

Walterdale Bridge Finance Strategies

Debt Borrowing

Recommendation:

1. That the Capital Project Profile 12-66-1466 Walterdale Bridge, be funded with tax-supported debt, and that the resulting available funds of \$132 million be redirected to fund the priority unfunded Capital Projects as outlined in Attachment 1, of the November 25, 2011, Financial Services report 2011CF5737.
2. That Capital Project Profile 11-21-7321 Abbotsfield Recreation Centre, be decreased by \$600,000, to correct an error, and that the \$600,000 be allocated toward funding the Priority Unfunded Projects as outlined in Attachment 1, of the November 25, 2011, Financial Services report 2011CF5737.
3. That \$3 million in funding within 12-66-1020 Arterial/Primary Highway Renewal be re-allocated from Pay-As-You Go to the City Transportation Fund grant.
4. That Capital Project Profile 09-28-3001 Utilities and Access Renewal, be decreased by \$4.277 million, and that the \$4.277 million be allocated to Capital Project Profile 12-28-7050 Neighbourhood Parks and Outdoor Aquatics Strategy.

Report Summary

This report provides a response to a Council inquiry regarding financing strategies for the Walterdale Bridge project 12-66-1466.

Previous Council/Committee Action

During the presentation of the 2012-2014 Proposed Capital Budget on November 9, City Council directed Administration to answer the following questions:

1. How much capital funding was reallocated from the Neighbourhood Renewal Program to fund the Walterdale Bridge and other critical projects?
2. If funding for the \$132 million Walterdale Bridge project was revised to 100% tax-supported debt, how much funding could be reallocated to other projects?

Report

Renewal priorities were set using the Risk-based Infrastructure Management System (RIMS) model to allocate funding across all asset classes. However, the allocation of significant funding to one project like the Walterdale Bridge affects the optimal timing of other renewal projects unless funding is accumulated over time or unless larger projects are debt financed.

During the development of the 2012-2014 Capital Budget, the Walterdale Bridge Project was funded using a reallocation of MSI, Fuel and Pay-As-You-Go rather than debt. This resulted in reductions to a number of other projects.

In addition to Walterdale Bridge, three other key projects were identified that needed to be funded:

• Walterdale Bridge	\$132.0 m
• Shaw Escalators	12.3 m
• WorkSpace Edmonton	6.1 m
• SECLA Skate Park	0.4 m
	<u>\$150.7 m</u>