt and Tax Impacts, demonstrates that the additional proposed debt for the Transit Garage Expansion is well within MGA and City limits.

Compliance & Legal:

Section 254 of the MGA states that “No municipality may acquire, remove, or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.”

In accordance with MGA subsection 251(3), a borrowing bylaw must be advertised, unless the term is five years or less (section 257), then advertising is not required. Therefore, Bylaw 2/2025 must be advertised, with time allowed for a petition before the bylaw is presented for second and third reading.

Council Policy C-CAO-22 Borrowing Bylaw Advertising further stipulates that an initial advertisement of the bylaw must take place within 10 days after first reading (the “Policy initial advertisement stipulation”), and that the two statutorily mandated advertisements will be delayed such that electors are afforded a full 60 days to present a petition if desired.

Assuming a petition is not received, in accordance with Council Policy C-CAO-22, the planned timelines for advertisement and second and third reading of the Borrowing Bylaw Advertising are presented in the attachment to this report entitled “Borrowing Bylaw Timelines.” If a petition is not received, it is expected that Bylaw 2/2025 will be presented for second and third reading on April 1, 2025.

Program or Service:

If the borrowing bylaw is not passed, the City will be unable to secure the financing required to support the project. An alternate funding source would need to be identified, or the project would need to be cancelled or postponed.

Organizational:

If the borrowing bylaw is not approved, Project Management resources will be reassigned to other funded projects.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Initiative aligned with Strategic Plan:
Not Applicable

ALIGNMENT TO SERVICE DELIVERY

B.5.2 Individual and Family Supports

Financial support or subsidy programs for St. Albert residents.

E.1.1 Conventional Fixed Route Transit Services

Provision of convenient, affordable and effective public transit services within St. Albert and to major destination areas in Edmonton, including Downtown, the University of Alberta, NAIT/Royal Alexandra Hospital, and West Edmonton Mall.

E.1.2 Handibus Services

Specialized, shared ride, "door-to-door" transit services for residents of St. Albert, age 16+ who are unable to utilize conventional transit due to a physical or cognitive disability.

G.1.7 Transit Fixed Asset Management and Maintenance

Maintenance and upgrade of transit fixed assets to ensure safe, well-maintained, well-functioning assets for residents' enjoyment.

G.1.8 Transportation Network Asset Management and Maintenance

Management and stewardship of the City's asset management program. This includes the establishment of the corporate asset management framework, the strategic asset management plans and the operational processes required to maintain existing assets. Additionally, asset stewards work to maintain city assets to city standards. All aspects of asset maintenance, risk, depreciation, and field observations are incorporated into asset management practices to ensure a consistent forecasting approach is maintained throughout the City of St. Albert.

IMPACTS OF ALTERNATIVES CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

ALTERNATIVE 1: Choose an alternate level of debt and identify sources for any potential funding shortfall.

ALTERNATIVE 2: Cancel or postpone Ligget Place expansion.

ALTERNATIVE 3: Place the building of a new transit facility into the 10 to 15 year capital plan. Cost estimates from consultant to build a new transit facility/building to meet present and future transit standards, is estimated at \$150 million.

Report Date: January 21, 2025

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