

## BYLAW 20866

### To amend Revised Bylaw 19781, City of Edmonton Integrated Infrastructure Services Project, Capital Line South LRT: Century Park to Ellerslie Road, Amendment #3

#### Recommendation

That Bylaw 20866 be read a first time.

#### Purpose

To amend Revised Bylaw 19781, as amended by Bylaws 20107 and 20212, to increase the borrowing authority by \$242.00 million from \$342.65 million to \$584.65 million.

#### Readings

Bylaw 20866 is ready for first reading only.

#### Advertising and Signing

In accordance with section 258 of the *Municipal Government Act*, RSA 2000, c M-26, where an increase to the cost of capital property exceeds 15 per cent of the original cost of the capital property then the borrowing bylaw must be advertised.

This Bylaw will be advertised in the Edmonton Journal on Friday, June 14, 2024, and Friday, June 21, 2024. The petition period will expire July 8, 2024. If there is no sufficient petition, the bylaw will be ready for second and third readings on or after July 9, 2024. The bylaw cannot be passed prior to the expiration of the petition period.

## REPORT

The history of the borrowing bylaw is as follows:

- At the August 16, 2021, City Council meeting, Revised Bylaw 19781, was passed;
- At the May 24, 2022, City Council meeting, Bylaw 20107, amending Revised Bylaw 19781, was passed; and

## **BYLAW 20866 - To amend Revised Bylaw 19781, City of Edmonton Integrated Infrastructure Services Project, Capital Line South LRT: Century Park to Ellerslie Road, Amendment #3**

- At the August 15, 2022, City Council meeting, Bylaw 20212, amending Revised Bylaw 19781, was passed.

The Capital Line South LRT: Century Park to Ellerslie Road project went to market in 2022 with the Request for Qualification (RFQ), and two bidders were subsequently invited to participate in the Request for Proposal (RFP) process. The bids received for the main Design-Build contract exceeded the funds allocated within the approved capital project budget.

Economic challenges, inflation, supply chain disruptions and labour availability significantly impacted the construction market and costs. To alleviate funding shortfalls, the project team has worked closely with the preferred bidder over the past two months to reduce costs, while maintaining the project benefits in the business case. However, inflationary pressures, risk and market volatility have resulted in a remaining budget shortfall of \$242 million. Details are provided in Attachment 4.

At the May 22, 2024, Special City Council meeting, Council approved an increase to capital profile 16-66-7018 Capital Line South LRT: Century Park to Ellerslie Road of \$242 million from \$1.10 billion to \$1.34 billion. As a result, the borrowing authority will increase by \$242 million from \$342.65 million to \$584.65 million.

The \$242 million increase in the borrowing authority will be funded as follows:

- \$63 million of previously approved debt to be transferred from capital profile 11-66-1673 Valley Line LRT (Valley Line Southeast) to capital profile 16-66-7018 Capital Line South LRT: Century Park to Ellerslie Road.
- \$179 million of new tax-supported debt.

Bylaw 20866 will be resubmitted for second and third readings after advertising and the expiration of the associated petition period. Subsequent to that, a corresponding amendment will be made to decrease the borrowing authority under Bylaw 15726 to authorize the City of Edmonton to undertake, construct and finance City Operations Project, Valley Line LRT (Valley Line Southeast), as amended.

### **Community Insight**

Borrowing bylaws reflect a legislative requirement of the borrowing process. As a result, no community insight is undertaken with respect to the borrowing bylaw process. Where required by the *Municipal Government Act*, borrowing bylaws are advertised.

### **Attachments**

1. Bylaw 20866
2. Revised Bylaw 19781 Redline Version
3. Capital Profile 16-66-7018
4. Capital Line South LRT Extension

**BYLAW 20866 - To amend Revised Bylaw 19781, City of Edmonton Integrated Infrastructure Services Project, Capital Line South LRT: Century Park to Ellerslie Road, Amendment #3**

**Others Reviewing the Report**

- C. Taylor, Acting Chief People Officer and City Solicitor