

A woman in silhouette is taking a photograph of a train at a station during sunset. The scene is bathed in warm, golden light, with the train and station platform visible in the background.

Administration's Recommendations for the Green Line Wind-Down, Costs and Consequences - C2024-1045

Regular Meeting Of Council
2024 September 17

That Council:

1. Thank Calgarians, partners, the Green Line Board, Green Line Executive team and City Administration for their many years of hard work, commitment and dedication in advancing this project.
2. Receive for the corporate record the information in this report, including confidential risk information in Attachment 3 and confidential financial information in Attachment 4.
3. Direct Administration to work with the Government of Alberta's Administration to ensure The City is made whole, considering both direct and indirect costs.
4. Direct Administration to preserve all current City funding sources and use the Green Line Stage 1 Program control Budget ID 869-000 to fund any interim, wind down and/or transfer costs until next steps and ultimate cost sharing is understood.

5. Authorize the Green Line Board and City Administration to wind down the Program, given the project can no longer proceed as a result of the communication from the Province of Alberta dated 2024 September 3 (Attachment 2), to make all decisions necessary to carry out actions contained:

- a) In the Green Line report C2024-1041, including preserving assets and information.
- b) In this report C2024-1045, with all activities to be carried out in a way that retains the highest value and benefit for Calgarians,

6. Give three readings to Proposed Bylaw 43M2024 (Attachment 5) to amend Bylaw 21M2020, the Green Line Board Bylaw.

7. Direct Administration, until Recommendation #4 of this report is complete, to provide regular Council updates as both part of The City's scheduled Progress Reporting and as part of the Principle Corporate Risk reports, twice per year, as appropriate.

8. Direct Administration to report to Executive Committee for a status update in 2025 January, or earlier should there be a material update or proposed change to the plan and to return to Council when further direction is required.
9. With respect to Bylaw 6B2024 (Attachment 6),
 - a) Reconsider giving first reading to bylaw 6B2024,
 - b) Rescind first reading to bylaw 6B2024, and
 - c) Abandon Bylaw 6B2024.
10. Direct Administration to stop work and declare all former Council direction as set out in Attachment 7 to be redundant.
11. Direct that any closed meeting discussions and confidential attachments 3 and 4 remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the Freedom of Information and Protection of Privacy Act, to be reviewed by 2025 January 31.



From September 4, 2024:

1. Direct Administration to bring recommendations to the 2024 September 17 Regular Meeting of Council that address:
 - a) Next steps for the Green Line Stage 1 Program, including a plan and actions for an orderly wind down;
 - b) The total current and anticipated future costs related to winding down of the project and how these costs, and other associated risks for non-completion, would be transferred from The City of Calgary to the Government of Alberta; and
 - c) Transfer of delivery and risks for the Green Line Stage 1 Program from The City of Calgary to the Government of Alberta due to the unknown costs and consequences related to the significant change to the scope and alignment.

Presentation outline

1. Evolution of Green Line
2. Key Assumptions
3. Implications of winding down
4. Corporate Risks and impacts
5. Approach for an orderly wind down
6. Financial strategy



Evolution of Green Line

- Transit Planning for North Central Calgary started

1967

1987 – 2011

- Council direction to examine projected growth for south Calgary
- Studies confirm need for dedicated southeast LRT line to meet growth
- SE Transitway project began

2011 – 2015

- North Central Alignment, TOD development
- Public engagement and community-based visioning
- Planning for Green Line, a city shaping project, as we know today began

- Extensive public engagement including design charrettes
- Council approved alignment
- **GOA confirms \$1.54B**
- **Confirmation of City funding**

2015 - 2017

- **GOC confirms \$1.53B** and funding agreements signed
- **GOA approved project following an extensive review**
- LRV Contract Awarded
- Council approval of Stage 1
- Green Line Board announced

2018-2021

- Green Line CEO & Executive Leadership appointed
- Delivery and Development partners onboarding
- Extensive Beltline and Downtown Utility relocations
- **GOA confirmation letter received (July 29, 2024)**
- Council approves 'Building the Core' (July 30, 2024)

2022 – 2024

Wind Down

- **September 3, 2024 Provincial Letter to withhold funding and review alternative alignment proposals**



Key Assumptions



Future north to south Transit facility is required



City made whole for all costs direct & indirect



Existing Green Line work part of future vision for Calgary



Reduce main financial risk by winding down the project



Committed funds will support the wind-down & remain in place



Council updated as the project progresses

Implications of Winding Down

We are a fast-growing City and the implications of winding down this project are multi-fold:

- People
- Ongoing work
- Partners
- Social
- Environmental
- Economic
- Service and Financial Implications





Corporate Risks & Impacts

Principal Corporate Risk	Risk Impacts
Capital Infrastructure Risk	<ul style="list-style-type: none"> <input type="checkbox"/> Possibility of impacts on other city initiatives <input type="checkbox"/> Considerations for managing existing assets and infrastructure <input type="checkbox"/> Necessity of revisiting long-term infrastructure plans
Service Delivery Risk	<ul style="list-style-type: none"> <input type="checkbox"/> Anticipated transit capacity, which could have implications for service levels and existing infrastructure <input type="checkbox"/> Potential adjustments to Calgary Transit operations and could influence public perception <input type="checkbox"/> Overall transit strategy may need to be revisited considering any project changes
Financial Sustainability Risk	<ul style="list-style-type: none"> <input type="checkbox"/> Sunk costs and could impact the city's budget and financial stability <input type="checkbox"/> Potential for contractual liabilities and challenges in securing funding for future initiatives <input type="checkbox"/> The decision might influence investor confidence and necessitate adjustments to other capital projects
Legal Risk	<ul style="list-style-type: none"> <input type="checkbox"/> Potential contractual disputes and claims, requiring careful navigation of legal and funding agreements to avoid potential liabilities <input type="checkbox"/> Potential legal implications related to employment, land acquisition, and land stewardship
Sustainable City Risk	<ul style="list-style-type: none"> <input type="checkbox"/> Might influence the pace of economic development and housing options along the planned route <input type="checkbox"/> Potential for impacts on the city's sustainability goals, transportation equity, and emissions targets
Reputation Risk	<ul style="list-style-type: none"> • This might influence public perception and the city's reputation • Emotional toll on individuals, and impact on employee morale and community well-being

For more detailed information, please refer to Attachment 3 (Confidential) for The City of Calgary's Risk Analysis of the Green Line Project Wind-down

Approach for an orderly wind down

Guiding Principles: All next steps be conducted with dignity and respect, in an orderly and ethical manner

Governance: Board to oversee the wind down

Timelines: Complete wind down by end of 2024

Transition of technical and non-technical components

Report Back: Status update in January 2025

Financial Strategy

Administration is evaluating the financial impact of this decision and proposing some indicative steps to wind-down the financial matters of the project in anticipation of next steps by the Government of Alberta.

- Maintain the funding commitments from all partners
- City is made whole
- Rescind updates on prospective funding and financing for the project
- Evaluate options to address anticipated shortfalls in funding

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Questions?