

**Green Line Report to
Executive Committee
2022 July 20**

**ISC: UNRESTRICTED
EC2022-0882
Page 1 of 5**

Green Line Board Report Q3 2022

RECOMMENDATION(S):

That Executive Committee of Council receive this report for the corporate record

HIGHLIGHTS

- This quarterly report provides an update by the Green Line Board as required by the Green Line Board Bylaw 21M2020.
- What does this mean to Calgarians? Quarterly reports from the Green Line Board (the “Board”) to Executive Committee of Council keep Calgarians informed on the progress and governance of the Green Line LRT project. In addition, the Board publishes monthly reports which are provided to members of Council and the public.
- Why does this matter? This demonstrates that the largest publicly funded project in Calgary’s history is being well managed, which contributes to confidence in the Board’s ability to deliver the Green Line project goals and objectives.
- Strategic Alignment to Council’s Citizen Priorities: A city that moves.
- The Request for Qualification (RFQ) was released on March 31, 2022, and closed on June 23, 2022, using a Design-Build-Finance model with a Development Phase. Following the evaluation of the RFQ, recommendations will be made to the Green Line Board, and with their approval, Green Line plans to release the RFP for the Development Phase by the end of Q3 2022 in line with the procurement strategy.
- Enabling works to relocate shallow and deep utilities in the Beltline continues. Roadways and sidewalks have been reinstalled in Beltline East to support access requirements for traffic and pedestrians for Calgary Stampede 2022.
- North Central Bus Rapid Transit (BRT) improvements continue and the park and ride improvements at North Pointe were completed in June 2022.
- The Business Support Program continues to work with businesses who may be impacted by Green Line construction. This includes information on the development of program initiatives and activities delivered to support businesses.
- Green Line continues to undertake appropriate due diligence on all elements of the Program to understand risks that may have potential impacts on cost and schedule.

DISCUSSION

In compliance with Council direction, the Green Line Board reports the project’s progress in six Functional Areas as identified in Attachment 1 - Green Line Board May 2022 Progress Report (among other reporting metrics) that include: Health & Safety, Environmental, Stakeholder Relations, Schedule, Cost and Quality. The project remains on-plan and we continue to proactively monitor project costs.

Phase 1 Procurement

Green Line is in active procurement in line with City Council direction from June 2020. The RFQ for Phase 1 construction (Shepard to Eau Claire) closed on June 23, 2022. Following evaluation, Green Line is on track to release the Request for Proposals (RFP) to the short list of candidates by the end of September 2022. In the first quarter of 2023, Green Line will select a Development Partner who will become a key partner of the Green Line team during an approximately 12-month long Development Phase to advance design and determine the risk

Green Line Board Report Q3 2022

allocation and price as well as the project schedule. During this phase, potential opportunities for smaller, specific work packages and long lead procurement items to advance the schedule and de-risk the project, will also be considered.

There are several stage gates for the Green Line Board within the Development Phase. After the successful completion of this period, Green Line will award a contract and main construction will begin.

Enabling Works

In addition to the procurement activities described above, the Beltline Downtown Utility Relocation Project (BDURP) continues to move forward with construction activities to relocate deep and shallow utilities in the Beltline.

Collaboration continues with Calgary Municipal Land Corporation to coordinate major construction projects such as the BMO Centre expansion and SAM Centre to ensure, Calgarians, stakeholders and businesses are kept informed of work in the area.

During the Calgary Stampede, Green Line construction focused outside of the Beltline to ensure access for pedestrians and traffic.

Following the Calgary Stampede it is anticipated in late July, Green Line will be closing the intersection of 12 Avenue SE and Olympic Way SE for approximately four months. This closure is required to accommodate work to relocate and upgrade deep utilities including water, stormwater, and sanitary lines as well as shallow utilities like ENMAX and Telus.

Most of the enabling works are scheduled for completion by Spring 2024.

North Central Bus Rapid Transit

Improvements to safety and accessibility as well as a new transit-only lane were completed in June at the North Pointe Park and Ride to improve reliability of bus service in the area. Improvements were made to sidewalks and lighting as well as adding three new bus shelters.

As part of the North Centre BRT project, additional improvements will be made along the Centre Street corridor over the next five years which will include bus-only-lanes, bus priority at key intersections and upgraded passenger waiting amenities. These improvements will support existing Route 301 service to communities of North Central Calgary while recognizing the future changes Green Line will bring to this corridor.

Business Support Program

Business Support Program activities continued as Green Line worked with businesses impacted by construction and helped stakeholders plan for future potential impacts. A snapshot of some of the initiatives are below:

- Access and business continuity plans were developed to manage mobility and parking during multiple major events in the Culture + Entertainment District, including the Calgary Flames playoff run.
- Build out of the business registry is ongoing. 11 new businesses registered in Q2, bringing the total of registered businesses to 196. This information allows the team to plan for construction with business needs in mind.
- Green Line connected with 153 businesses through meetings, on-site visits and calls to share information about upcoming construction activities, introduce the team and raise awareness about Green Line's business support program.

**Green Line Report to
Executive Committee
2022 July 20**

**ISC: UNRESTRICTED
EC2022-0882
Page 3 of 5**

Green Line Board Report Q3 2022

- Recent changes to the City's seasonal outdoor patio and café program introduced potential challenges for businesses looking to incorporate patios on public sidewalks and road rights-of-way within the BDURP construction area. Green Line developed an outreach strategy to share construction information with business owners. The initiative involves on-going coordination with multiple City departments, including a review procedure that will allow Green Line to review applications, identify potential conflicts and ensure that businesses applying for patios are well informed about Green Line construction activities for the duration of the project.

Financial Update

Table 1 below provides the previous 6-month spend rate up to May 31, 2022. The costs for May are preliminary as they are currently being reconciled.

| Category | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 |
|-----------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Owner's Cost | \$ 1,624,800 | \$ 770,150 | \$ 1,119,139 | \$ 1,536,019 | \$ 1,074,861 | \$ 1,367,197 |
| Design & Engineering | \$ 3,618,335 | \$ 1,986,108 | \$ 2,901,891 | \$ 2,575,143 | \$ 3,768,240 | \$ 3,077,176 |
| Construction, Land & Other Assets | \$ 4,028,609 | \$ 54,642 | \$ 805,422 | \$ 4,207,636 | \$ 2,337,942 | \$ 8,980,420 |
| Bus Rapid Transit | \$ 1,061,665 | \$ 36,369 | \$ 0 | \$ 13,297 | \$ 114,787 | \$ 520,502 |
| Grand Total | \$ 10,333,409 | \$ 2,847,269 | \$ 4,826,452 | \$ 8,332,096 | \$ 7,295,831 | \$ 13,945,295 |

Table 1 – Green Line Previous 6-month Spend Rate (Costs for May are preliminary)

The monthly variability in expenditures is related to the LRV contract payments and land acquisition. Both are included within the Construction, Land & Other Assets category.

The spend rate is anticipated to increase in 2022 as work proceeds with BDURP and land acquisitions.

Table 2 below provides the Cost to Date and Cost Year to Date. As noted above, the costs for March are preliminary as they are currently being reconciled.

| Category | Committed Cost | Cost to Date | Cost Year to Date |
|-----------------------------------|-----------------------|-----------------------|----------------------|
| Owner's Cost | \$ 71,232,914 | \$ 71,143,453 | \$ 5,867,367 |
| Design & Engineering | \$ 279,596,034 | \$ 250,759,825 | \$ 14,308,558 |
| Construction, Land & Other Assets | \$ 499,315,224 | \$ 418,906,192 | \$ 16,386,062 |
| Bus Rapid Transit | \$ 3,978,862 | \$ 3,978,862 | \$ 684,955 |
| Grand Total | \$ 854,123,034 | \$ 744,788,331 | \$ 37,246,943 |

Table 2 – Financial Summary as of the end of March 31, 2022 (Costs for May are preliminary)

As shown in Table 2, \$37,246,943 has been spent in 2022 up to May 31, 2022, with an overall spend of \$744,788,331 as of May 31, 2022.

Additional information on the work completed in February 2022 is provided in Attachment 1 - Green Line Board May 2022 Progress Report. The June 2022 Green Line Board Progress Report is being finalized concurrently with this report and will be issued prior to the July 28, 2022 Green Line Board meeting.

Market Trends

Green Line continues to undertake significant due diligence on cost, schedule and risk of delivering the program in light of current financial and construction market conditions. In addition, Green Line's procurement strategy to include a Development Phase allows for

Green Line Board Report Q3 2022

collaboration, design progression and a better understanding of costs and risk in an open and transparent manner while working with the Development Partner.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☒ Stakeholder dialogue/relations were undertaken

During development of the RFQ, potential bidders were engaged through market soundings to ensure a balanced and attractive procurement was released.

IMPLICATIONS

Social

The Green Line will extend Calgary's public transit network, providing increased access for all Calgarians. The Green Line will help connect Calgarians from across the city to employment hubs and destinations.

Environmental

Green Line will reduce emissions to mitigate climate change and provide cleaner air. Phase 1 is anticipated to save up to 27,500 tons of Greenhouse Gas emissions a year in support of municipal, provincial, and federal environmental goals.

Economic

The Green Line project is expected to create almost 20,000 jobs throughout construction.

Service and Financial Implications

No anticipated financial impact

There are no anticipated financial impacts to current budgets as a result of this report.

RISK

Green Line continues to monitor financial market changes due to the current economic climate and regular due diligence is ongoing.

The market is unwilling to accept certain risks that have been transferred to the private sector in similar projects. Green Line is proceeding with a strategy to utilize a DBF with Development Phase to best allocate, mitigate, and manage risks. This strategy takes into consideration successful market precedents.

Additional risks are discussed in Attachment 1.

ATTACHMENT(S)

1. Green Line Board May 2022 Progress Report

**Green Line Report to
Executive Committee
2022 July 20**

**ISC: UNRESTRICTED
EC2022-0882
Page 5 of 5**

Green Line Board Report Q3 2022

Department Circulation

| General Manager/Director | Department | Approve/Consult/Inform |
|--------------------------|-------------------------|------------------------|
| Don Fairbairn | Chair, Green Line Board | Approve |
| Darshpreet Bhatti | Green Line, CEO | Approve |
| | | |
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