

## **TRANSPORTATION FUNDING MECHANISM STUDY - DEFERRAL**

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### **EXECUTIVE SUMMARY**

Administration requests to defer the Transportation Funding Mechanisms Study Report to 2015 May 20, enabling better coordination with anticipated City Charter discussions between The City of Calgary and the Province of Alberta.

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Transportation and Transit recommend that Council approve Administration's request to defer the Transportation Funding Mechanisms Study Report to no later than the 2015 May 20 meeting of the SPC on Transportation and Transit.

### **RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2015 JANUARY 21:**

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That the Administration Recommendation contained in Report TT2015-0167 be approved.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2014 January 31 Special Strategic Planning Meeting of Council, the following Motion was Carried:

ADOPT, Moved by Councillor Keating, Seconded by Councillor Carra, that the Administration Recommendation contained in Report C2014-0082, be adopted, after amendment, as follows:

That Council direct Administration to evaluate the full range of 27 potential funding or revenue sharing mechanisms, or other methods, using best practice evaluation criteria, to identify which mechanisms are best suited to fund the future transition to the Green Line LRT, and the remainder of the unfunded list in Investing in Mobility, and report back to the SPC on Transportation and Transit no later than 2015 January.

### **BACKGROUND**

It has become a priority for The City of Calgary to secure future sources of capital funding for transportation projects. Limited funding for infrastructure projects is currently available to The City of Calgary from the primary traditional sources. Funding amounts from provincial and federal government grants have declined and program cash flows have fluctuated, negatively impacting the delivery of projects. New sources of stable and reliable funding will be required by The City in order to deliver the future transition of the Green Line from BRT to LRT and the remainder of the projects on the unfunded list in the Investing in Mobility (IIM) 10 year transportation infrastructure investment plan.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Transportation has identified the need for \$5.6 billion in infrastructure investment over the next ten years. However, limited funding will result in a funding gap of up to \$1.9 billion over the time frame based on currently announced funding programs. The City's \$520 million Green Line Fund will reduce this gap. The new Building Canada Fund announced by the Federal

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Government in 2013 March may also reduce the gap, but it remains to be determined if any of The City's applications will be successful and when funding would become available.

It is critical for The City of Calgary to secure new means by which to fund the maintenance and expansion of its transportation system. Without new sources of stable and reliable funding, Transportation anticipates that there will continue to be a substantial gap between traditional funding streams and transportation infrastructure needs within and beyond the ten year IIM time frame. Major projects like the Green Line LRT would therefore remain unfunded or only partially funded for decades.

Administration and its consultant, AECOM Canada Ltd., have completed the evaluation of potential funding mechanisms. Administration is working at this time to ensure that recommended 'next steps' are aligned corporately; additional time is required to complete alignment and to prepare for public engagement on the subject of funding source alternatives.

### **Stakeholder Engagement, Research and Communication**

Key internal City stakeholders were engaged as part of the Transportation Funding Mechanisms Study through a round of one-on-one interviews conducted by project team members from AECOM and Administration. The stakeholders included members of City Council, members of Administration, and a representative from the Office of the Mayor.

### **Strategic Alignment**

This deferral request does not result in impacts of a strategic alignment nature.

### **Social, Environmental, Economic (External)**

There are no significant social, environmental or external economic impacts associated with this deferral request.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

Current and future operating budgets are not impacted by the deferral request.

#### **Current and Future Capital Budget:**

Current and future capital budgets are not impacted by the deferral request.

### **Risk Assessment**

There are no significant risks associated with the deferral request.

### **REASON(S) FOR RECOMMENDATION(S):**

Administration requires time for coordination with anticipated City Charter discussions between The City and the Province of Alberta.

### **ATTACHMENT(S)**

None