

GREEN LINE FEDERAL TRANSIT FUND OUTLINE

EXECUTIVE SUMMARY

Administration has prepared a draft outline of a report that will be presented to the SPC on Transportation and Transit in December 2015 on potential use of the Government of Canada's New Public Transit Fund to deliver light rail transit (LRT) on the Green Line.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council direct Administration to work with the Federal and Provincial governments on New Public Transit Fund guidelines and submission dates.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2015 JUNE 23:

That Council direct Administration to work with the Federal and Provincial governments on New Public Transit Fund guidelines and submission dates **and that the scope of the application include the RouteAhead plan..**

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2015 May 25 Regular Meeting, Council approved the following Notice of Motion:

"ADOPT, AS AMENDED, Moved by Councillor Keating, Seconded by Councillor Chu, that Councillors Keating, Chu and Stevenson's Motion, NM2015-09 be adopted, as amended and after amendment, as follows:

NOW THEREFORE BE IT RESOLVED that Administration prepare a report and cost benefit analysis for City Council which outlines a project delivery model that could move straight to LRT on the Green Line;

AND FURTHER BE IT RESOLVED that the report outline a long term repayment framework contingent on contributions that could be jointly funded by The City, the Province and the Federal governments;

AND FURTHER BE IT RESOLVED that the report include a variety of initial phase project scopes, time frames for construction and financing as well as options to fund the line.

AND FURTHER BE IT RESOLVED that Administration bring back an outline of this report to the 2015 June 23rd meeting of the Priorities and Finance Committee and the final Report to the 2015 December SPC on Transportation and Transit Meeting in conjunction with the Green Line Planning Study."

BACKGROUND

In 1981, the first LRT line was opened, revolutionizing transportation in Calgary. The system has rapidly expanded to become the backbone of the regional transit network with 58 route-

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kilometres of track and 45 stations. Today, on the average weekday, over 320,000 passengers are carried on the existing LRT network. The CTrain system plays an important role in ensuring efficient mobility for all Calgarians.

The Green Line is a top transportation priority in Calgary. It will connect the downtown with residential communities in north and southeast Calgary, and also provides direct connections to the new South Health Campus, new recreation centres, major employment centres, the new \$168 million National Music Centre, the new \$245 million Central Library, Stampede Park, and several business revitalization zones. The Green Line will also include a future rail connection to the Calgary International Airport, which is in the midst of a \$2 billion expansion that will be complete in late 2016.

The Calgary Transportation Plan (2009), RouteAhead, a 30-Year Strategic Plan for Transit in Calgary (2013), and the Calgary Regional Transit Plan (2009) all include the Green Line as the next LRT line to be built in Calgary. A map showing the Green Line in the context of the RouteAhead plan is included in Attachment 1.

Due to capital funding constraints and a need to both improve transit service to Southeast Calgary and to address growing demand and capacity constraints in North Calgary, The City has moved quickly to initiate construction of the Green Line as quickly as possible as bus rapid transit (BRT) operating on a transitway. The transitway is being designed for future LRT operation when additional funding becomes available.

In 2014, The Province of Alberta and The City of Calgary jointly funded the Green Line Southeast Transitway predesign study and Transit-Oriented Development planning project. This project is well underway, with public engagement and design charrettes in progress to refine station locations and identify redevelopment opportunities.

In 2015 February, Council unanimously approved Centre Street North as the route for the LRT north of the downtown. Functional planning analysis is being conducted and a report will be delivered to the SPC on Transportation and Transit in 2015 December to provide Council with additional information about the connection to the Green Line Southeast through the downtown.

A New Public Transit Fund was announced as part of the Government of Canada Budget delivered in 2015 April. An overview of the New Public Transit Fund is included in Attachment 2.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

A draft outline of the 2015 December report to the SPC on Transportation and Transit is included in Attachment 3.

A special project team has been created to conduct the following work over the next six months:

- conduct analysis directed by Council;
- prepare material to respond to inquiries from Provincial and Federal governments;
- monitor the New Transit Fund guidelines and submission requirements; and

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- deliver the report to the SPC on Transportation and Transit by 2015 December.

Stakeholder Engagement, Research and Communication

Considerable public engagement has been conducted as part of the development of the RouteAhead Strategic plan (2013), the North Central LRT Route Planning Study (2013-2014), and the Green Line Southeast Transitway predesign and transit-oriented development planning (2014-2015). In 2015, ongoing work on these studies will involve significant public engagement. Administration will develop key messages to ensure it is understood that these projects can move ahead while The City conducts the New Public Transit Fund analysis as directed by Council.

Strategic Alignment

The Municipal Development Plan/Calgary Transportation Plan (2009), RouteAhead, a 30-Year Strategic Plan for Transit in Calgary (2013), and the Calgary Regional Transit Plan (2009) all include the Green Line as the next LRT line to be built in Calgary.

The City has worked towards LRT through a phased approach, beginning with introduction of bus rapid transit in the corridor in 2004 (Route 301) and 2009 (Route 302).

Social, Environmental, Economic (External)

The Green Line will satisfy growing travel demand in the Calgary region. The areas served by the Green Line will grow rapidly in the next 10 years, with over 118,000 new residents and jobs added to the catchment area (23,000 residents and jobs in north Calgary and 95,000 in southeast Calgary by 2025).

That growth will strain our transportation system, but it will also contribute to the future success of LRT on the Green Line.

The project will mitigate traffic congestion, enabling goods movement on critical transportation corridors. Deerfoot Trail, the major north-south goods movement route through Calgary, and part of the North/South Trade Corridor, runs parallel to the Green Line, and will benefit from the relief offered by high-capacity public transit, particularly in peak periods.

Other external effects include efficient use of energy for transportation (resulting in lower greenhouse gas emissions), effective use of land, and the ability to attract and retain high-quality investors and employees in a competitive world market.

Financial Capacity

Current and Future Capital Budget:

The approval of the \$520 million Green Line Fund makes it possible for City Council to consider an application to the New Public Transit Fund, which is likely to require matching funds from both municipalities and provinces. Administration, through its Intergovernmental Affairs (Strategic Services) group, will work with the Mayor's Office to explore opportunities for The Province of Alberta to match the funding commitment in the New Public Transit Fund.

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Like the New Building Canada Fund and P3 Canada Fund administered by PPP Canada Inc., the New Public Transit Fund will require a comprehensive review of the roles of the private sector in project delivery. Significant upfront work will be required of Administration to review value for money of different levels of involvement from the private sector. The FTE and/or consulting requirements will be highlighted as part of Administration's Action Plan budget adjustments for 2016.

Current and Future Operating Budget:

The New Public Transit Fund does not include operating funding. Administration's December report will include a review of operating costs and revenues associated with delivery options.

Risk Assessment

There is a risk of confusion for the Federal Government between The City's Building Canada Fund transitway application and the New Public Transit Fund potential LRT application. This is mitigated by dedicating a project team to keep open communication with the Provincial and Federal Governments and by developing a proposal that is scaled to match available funding.

There is a risk that the Government of Canada will solicit merit-based submissions prior to December 2015. Administration will mitigate this risk by keeping Council informed of the details of the New Public Transit Fund as they are released.

The announcement of the New Public Transit Fund introduces little or no risk to current projects. Conversion to LRT is part of the Green Line transitway strategy. However, the \$520 million Green Line fund and financing methods would be applied differently if the Green Line includes LRT operation on opening day. These different options will be discussed in the December 2015 report.

REASON(S) FOR RECOMMENDATION(S):

The Green Line delivery strategy of a rail-convertible transitway is primarily based on the lack of sufficient funding for LRT. The announcement of the New Public Transit Fund opens the door to review a new strategy. The Green Line will be at a critical stage in the design process in southeast Calgary in 2015. The Centre Street alignment for the north segment was approved in February 2015 and new information on costs to connect to the downtown will be presented in December 2015.

ATTACHMENTS

1. Green Line and RouteAhead Rapid Transit Plan
2. New Public Transit Fund Announcement
3. Draft Outline of Green Line/Federal Public Transit Fund Report