

PUBLIC TRANSIT INFRASTRUCTURE FUND AND GREENTRIP SUBMISSIONS

EXECUTIVE SUMMARY

Administration has developed an approach to upcoming applications to the Province of Alberta's third call for projects for the Green Transit Incentives Program (GreenTRIP), and to the Government of Canada's Federal Public Transit Infrastructure Fund (PTIF) Phase 1.

The application deadline for the third call for GreenTRIP projects is August 31, 2016. Administration recommends making application for the remaining \$130 million of the GreenTRIP budget allocated to the Calgary region in support of the Green Line LRT project, and requesting additional funding for Green Line LRT from the \$285 million available outside of the Edmonton and Calgary regions should any of this allotment remain unallocated. Matching funding is recommended to be sourced from the Green Line Fund (confidential Attachment 1).

The budget for PTIF Phase 1 allocates an estimated \$150 million in total to The City of Calgary over the period 2016 to 2018. Candidate projects have to be completed by the end of 2018 in order to qualify, limiting the number of eligible City projects. Administration has been advised that the provincial and federal governments are currently discussing the establishment of a bilateral agreement, under the terms of which the Province will receive and screen PTIF applications from Alberta municipalities. Administration anticipates that it will be requested to provide a list of prospective projects by May 31, 2016. In response, a list of potential priority transit infrastructure projects has been developed (confidential Attachment 2).

ADMINISTRATION RECOMMENDATIONS

That the SPC on Transportation & Transit recommend that Council:

1. Direct Administration to submit a third call GreenTRIP application requesting
 - a. The remaining \$130 Million allocated to the Calgary region for Green Line LRT, in order to fund preliminary design, land acquisitions, and early works;
 - b. Additional funding for Green Line LRT from the \$285 million available outside of the Edmonton and Calgary regions, should any of this funding remain unallocated;
2. Direct Administration to continue working with the provincial and federal governments to confirm full project funding commitments for Green Line LRT;
3. Receive the information provided in Attachment 1 and 2 of report TT2016-0237 for information;
4. Direct that the information provided in Attachment 1 of report TT2016-0237 remain confidential pursuant to sections 24 (1)(a), 24 (1)(g) and 25 (1)(c) of the Freedom of Information and Protection of Privacy Act, until the Province announces a list of approved projects under the third call for GreenTRIP projects; and
5. Direct that the information provided in Attachment 2 of report TT2016-0237 remain confidential pursuant to sections 24 (1)(a), 24 (1)(g) and 25 (1)(c) of the Freedom of Information and Protection of Privacy Act, until a Public Transit Infrastructure Fund Phase 1 application is submitted by the Province of Alberta to the Government of Canada on behalf of The City of Calgary.

RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2016 MAY 18:

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That Council:

1. Direct Administration to submit a third call GreenTRIP application requesting
 - a. The remaining \$130 Million allocated to the Calgary region for Green Line LRT, in order to fund preliminary design, land acquisitions, and early works;
 - b. Additional funding for Green Line LRT from the \$285 million available outside of the Edmonton and Calgary regions, should any of this funding remain unallocated;
2. Direct Administration to continue working with the provincial and federal governments to confirm full project funding commitments for Green Line LRT;
3. Receive the information provided in Attachment 1 and 2 of report TT2016-0237 for information;
4. Keep the discussions and information provided in Attachment 1 of report TT2016-0237 remain confidential pursuant to Sections 24 (1)(a), 24 (1)(g) and 25 (1)(c) of the *Freedom of Information and Protection of Privacy Act*, until the Province announces a list of approved projects under the third call for GreenTRIP projects; and
5. Keep the discussions and information provided in Attachment 2 of report TT2016-0237 remain confidential pursuant to Sections 24 (1)(a), 24 (1)(g) and 25 (1)(c) of the *Freedom of Information and Protection of Privacy Act*, until a Public Transit Infrastructure Fund Phase 1 application is submitted by the Province of Alberta to the Government of Canada on behalf of The City of Calgary.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2013 January 14 Combined Meeting of Council, report TT2012-0833, *RouteAhead: A Strategic Plan for Transit in Calgary*, was approved.

At the 2013 November 24 Special Meeting of Council, Administration was authorized to “use the Green Line Fund as matching funds for future provincial and/or federal transit funding that is specifically dedicated to the Green Line”.

At the 2014 May 26 Regular Meeting of Council, report TT2014-0308, *Investing in Mobility Update*, was approved.

At the 2014 September 8 Combined Meeting of Council, report C2014-0660, *NW-Hub and Traction Power Upgrades*, was approved.

At the 2015 December 14 Regular Meeting of Council, report TT2015-0881, *Green Line Funding, Staging and Delivery*, was approved.

There is no specific Council direction to report on Administration’s proposed approach to the GreenTRIP ‘third call’ and PTIF Phase 1 submissions.

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BACKGROUND

Green Transit Incentives Program (GreenTRIP)

GreenTRIP is a \$2 billion capital funding program established by the Province of Alberta in 2010 in order to support new and expanded public transit throughout Alberta. The program is intended to broaden the range of transit alternatives available for local, regional and inter-municipal travel, for the purpose of achieving reductions in vehicle-kilometres driven and greenhouse gas emissions in Alberta. To date, The City has utilized more than \$470 million in GreenTRIP funding support that has enabled the construction of West LRT, the acquisition of new LRT vehicles, the undertaking of the preliminary design of new transitways, and the planning of transit-oriented developments.

On February 25, 2016, the Province of Alberta announced a third call for GreenTRIP projects, making available up to \$130 million for transit projects in the Calgary region. The third call also makes available \$285 million for projects outside of the Edmonton and Calgary regions. Applicants must contribute a minimum one-third of the capital cost of their proposed project. The deadline for applications is August 31, 2016, with approved projects expected to be announced in 2017.

Public Transit Infrastructure Fund (PTIF)

On July 24, 2015, the Government of Canada pledged to provide \$1.53 billion (i.e. one third of estimated cost) from the Public Transit Fund for The City of Calgary's proposed Green Line LRT project. This pledge of funding support was renewed following the General Election held on October 19, 2015, but program specifics were not provided at that time.

On March 22, 2016, as part of Budget 2016, the Government of Canada announced the Public Transit Infrastructure Fund to improve and expand public transit systems across Canada. The program is intended to shorten commute times, cut air pollution, strengthen communities and grow Canada's economy. Funding is designated for municipal transit projects that will increase capacity, enhance services or improve environmental outcomes.

The PTIF program has been divided into two phases: Phase 1 (2016-2018) emphasizes immediate investments in transit projects that can be completed by the end of 2018; Phase 2, (2018-2026) will emphasize investments in transit projects that will advance the Government of Canada's long-term goals for safer, more efficient urban transportation systems for the purpose of enhancing Canada's economic and environmental sustainability. Administration anticipates that the PTIF will be the primary source of federal funding for the Green Line.

The City has not yet received formal guidelines or a timeline for applications to PTIF Phase 1. However, Administration has been advised that the Government of Canada and the Province of Alberta are currently discussing the establishment of a bilateral agreement, under the terms of which the Province will receive and screen PTIF applications from Alberta municipalities on behalf of the federal government. Administration anticipates that it will be requested to provide a list of prospective projects by May 31, 2016.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Third Call for GreenTRIP Projects

Since the program's inception in 2010, and in particular with the successful delivery of the West LRT project, The City of Calgary and the Province of Alberta have established a precedent for the use of GreenTRIP funding as a prime motivator for the design and construction of new LRT infrastructure in Calgary.

The Province has not yet committed to provide one third project funding support for Green Line LRT, and the overall amount of funding remaining under the GreenTRIP program is insufficient to fully fund the requested Provincial portion (i.e. in excess of \$1.5 billion). However, the Province has explicitly identified Green Line LRTs eligibility for funding under the third call for GreenTRIP projects:

"The City of Calgary can apply for the remaining \$130 million allocated to the region from Green TRIP for the Green Line LRT, working with the Calgary Regional Partnership" (GreenTRIP FAQs, March 2016).

Accordingly, Administration recommends that the initial application for Green Line LRT funding from the Province be made under the third call for GreenTRIP projects. The application will be made with recognition: projects submitted by other municipalities in the Calgary region may be prioritized by the Province; additional funding of over \$1 billion will be required from future Provincial programs. GreenTRIP funding made available immediately will match existing City funds and federal funds potentially available through PTIF.

Furthermore, Administration recommends that the application include a request that Green Line LRT be considered for additional GreenTRIP program funding should any regional allotments remain unallocated across Alberta as a whole, as the commitment of these funds would help to close the overall funding gap without any additions to the current or future Provincial budget plans.

Public Transit Infrastructure Fund Phase 1

The Government of Canada's Budget 2016 identifies an estimated \$150 million of PTIF Phase 1 funding to The City of Calgary from 2016 to 2018. In order to qualify for funding, projects proposed for Phase 1 funding must be able to be completed by the end of 2018. This requirement limits the amount of Green Line LRT eligible components available at this time to early work components: preliminary design, land acquisition, and leading constructed works.

As the total value of eligible Green Line LRT components may not equal the amount of available PTIF Phase 1 funding. To ensure that Calgary makes use of all available grants a list of eligible, priority transit projects originally identified through the development of the Investing in Mobility 2015-2024 strategic plan for transportation infrastructure investment plan has been established (confidential Attachment 2).

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An application deadline for PTIF Phase 1 has not yet been established, however, Administration anticipates that the Province will request an initial list of prospective projects by May 31, 2016. As such, Administration recommends that the list of recommended Green Line LRT early works and additional priority transit projects provided in confidential Attachment 2 be received for information as the intended basis for a formal PTIF Phase 1 application.

Stakeholder Engagement, Research and Communication

RouteAhead incorporated a comprehensive stakeholder engagement program, including large scale engagement sessions, meetings with key stakeholder groups and organizations, and online engagement.

Action Plan 2015-2018 Engage Results indicated that Investing in Mobility 2015-2024 is aligned with citizen priorities, and that public transit is the highest citizen priority.

Administration consulted with the Calgary Regional Partnership in developing the recommendations contained in this report.

Strategic Alignment

The proposed investments in priority transit infrastructure are aligned with Action Plan 2015-2018, Route Ahead, Investing in Mobility 2015-2024, the Calgary Regional Transit Plan, and the Municipal Development Plan/Calgary Transportation Plan.

Social, Environmental, Economic (External)

Public transit options allow citizens to take part in a variety of economic and social activities. Consideration for multi-generational communities and the places where residents can transition through all stages of life ensure a long term, sustainable city fabric. The Canadian Urban Transit Association (CUTA) has outlined the public health benefits of public transit to include improved urban air quality and increased physical activity, which can lower the risk for many diseases.

The appropriate quantity and quality of transit service and complete communities attract higher levels of ridership, decreasing the economic and environmental impacts associated with urban travel. The Green Line LRT project will lead to a significant reduction in green house gases. The City of Calgary proposes to continue its practice of using wind power for the LRT network, enabling zero-emissions door-to-door travel in Calgary for LRT users.

Improving travel options in established communities makes them more attractive to residents and developers. It provides the opportunity to attract global corporations in innovative industries to promote a diversified economy in Calgary. Improving public transit in established communities slows the rate of urban expansion, which reduces the fiscal impact of growth and promotes integrated and sustainable development.

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Financial Capacity

Current and Future Operating Budget:

In order to deliver additional Green Line LRT early works, an investment of operating funds/resources by several City business units will be required and the impacts will need to be incorporated into 2017 and 2018 work plans.

Current and Future Capital Budget:

A successful application to the third call for GreenTRIP projects will require the City to match funding on a 'one-third' basis. Council's current Green Line Fund commitment of \$52 million annually is sufficient as the provincial grant will be applied in support of projects over a multi-year timeframe.

A successful application to the PTIF Phase 1 will require the City to match funding on a 'one-half' basis. Administration has established the feasibility of making available matching City funds from existing funding sources and/or capital programs, without impacts to Action Plan 2015-2018. However, this assessment is subject to review pending the release of PTIF program guidelines.

Risk Assessment

A funding commitment for a full one third of the estimated cost of the Green Line LRT project has not yet been confirmed by the Province of Alberta, and details of a cash flow associated with the \$1.53 billion commitment made by the Government of Canada remain outstanding at this time. As a result, Green Line LRT investments made by The City in the interim are at risk of being stranded should a comprehensive cost-sharing arrangement for the full project value fail to be realized.

Prioritization at this time of Green Line LRT early works precludes the acceleration of other transit asset management investments (including transit fleet replacement) within the timeframe of Investing in Mobility 2015-2024.

REASONS FOR RECOMMENDATIONS:

Council has previously directed Administration to prepare to make applications to the Government of Alberta and the Government of Canada for funding in support of the Green Line LRT project. Priorities have been established through RouteAhead and Investing in Mobility 2015-2024 for investments in additional transit infrastructure projects. The information requested by the Province of Alberta supports the establishment of a formal agreement with the Government of Canada and the establishment of roles and responsibilities relative to the Public Transit Infrastructure Fund.

ATTACHMENTS:

1. Confidential - Green Transit Incentives Program (GreenTRIP) - Proposal for the Third Call for Projects
2. Confidential - Public Transit Infrastructure Fund (PTIF) Phase 1 Potential Projects