

2010: SB 25

MEMORANDUM TO: Senior Business Officials

FROM: Nancy Whynot
Director
Capital Programs Branch

DATE: April 30, 2010

SUBJECT: NPP and Other Capital Projects Arrangements for Long Term
Financing through the Ontario Financing Authority (OFA)

This memo provides information on the process and timelines for boards to transition NPP-based and other capital projects (excluding those covered under the Good Places to Learn initiative, e.g. Good Places to Learn Renewal, Primary Class Size, Prohibitive-to-Repair, French Capital Transitional, Growth Schools and Capital Priorities amounts) to long-term financing through the Ontario Financing Authority (OFA) similar to the process outlined in Memorandum **2009:SB17**.

A number of boards have indicated that they are ready to transition existing non-permanently financed NPP and other capital debt to long-term financing at this time. Boards will be required to submit information regarding the projects that make up the non-permanently financed amount that is to be transitioned to long-term financing, which should be supported by information contained in your board's approved Capital Liquidity/Wrap-Up Template. The Ministry will need to provide the OFA with assurances that a board can support the repayment of NPP and other supported borrowing.

June 2010 Issue

As was the case last year, there will be an opportunity to proceed with a long-term financing issue at the end of June 2010 for a limited number of boards with non-permanently financed NPP and other capital debt. Costs associated with projects expected to be substantially complete as of April 30, 2010 and which also meet one of the following criteria will be considered for long-term financing:

- Projects with large dollar values that are ready to proceed; OR
- Urgently required long-term financing of existing non-permanently financed capital debt. Boards are to provide a rationale for why long-term financing is needed urgently.

Note: Substantially complete means that a board has completed at least 95% of the total construction costs of a project.

Please note that capital costs funded by Education Development Charges (EDCs) are not eligible to be long-term financed through the OFA.

Boards interested in participating in the OFA's June 2010 financing issue are requested to submit the following information **by May 14, 2010**: (please complete the attached June 2010 template)

- Main contact at the Board for this long-term financing initiative
- Banking information – same as the last debenture or will it change?
- Name of school/project including SFIS number
- Project description
- Project tender/start date and completion date
- Total cost of the project and funding sources (e.g., NPP, other)
- Amount requested to be long-term financed

Fall 2010 Issue

For those boards that are interested in transitioning non-permanently financed NPP and other capital debt to the OFA but will not be ready for the June 2010 issue, the Ministry intends to work with the OFA to arrange another financing issue in Fall 2010. Costs associated with projects expected to be **substantially complete as of August 31, 2010** will be considered for long-term financing. The Ministry will announce details about the Fall 2010 issue at a later date.

For further information, please contact Mathew Thomas at (416) 326-9920 or Mathew.P.Thomas@ontario.ca.

Sincerely,

***Original copy signed by
Amy Olmstead for***

Nancy Whynot
Director
Capital Programs Branch