

Re: Item No. 15.1.2

HALIFAX

June 4, 2024

Canada Infrastructure Bank

Halifax Regional Council

Debt Financing

Debt financing through the issuance of debentures offers numerous benefits for HRM when it comes to funding capital projects:

- The ability to spread the cost of large infrastructure projects over their useful lives
 - Aligns payments with the benefits derived from the project
 - Prevents current generation of taxpayers from bearing the full cost of improvements that will benefit the community for decades into the future
- Debt financing allows HRM to undertake major capital projects immediately rather than waiting until sufficient funds are accumulated
 - Crucial in addressing urgent infrastructure needs or in capitalizing on economic opportunities that require timely action
- HRM can maintain a more consistent level of expenditure year-over-year, which aids in budget stability and long-term financial planning

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What is the Canada Infrastructure Bank (CIB)?

- The CIB is a key component of Canada's strategy to foster long-term economic growth through infrastructure development.
- Established in June 2017, the CIB operates as a Crown corporation, functioning independently to execute its mandate.
- The CIB aims to invest \$35 billion from the federal government in infrastructure projects that are in the public interest and attract private and institutional investment.

Areas of Focus

- **Public Transit:** Enhancing public transportation systems to improve capacity and efficiency.
- **Green Infrastructure:** Projects aimed at reducing greenhouse gas emissions, such as renewable energy initiatives and energy-efficient building upgrades.
- **Trade and Transportation:** Infrastructure that supports trade and the movement of goods, including ports, airports, and roads.
- **Broadband:** Development of high-speed digital infrastructure across underserved regions.
- **Clean Power:** Investments in renewable energy and transmission to support the transition to a low-carbon economy.

Priority HRM Projects Under CIB

1. Zero emission bus fleet
2. Bus depot infrastructure upgrades
3. Cogswell District redevelopment project water and wastewater infrastructure
4. Priority growth and development zones water and wastewater infrastructure
5. Climate Action Tax green building retrofits

Advantages to Borrowing from CIB

- Potential access to lower interest rates and more favorable terms due to the CIB's focus on infrastructure development and its investment mandate.
- Flexible payment terms on debenture issuance.
- Debentures can be repaid early without penalty which gives HRM additional flexibility.
- Zero-Emission Buses at a 1% Interest Rate

