

Time to Rethink the Green Line Update: July 28, 2023

On behalf of the Ad Hoc Citizens' Committee
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The cost of the proposed Green Line is skyrocketing!

Why? The costs are much higher than expected due to (post-COVID) inflation, supply shortages, and increased costs for steel, cement, labour, and equipment. While the actual costs will far exceed the original budget, Calgarians won't know the real costs until Bow Transit Connectors (BTC), the Green Line's Development Partner, submit final estimates next summer (mid 2024). It's time to stop this runaway train NOW and rethink this project!

- In 2017, the projected cost of the Green Line was \$4.65 Billion for 44 kms + 24 stations connecting the northeast and southeast through downtown Calgary.
- In 2021, the City announced a phased project plan in two integrated stages.
- **Stage 1** of the revised plan (2022) costs more for less track: \$5.5 Billion from Eau Claire to Shepard (20 kms + 15 stations).
 - With the inflationary costs for steel, cement, labour, and equipment, the budget for Stage 1 (Shepard to Eau Claire) could reach \$8 Billion.
- While City Council and the City Audit Committee understand very well the inflationary pressures on municipal infrastructure projects, the Green Line project, the largest ever in Calgary's history, has not to date been reviewed or audited.
 - The City acknowledged that infrastructure costs for two water treatment plants to fluoridize Calgary's water has increased 300 percent (from \$10.1 million to \$28.1 million), given the inflationary costs of steel, cement, labour, and equipment.
 - While expressing concern about the cost of the fluoride project, the City is ignoring the mounting costs for the Green Line, a project of significantly greater magnitude.
 - These pressures not only impact the construction of the Green Line, but it also limits the City's capacity to address other municipal priorities, such as affordable housing or any number of other priorities.
- **Stage 2** of the project, integrated with Stage 1, will extend the southeast line from Shepard to Seton and connect Eau Claire to 160 Avenue North. While Stage 2 estimates are speculative, the costs to cross the Bow River (or more likely to have to tunnel under the Bow River) and extend the northeast line could reach \$10 – \$15 Billion. Stage 2 may well be unaffordable and never built. More importantly, Stage 1 is not viable without Stage 2, which could leave the City, the province, taxpayers and generations of Calgarians with a humiliating white elephant.

The Green Line is a high-cost, high-risk for taxpayers.

The Green Line project warrants sound governance and project oversight, clear accountability, and open, transparent communications with taxpayers and investors. Elected officials not only have the responsibility but the opportunity to make sensible decisions that serve taxpayers' best interests.

- The City is spending hundreds of thousands of dollars a day as Calgarians struggle to pay rent and feed their families. Spending will likely reach \$1.5 Billion by the end of 2023 with no track laid.
- The new Cancer Centre cost \$1.4 billion (AB Infrastructure Minister's Announcement, December 2022); the Event Centre is expected to be \$1.22 Billion (Herald April 26, 2023). By year end 2023, Green Line costs will exceed the costs of these projects -- and not one inch of track will have been laid!
- Since downtown Calgary is on a flood plain, construction of underground tunnels adds substantially greater risk and cost uncertainty.

Taxpayers will pay for massive cost overruns for years to come.

Who will pay the price as Green Line costs balloon? The City will have to increase property and business taxes or plead for more funding from the provincial and federal governments.

- Initial funding commitments were received from the three levels of government:
 - \$1.7 Billion from the Alberta Government
 - \$1.64 from the Federal Government
 - \$1.56 Billion + \$640 Million (financing costs) from the City of Calgary
 - That totals \$4.9 Billion in capital costs and \$640 million in financing costs
- The pre-Covid budget approved by Council is \$5.5 Billion with \$1.5 Billion likely to be spent by the end of 2023! Where will the money to cover the inevitable budget overruns come from?
- The provincial and federal governments can't and won't bail out the City's cost overruns.
 - The federal government would have to bail out other inflated LRT projects in Ottawa, Montreal, Toronto and Edmonton as well as other infrastructure projects.
 - While the provincial government is reviewing an extension to the airport, they previously confirmed there's no more funding beyond their initial commitment. Additional funding to bail out Calgary will be met by demands by Edmonton and other regions for similar funding for infrastructure projects.
- Taxpayers, their children, and their grandchildren will be on the hook for years to come. That also means increasing property and business taxes – maybe even a Green Line levy!

LRT projects across Canada and the US are being reconsidered or cancelled.

We can learn from these other ‘derailed’ projects before going past the point of no return. By doing so, City officials can ensure realistic, reasonable, and affordable outcomes!

- Edmonton has paused their proposed line extension to reexamine the entire project to "rein in ballooning costs."
- Additional news articles on status of other LRT projects
 - [Toronto’s white -elephant LRT a warning to cities across Canada - Toronto Sun](#)
 - [Montreal’s LRT delays confirm a predictably Canadian pattern of ballooning costs – Globe & Mail](#)
 - [Ottawa’s LRT didn’t go wrong. It started wrong – Globe & Mail](#)
 - [High Costs Shrink Transit Plans in Austin, Philadelphia, Atlanta, New York and Boston – Bloomberg](#)
- We’ve written letters to the Mayor and Councillors, suggesting they follow the lead of these other cities and rethink the Green Line. We’ve not received any response!

There is a more affordable option - a Ford not a Ferrari!

Our Ad Hoc Citizens’ Committee recommends a sensible, more affordable option.

Transportation and engineering experts agree, and so do business and community leaders.

Our recommendations have significant and tangible advantages.

- Key Recommendations
 1. Extend line from 7th Avenue to the South Health Campus and Seton (past Shepard to more densely populated southeast communities)
 2. Cancel costly, unsafe underground tunnels in flood-prone downtown
 3. Start at 7th Ave & 3 St SE, not Eau Claire
 4. Hire local contractors for surface and elevated construction
 5. Improve the already effective bussing system north of the Bow River
- Advantages
 - ✓ Huge savings by eliminating high-cost, high-risk underground tunnels
 - ✓ Access from downtown to the South Health Campus and Seton reaching 74% of the people in southeast communities compared to only 26% of those in communities from downtown to Shepard
 - ✓ Faster start-up and more local construction jobs created sooner
 - ✓ Peace-of-mind for taxpayers as financial/political risks are minimized
 - ✓ New construction jobs, investment, and transportation to hubs where people live
 - ✓ Funding for other City priorities
 - ✓ No massive long-term debts to cripple future generations
 - ✓ The opportunity to assess other, more flexible options being implemented internationally rather than fixed solutions for the northern portion of the Green Line.

Increasing safety issues and falling ridership are game changers.

Ridership is down significantly due to downtown office vacancies, as well as changing work-habits, post-Covid. Decreasing ridership doesn't support the business case nor the projected costs for the Green Line. The cost per new rider is absolutely indefensible!

- The threat of violence to passengers is considerably higher in deep, tunnel stations than both surface and elevated stations.
- There will be *few new riders* on the Shepard to Eau Claire line. The more affordable option would run from City Hall to Seton, adding more *new riders* from 8 communities, the 5,000 people working at the South Health Campus, and the increasing business activity in this area of the city.
- Access to the South Health Campus and Seton would reach 74% of the people in southeast communities compared to only 26% living in communities from downtown to Shepard (information compiled from public sources by Jayman)
- The more affordable option would run at or above ground level to avoid high-cost high-risk tunnels and extend beyond Shepard to include a much larger ridership.

We want to save the Green Line. Our input is falling on deaf ears!

As the City spends billions more than advertised, Calgarians need to ask whether Council and Green Line officials are being reasonable or reckless.

- The current governance structure concerns us. City Council is arm's length from the Green Line Board and Management. City Council receives only cursory reports on the status of the Green Line, and any questions are met with responses that the Green Line Board has the project under control with oversight by qualified experts. Given the scale, scope and costs to taxpayers, this project must be reviewed by the City of Calgary Audit Committee which is currently not the case
- The Ad Hoc Committee, local experts, and our 700 + supporters have no personal stake in the Greenline. We simply want a more affordable option. And an honest, open and transparent process that serves all stakeholders.
- Our Committee has met with Mayors Gondek and Nenshi, current and previous City Councillors, the Green Line Board, the City's Audit Committee, and the Premier, Ministers Shulz, Dreeshen and McIver.
- We have written Op Eds and spoken to local service groups.
- We launched a new web site to inform Calgarians about this high-risk, high-cost project and our recommendations for a more affordable option. [Time to Rethink the Green Line | There is a more viable option \(greenlineinfo.ca\)](#)
- This fall we'll continue to spotlight the serious issues of the high-risk, high-cost Green Line megaproject. And we'll continue encouraging the City to pause on the project as it stands.

Let's Rethink the Green Line. It's never too late to do the right thing!