

West to South LRT Development – Capital Project Profile

Recommendation:

That Transportation and Infrastructure Committee recommend to City Council:

That the LRT Project Profile 11-66-1673 (Southeast to West LRT) be approved, subject to funding from other orders of government.

Report Summary

This report recommends approval of the first stages of the Southeast to West LRT, subject to funding from other orders of government.

Previous Council/Committee Action

At the February 21, 2012, Transportation and Infrastructure Committee meeting, the following motion was passed:

That Administration prepare a Capital Project Profile for the LRT from West to Mill Woods Town Centre outlining:

- a. possible funding sources and cash flows
- b. additional information with respect to life cycle and operating costs and return to the April 24, 2012, Transportation and Infrastructure Committee for consideration at the May 2, 2012, City Council meeting.

Report

The February 21, 2012, Transportation Services report 2012TS4860 (LRT Development Strategy) provided potential funding options for the Downtown to Mill Woods LRT at a total

cost of \$1.8 billion, with \$800 million being the City's contribution. The report referenced options and impacts for funding this project using tax supported debt and the implications and limitations to using other funding sources.

Phase 1 of the project (critical land acquisition) is approved with funding provided by tax supported debt in the amount of \$102 million. Phase 2 of the project (detailed design, construction, LRV purchases and maintenance facility) is unfunded. The City's share of funding for Phase 2, stage 1 is \$673 million which is based on the \$800 million as outlined in the February 21, 2012, Transportation Services report 2012TS4860, less the previously approved City funding for preliminary engineering and critical land purchases as allocated to stage 1. The remaining funding plan for stage 1 is based on receiving funding from other orders of government which represents approximately 60% of the stage 1 costs.

The provincial funding presently earmarked for LRT expansion is from GreenTRIP grants. Total LRT expansion funding as recommended by the Capital Region Board was \$732 million. Of this, \$497 million has been approved for NLRT leaving \$235 million for further LRT expansion. A grant application could be submitted for the project once the City's approves the project and has the City's share of funding is in place.

Attachment 1 provides Project Profile 11-66-1673 for the entire Southeast to West LRT project broken down into two phases, with Phase 2 broken down into various stages. The profile is based on a Design-Build Procurement Method.

Should City Council decide to deliver the project through an alternate delivery method such as P3, the Project Profile and cash flows will need to be revised accordingly. The Project Profile identifies the need for an additional \$30 million in funding in 2014 to allow for the commencement of utility relocations in advance of full project start-up in 2015.

Preliminary engineering for the Southeast to West LRT is currently underway with completion of the Southeast portion (Mill Woods Town Centre to Centre West Stop) expected by the spring of 2013. A more detailed project cost estimate will be available at that time.

Information regarding life cycle and maintenance costs is provided in the April 24, 2012, Transportation Services LRT P3 Status report 2012TS5858.

Policy

Transportation Master Plan – The Way We Move Strategic Direction 5.1:

The City will pursue expansion of the LRT to all sectors of the city with a goal to increase transit ridership and transit mode split, and spur the development of compact urban communities.

Corporate Outcomes

- Citizens use public transit and active modes of transportation.
- Edmonton has sustainable infrastructure that fosters and supports civic and community needs.
- The City has well-managed and sustainable assets and services.
- The City is an effective enabler in partnerships and collaborative efforts

that strengthen the region and beyond.

Budget/Financial Implications

The cost of the LRT expansion from Mill Woods Town Centre to Downtown Center West is estimated at \$1.8 billion.

The City would require a funding partnership with both the Federal and Provincial governments in order to proceed with the project. With a City contribution of \$800 million, the Federal and Provincial governments combined would need to contribute \$1 billion.

In the absence of greater contributions from the Province or Federal Government, the only option the City has for funding LRT aside from a reallocation of projected capital funding, is through increases to the tax base. Increased taxes could also be used to support additional debt or to make payments under a P3 arrangement.

Justification of Recommendation

The approval of a Project Profile for West to Southeast LRT is consistent with Transportation and Infrastructure Committee's direction from February 21, 2012, and will demonstrate the City's commitment of LRT expansions to the other orders of government.

Attachments

1. Capital Project Profile 11-66-1673.

Others Reviewing this Report

- R. Boutilier, General Manager, Transportation Services