



September 6, 2005

Edmonton LRT Expansion To Be Funded Under The New Deal For Cities And Communities

EDMONTON, Alberta - Residents of the City of Edmonton will be among the first in Canada to benefit from the transfer of federal gas tax revenues through the New Deal for Cities and Communities.

At a groundbreaking event on Tuesday, Anne McLellan, Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, on behalf of John Godfrey, Minister of State (Infrastructure and Communities), Rob Renner, Minister of Alberta Municipal Affairs, and Edmonton Mayor Stephen Mandel made the very first project announcement under the New Deal's gas tax transfer - the south line expansion of the Edmonton South Light Rail Transit (LRT) system.

This announcement reflects the commitment of the governments of Canada and Alberta to work together with Alberta municipalities under the New Deal for Cities and Communities to create strong, sustainable, vibrant communities.

A \$108-million federal investment is being provided to the City of Edmonton over the next five years through the Canada-Alberta agreement on the transfer of federal gas tax revenues. In addition, the Alberta government is providing approximately 2.5 hectares of provincially owned land at the Neil Crawford Provincial Centre. The funding and land will provide the City of Edmonton with the opportunity to get the south expansion of its LRT system underway.

"This investment is about the Government of Canada supporting a better transit system and a healthier environment for the residents of Edmonton," said Deputy Prime Minister McLellan. "By focusing gas tax funds on environmentally sustainable municipal infrastructure, like the LRT project, we are working to ensure that our cities and communities have access to the long-term, stable funding they need to improve the quality of life for all Canadians."

People travelling by public transit will help in providing a host of benefits to Canadians, including cleaner air and fewer greenhouse gas emissions that cause climate change.

In addition, by reducing traffic congestion and supporting the mobility of people and businesses, the LRT helps keep Edmonton liveable, mobile, attractive and more competitive.

"This project demonstrates Alberta's commitment under the New Deal to place the funding directly into the hands of the municipalities as they know best how to address their infrastructure challenges," said Rob Renner, Minister of Alberta Municipal Affairs. "Through partnerships like this, we're working towards finding continued long-term, stable funding solutions for Alberta municipalities."

According to Capital City Mayor, Stephen Mandel, "Edmonton is pleased that our South LRT Extension is the first project to benefit from the New Deal for Cities and Communities and its gas tax transfer. Public transit - particularly this type - represents the kind of environmentally sustainable infrastructure that cities must incorporate. It's part of smart growth and development and it's key in managing some of the challenges that come with being part of the country's strongest economy. We're glad for the strengthened commitment among Municipal, Federal and Provincial governments that this New Deal brings."

Details on the LRT expansion can be found at www.edmontonslrt.com. More information on Canada and Alberta infrastructure investments and the New Deal for Cities and Communities can be found at

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Backgrounder

Tuesday, September 6, 2005

Ground Breaking Event for Edmonton's South LRT Extension Project

On May 14, 2005, Canada and Alberta signed an agreement for the transfer of \$477 million in federal gas tax funding to benefit Alberta's municipalities, large and small. All three levels of government participated in developing this agreement as part of the New Deal for Cities and Communities, thereby building new relationships and transforming their approach to working together. This is the very first project to be funded by the federal gas tax in Canada.

Through the agreement, the governments of Canada and Alberta are advancing a key commitment to the province's cities and communities. Gas tax funds will support environmentally sustainable municipal infrastructure to help ensure cleaner air, cleaner water and reduced greenhouse gas emissions. Public transit is an eligible project category.

Thanks in part to the new federal gas tax funding, Edmonton City Council approved the extension of the South LRT from the Health Sciences Station to Heritage (Century Park) on May 31, 2005.

The extension of approximately 7.5 km includes

- Four stations - 76 Avenue, South Campus, Southgate and Century Park
- A pedestrian underpass under 114 Street at 76 Avenue
- Two LRT underpasses - one under Belgravia Road and one under the southbound lanes of 111 Street

at 61 Avenue

- Two parkades - at Southgate and at Century Park
- A busway connecting Fox Drive to the South Campus Transit Centre
- A busway from 113 Street to the south Campus LRT Station
- Two bridges - one over Belgravia Road for the busway and one over Whitemud Drive for the LRT
- 26 new LRT vehicles.

Construction from the Health Sciences LRT Station to South Campus LRT Station is expected to be finished by the end of 2008 and ready to go into operation in early 2009. The South Campus LRT Station to Century Park LRT Station extension is expected to be completed by the end of 2009 and into operation in early 2010.

The approved budget for the South LRT Extension Project is \$595 million. The approved funding strategy is \$53 million from the federal gas tax funding, \$525 million to be borrowed and \$17 million from general financing. The total \$108 million funded through the New Deal for Cities and Communities as approved by City Council is estimated to be \$53 million applied directly to the project and \$55 million to the repayment of the \$525 million borrowed funds with interest for a total of \$595 million.

Fiscal year	Canada's Contribution to Edmonton via the Alberta government (millions)
2005-2006	\$12.9
2006-2007	\$ 12.9
2007-2008	\$ 17.2
2008-2009	\$ 21.5
2009-2010	\$ 43.1
TOTAL	\$107.7

Numbers may not add up do to rounding

Under the New Deal for Cities and Communities, the Governments of Canada and Alberta have recognized that municipalities need to be full partners in addressing their local challenges. This approach provides for decisions to be made at the local level within certain parameters that have been agreed to, such as environment sustainability. Predictable, stable funding to municipalities - which is a key element of the New Deal - enables communities to engage in long-term planning.

Because the New Deal for Cities and Communities is respectful of jurisdiction, funding will flow to municipalities from the federal government via the province of Alberta. Funding will be distributed on a per capita basis using 2001 populations. In 2007, the funding provided to all municipalities will be adjusted according to 2006 census numbers, which become available in 2007. Funding will be distributed based on population (99%), with the remaining funds distributed to ensure very small municipalities receive a base amount. This formula is based on the method used to distribute the new \$3-billion Alberta Municipal Infrastructure Program.

New Deal for Cities and Communities

The New Deal seeks to establish a long-range vision for Canada's communities, build new relationships among all orders of government, strengthen the connections among federal programs that benefit cities and communities, and provide predictable and stable long-term funding.

Federal gas tax funds will help to ensure cleaner air, cleaner water and reduced greenhouse gas emissions. Five billion dollars will be provided across Canada over the next five years, with \$2 billion annually thereafter. This funding builds on and is in addition to Canada's other investments under the New Deal for Cities and Communities including: the Goods and Services Tax rebate of \$7 billion over 10 years; the \$1-billion Municipal Rural Infrastructure Fund; the \$4-billion Canada Strategic Infrastructure Fund; the \$600-million Border Infrastructure Fund; and up to \$800 million over two years for public transit.

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