

LEADER

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P3 builds Edmonton's Ring Road

January 26, 2005

Hon. Dr. Lyle Oberg announced yesterday that Anthony Henday Drive S.E., which connects Highway 2 to Highway 14/216, will open in 2007 thanks to a public-private partnership.

James Hammermeister, President of UDI Alberta was invited to attend the reception announcing the P3. "Putting this together took a lot of effort. I commend the consortium for their diligence and perseverance".

The 30-year deal is worth \$493 million in today's dollars. The federal government is contributing \$75 million to the capital portion of the project through the Canada Infrastructure Fund.

Hon. Dr. Oberg remarked at the reception, "This deal sets the tone. It's a new way of paying for infrastructure. We balanced the budget by paying down the debt, now it's time for infrastructure. The completion of the ring roads in both Edmonton and Calgary are a priority for this government". Oberg continued saying, "A lot is happening in Alberta and we [the Provincial Government] will be a part of it."

He summed up, "We have a lot to do and we're open to new ideas – there is no dumb idea".

Highlights of the P3 Agreement:

- All bidders had to satisfy rigorous standards set by the province
- The contractor will be severely penalized if the project is not complete by October 2007
- Tolls will not be allowed on the road and the contractor will not be allowed to put advertising up along the route to generate revenue
- The province will not start paying for this road until it opens to traffic in 2007: the province will then make monthly payments to the contractor over 30 years
- The \$75 million in federal funding will be paid to the contractor in installments as work progresses
- The 30-year warranty ensures the road will be in good condition for at least 30 years
- The province is insulated from risk including cost overruns, construction delays, weather delays, design risk, and construction defects

For further information:

P3 Enables Anthony Henday Drive:

www.gov.ab.ca/acn

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