

Capital Line South LRT Extension

At the May 22, 2024, Special City Council meeting, Administration recommended to City Council to increase the budget for the Capital Line South LRT Extension project in order to award the design and construction contract to the preferred bidder prior to the bid expiring on May 29, 2024.

Background

In 2019, a mass transit study was undertaken to inform and support The City Plan development concept to two million people and later presented to the Urban Planning Committee in early 2022. The study refined the LRT Network Plan and considered an expanded mass transit network to complement the city-wide LRT network. The mass transit network, made up of LRT and bus-based mass transit, serves a growing population and helps inform the way the city develops. The plan used several foundational pieces to inform the design of the future network, including an assumption that the Capital Line would be extended south to the Heritage Valley Town Centre and ultimately to Allard-Desrochers.

The Capital Line South Extension project is a 4.5-kilometre high-floor extension from Century Park station to the Heritage Valley Transit Centre and Park & Ride north of Ellerslie Road. The project includes an underpass at 23 Avenue, two LRT stations, two bridges, an Operations and Maintenance Facility, and new light rail vehicles supporting the increased ridership capacity of the system.

The business case for the project, submitted to the federal and provincial governments in 2020, secured \$742 million in partner funding. The project will serve as a timely economic boost for Edmonton and Alberta by generating approximately 9,500 full-time jobs during design, construction, operations and maintenance over its lifetime, while also reducing greenhouse gas emissions by an estimated 270,000 tonnes.

The preferred bidder's bid was only valid until May 29, 2024. After that date, there was a high likelihood costs would further increase. Council approving the budget adjustment gives the City more time over the coming months to continue advocating for additional funding partner contributions.

Attachment 4

With the current project budget now proposed at \$1.34 billion, the project is still over 55 per cent funded by other orders of government. The City will be seeking funding partner support to shift funds within the Investing in Canada Infrastructure Program (ICIP), and to obtain new funding that decreases the City's overall project contribution and, hopefully, to align more closely to ICIP cost-sharing targets.

Implications of replacing the LRT extension with bus rapid transit (BRT) were reviewed. Based on the business case submitted for the project, the current status of the ICIP program, and the specific streams through which the City of Edmonton's funding was approved, ICIP funding cannot be used for BRT. Therefore, the \$742 million in partner funding would need to be forfeited and returned. In addition, over \$70 million of preparation work has already been completed for this project and additional investments of close to \$30 million would also be required to close out the work being completed if the project was cancelled.

As Edmonton continues to experience rapid growth, the city is feeling increased pressure on all modes of travel. This is especially evident in the south and southwest, which are two of the fastest-growing communities. Investing in mass transit, specifically LRT, will help Edmonton achieve its goals of access, mobility and climate resilience by increasing ridership capacity and easing pressure on other transportation modes. Additionally, the economic and social benefits of the expansion make a strong case for moving forward with the Capital Line South Extension project as planned. Council's decision to fund this transformational infrastructure demonstrates foresight and a commitment to long-term benefits as Edmonton continues to grow to a city of two million people.