

2008: SB 30

MEMORANDUM TO: Senior Business Officials

FROM: Nancy Whynot
Director
Capital Programs Branch

DATE: October 24, 2008

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

Further to 2008: SB29 Long Term Financing Arrangement for Capital Projects, this memo provides boards with additional information on arranging long term financing for NPP based capital projects through the Ontario Financing Authority (OFA).

This reflects our on-going commitment to work with school boards and the Ontario Financing Authority (OFA) to provide an effective long-term financing vehicle. This approach reduces the cost of financing capital projects, helping school boards make the most efficient use of available capital funds. In addition, the standardized loan application and administration process simplifies school board borrowing.

As noted in **2008: SB 12** the Ministry will need to provide the OFA with assurances that a board can support the repayment of NPP supported borrowing. This will be based largely on the ministry's review and approval of the board's Capital Liquidity Template. In addition, boards will be required to submit information regarding the NPP 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 Template).

A number of boards have indicated that they are ready to transition existing not-permanently financed NPP capital debt forward for financing at this time. To accommodate this timing, **the OFA is planning a long-term financing debenture for the end of November 2008**. The timelines for this issue are very tight, however, there will be additional opportunities in the coming months for boards to transition NPP based financing to the OFA, including in February 2009 along with the other capital projects financing. Boards are reminded that only costs associated with completed and/or **substantially completed** projects will be considered for long-term financing through the OFA.

Boards interested in being part of the OFA's November 2008 financing issue are requested to notify Paul Bloye (Paul.Bloye@Ontario.caby submitting the following information by **November 3, 2008**.

- 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

For your convenience we have included an excel template which captures the required information noted above.

Boards that are interested in transitioning not-permanently financed NPP debt to the OFA but will not be ready for the November 2008 timeframe are also encouraged to complete and submit the above information at your earliest convenience. We would ask that you also indicate:

- Date (month/year) that board will be ready for this debenture (i.e. when is the earliest the board might be ready for long-term financing).

For further information, please contact:

Paul Bloye
Ministry of Education
416-325-8589
Paul.Bloye@Ontario.ca

Nancy Whynot
Director
Capital Programs Branch

cc: Susan Guinn, OFA

Attachment