



**Nov. 9, 2011**

## **City Council Committee Report**

**To: Mayor Canfield & Council**

**Fr: Charlotte Edie, Treasurer**

**Re: Kenora Health Care Centre Debt Guarantee**

### **Recommendation:**

**Whereas** Kenora City Council provided financing to the Kenora Health Care Centre for the purchase, rehabilitation and expansion of the Kenora Medical Clinic with the intent of establishing a state of the art medical facility in the City of Kenora; and whereas it was resolved that the Kenora Health Care Centre was directed to pursue external financing options to pay out the loan balance to the City; and

**Whereas** the City is required to provide a guarantee in order to assist the Kenora Health Care Centre in securing the external financing; and

**Whereas** that goal has now been achieved;

**Now therefore, let it be resolved that** the City of Kenora guarantee the external financing of the Kenora Health Care Centre (KHCC) up to a maximum of \$7.6 million with a maximum term of 10 years and amortized over 30 years, provided the City receives security for the said guarantee in the form of a first collateral charge/mortgage on the land, enforceable in the event that the guarantee is called; and

**That** the Corporation of the City of Kenora be authorized to discharge the current Debentures on title to the property owned by the Kenora Health Care Centre; and further

**That** Council give three readings to a by-law for this purpose thereby authorizing the Mayor and Clerk to execute any and all documents required to complete this transaction.

### **Background:**

In 2006 the City of Kenora set out to support the initiative by the Kenora Health Care Centre Board to provide a state of the art health care facility in the City of Kenora. That goal has now been achieved. In February 2011 Council directed the KHCC to pursue external financing to cover the loan advances from the City. To assist the KHCC in securing favourable mortgage terms as well as 100% external financing, the City of Kenora must fully guarantee the debt up to \$7.6 million with a maximum term of 10 years and amortized over 30 years, provided the City receives security in the form of a first collateral charge/mortgage on the land, enforceable in the event that the guarantee is called.

**Budget:** No anticipated budget impacts.

**Communication Plan/Notice By-law Requirements:**

Communication with Kenora Health Care Centre and the Toronto-Dominion Bank.