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## **Record \$18.2 billion Capital Plan addresses Alberta's growing infrastructure needs**

2007-10 Capital Plan helps manage growth by investing in infrastructure for municipalities, schools, health facilities, roads and post-secondary facilities

Capital Plan 2007-10 highlights:

\$18.2 billion infrastructure support over three years, including:

- \$4.3 billion for municipalities
- \$1.3 billion for schools
- \$3 billion for health facilities and equipment
- \$4.6 billion for provincial highways
- \$1.6 billion for post-secondary facilities

Edmonton...The Alberta government will invest \$18.2 billion over the next three years in capital for municipalities, schools, health facilities, roads, post-secondary projects and other infrastructure.

This is a 37 per cent increase in capital spending over last year's three-year Capital Plan and reflects the increased need for infrastructure as Alberta continues to grow rapidly. Capital spending in the first year will be approximately \$6.7 billion-almost four times the per-capita average of what other provinces spend on infrastructure. Spending in the second and third years will be \$6.5 billion and \$5 billion, respectively.

"It's no secret that Alberta is growing dramatically and that new and better infrastructure is needed to accommodate that growth," said Treasury Board President Lloyd Snelgrove. "This investment supports government's overall growth management plan and addresses Alberta's increasing infrastructure and maintenance needs."

### **Municipal infrastructure**

Government will increase its support for municipal infrastructure to about \$1.4 billion a year for the next three years, up from \$1.1 billion last year. This includes the Alberta Municipal Infrastructure Program and the phasing in of the Municipal Sustainability Initiative, a new program that will be worth \$1.4 billion per year by 2011, following up on a key commitment to municipalities from Premier Ed Stelmach. This funding will help municipalities with new construction, rehabilitation and upgrading of roads and bridges, affordable housing, recreational and cultural facilities, public transportation, water/wastewater treatment systems and other infrastructure. This three-year \$4.3 billion commitment to assist municipalities with their capital infrastructure requirements is unprecedented in Alberta.

"This government has heard the concerns of municipalities in response to the huge number of people moving to Alberta and the increased demand for more and improved infrastructure," said Ray Danyluk, Municipal Affairs and Housing Minister. "Municipalities want predictable, sustainable funding to accommodate growth and this government is delivering."

### **Schools**

The province will spend \$1.3 billion on school infrastructure over the next three years, including \$508 million this year. This funding supports 71 previously announced school projects, including 47 new or replacement schools, 24 modernizations and additions, and almost 200 steel-framed modular classrooms. New school projects include Terwillegar school in Edmonton, a joint high school in Lethbridge, and Taradale school in Calgary.

In addition to funding for specific projects that have already been approved and identified, another \$300 million has been committed over the next three years for additional new school projects. Government will determine over the next year the location and scope of these projects. To ensure that these projects are built in the most effective and efficient manner, alternative approaches will be considered where it makes sense.

Government also continues to invest in school infrastructure to improve and prolong the life of school buildings. School boards will receive \$96 million in Infrastructure Maintenance and Renewal funding this year.

### **Health facilities and equipment**

In the 2007-10 Capital Plan, capital spending on health facilities and equipment is approximately \$3 billion, including \$1.2 billion this year. The funding will build, expand and maintain 30 facilities across the province and will ultimately increase patient access to health facilities, providing for more than 1,500 additional acute care beds over the next several years.

Major projects include construction of the new South Calgary Health Campus, the Edmonton Clinic, a new hospital in Grande Prairie, expansion of the Chinook Regional Hospital in Lethbridge, and three new clinics in Wood Buffalo, as recommended by the Radke Report,

"Government is taking action to address growth pressures by providing for more than 1,500 additional acute care beds at various hospitals throughout the province over several years as well as targeted expansion in service capacity for key programs such as surgical, diagnostic, ambulatory and emergency care," said Health and Wellness Minister Dave Hancock.

### **Post-secondary facilities**

A total of \$1.6 billion will be spent on post-secondary facilities over the next three years. This funding will be used to build, expand and preserve more than 20 facilities. Major projects include the University of Alberta Centennial Centre for Interdisciplinary Science, the University of Calgary Digital Library, and completion of the Health Research Innovation Facility at the University of Alberta and the Health Research Innovation Centre at the University of Calgary.

An additional \$100 million a year for three years has been earmarked for other projects to create additional spaces at post-secondary facilities. The locations and scope of these projects are yet to be determined.

"These investments demonstrate this government's commitment toward realizing our priorities of managing growth pressures today, while helping build a stronger Alberta for tomorrow," said Doug Horner, Minister of Advanced Education and Technology. "In every corner of the province, we're building, expanding and enhancing Alberta's post-secondary system through this Capital Plan."

### **Highways**

Altogether, government will invest nearly \$1.4 billion this year and more than \$4.6 billion over three years to build, rehabilitate and enhance provincial highways and bridges. Work will include continued twinning of sections of Highway 63 south of Fort McMurray and Highway 43 north to Grande Prairie, continued work on ring roads in Edmonton and Calgary, improvement of roads in key resource development areas, and paving about 2,500 kilometres of highway.

"This significant funding will go a long way toward expanding the capacity of Alberta's highway system to address growth pressures, which is one of the mandates given to me by the Premier," said Infrastructure and Transportation Minister Luke Ouellette. "By addressing the province's transportation infrastructure needs, we are also increasing traffic safety for all Albertans."

### **Water and wastewater**

Government will invest \$679 million in water management over the next three years. This includes \$170 million for regional water projects; \$148 million in other grants to municipalities under the province's Water for Life program; \$100 million to municipalities through the new Municipal Sustainability Initiative; \$103 million to complete water treatment plant and wastewater facilities in the Regional Municipality of Wood Buffalo; \$53 million for irrigation rehabilitation; and \$105 million for government dams, canals, erosion-control infrastructure and other support.

"The Government of Alberta's investment is another step in fulfilling our commitment to renew and resource the province's Water for Life strategy," said Environment Minister Rob Renner. "Funds allocated over the next three years will help communities manage growth pressures facing water and wastewater infrastructure, and help in meeting the goals set out under Water for Life."

### **Community facilities**

Government will provide \$819 million over the next three years to support community facilities. This includes \$280 million over two years for a new Major Community Facilities Program to provide grants supporting community public-use facilities. It also includes previously announced funding for the Calgary Stampede, Edmonton Northlands, Calgary's Pengrowth Saddledome and McMahon Stadium, and Edmonton's Rexall Place and Commonwealth Stadium.

### **Housing, government facilities and equipment, and other support**

A total of \$1.6 billion will be invested over the next three years to build, expand, and maintain housing, government facilities and equipment to better serve Albertans. This includes funding for the construction of the new Edmonton Remand Centre, a province-wide police strategic information technology system, completion of the Calgary Courts Centre, construction of new air tanker bases across the province, and the replacement of the Research Greenhouse in Brooks. It also provides \$447 million over three years to support the development of affordable housing, including \$345 million through the Municipal Sustainability Initiative.

### **Cost escalation**

The costs of construction are increasing significantly across Canada, no more so than in Alberta. Government has made provisions in the 2007-10 Capital Plan to address costs of approved projects that are higher than first estimated due to inflation in the construction industry. Government will explore all options toward achieving cost certainty in its capital projects and planning activities.

Budget 2007 supports Premier Ed Stelmach's plan to manage growth pressures, as well as government's priorities of governing with integrity and transparency, improving Albertans' quality of life, building a stronger Alberta, and providing safe and secure communities.

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