



## RETHINK the Green Line

# Time to rethink the Green Line?


Stampede Rotary Club  
Rotary House, Stampede Grounds  
12:00 pm, September 28, 2023  
James K. Gray

**It's never too late to do the right thing!**


Thank you for this opportunity to meet with you again. I'd like to update you on what's happened since our last meeting in August 2022. And I'm here to get your help!

The Green Line is the largest-ever public infrastructure project in Calgary's history. It's gone off the rails!

The next 100 days are critical. We must force the City to Rethink the Green Line. Otherwise, we'll be on the hook for billions! Our property taxes could well double to pay for this recklessness. <Slide 2>


 **RETHINK**  
the Green  
Line

# Calgary's largest-ever project



SO, WHAT DO YOU THINK ABOUT LIGHT RAIL?


- The Green Line has gone off the rails
- Risks and costs are too high
- Taxpayers are on the hook for \$Billions
- There is an affordable, sensible option
- We've only got 100 days to force the City to rethink the Green Line!



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The Green Line is the largest-ever public infrastructure project in Calgary's history. It's gone off the rails!

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# Time to rethink the Green Line

**Five reasons to be really concerned**

1. The costs keep changing
2. Billions more than advertised
3. Taxpayers will be on the hook for massive overruns
4. Profits will leave the City
5. Ridership numbers are too low

**We want to save, not stop the Green Line**




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There are 5 main reasons why the City needs to rethink the Green Line.

1. The costs keep changing
2. The price tag is Billions more than advertised
3. Taxpayers will be on the hook for massive overruns
4. Profits will leave the City
5. Ridership numbers are too low

But let me be clear: our aim is **not to stop** the Green Line. **We want the City to rethink it!**

There is a **sensible alternative!** <Slide 4>



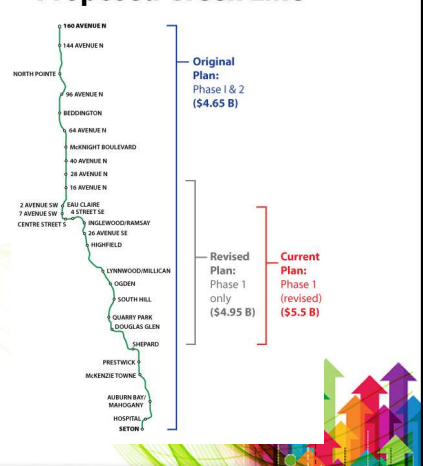
# 1. Costs keep changing

## Project shrinks as costs grow

- 2017: \$4.65 Billion**
  - 160 Ave North to Seton (46kms+28 stations)
- 2020: \$4.9 Billion + \$500K financing**
  - 16 Ave to Shepard
- 2022: \$5.5 Billion**
  - Eau Claire to Shepard (18kms+13 stations)
  - 2 underground tunnels
  - New estimates from consortium mid-2024

Double the cost for 1/3 of the original plan

### Proposed Green Line



September 28, 2023
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Slide 4

Worried about inflation, rising interest rates, and increasing costs of labour, steel, cement, and equipment, the City created a phased approach.

- At the start, the cost for the entire project was \$4.65 billion for 46kms and 24 stations (the **blue line** on the map)
- 2 years later, the cost for Phase 1 was \$4.9 billion for a much shorter line from 16 Ave N to Shepard (the **black line** on the map)
- By 2022, the Board Chair of the Green Line advised that Phase 1 would be \$5.5 Billion for just 18 kms+13 stations (**red line**)

We won't know real costs until the consortium confirms their estimates in mid-2024.

Let's put those numbers into perspective. <Slide 5>



## 2. Billions more than advertised

### Phase 1 costs 2X more for 1/3 of the original line

- City estimate: \$5.5 Billion
- Real cost: \$8 - \$10 Billion
- Operating costs: \$40 Million a year

### Taxpayer investment already over \$1 Billion

- City spending hundreds of thousands every day
- Event Centre: \$1.2 Billion; new Cancer Centre: \$1.4 Billion
- Limited flexibility/capacity to address other priorities
  - Affordable housing, homelessness/poverty, safety and security, mental health, tax reform

### Full line, if ever built, will cost \$20- \$25 Billion

- TMX: \$5 Billion heading to \$40 Billion - 800% over budget!!



September 28, 2023

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Slide 5

### Phase 1 is double the cost for a third of the full line!

The City's cost estimate for Phase 1 is \$5.5 Billion. Our experts are convinced the price tag will be \$8 - \$10 Billion. Then add in another \$40 million a year in operating costs! The City will have spent over \$1 Billion by the end of 2023 with no track laid! Every day, they spend hundreds of thousands of dollars relocating utilities for the two underground tunnels that will run under downtown.

For context, the event centre will be \$1.2 Billion, and the new Cancer Centre is \$1.4 Billion. And this huge financial commitment diverts capacity to address housing, homelessness, safety and security, mental health, and tax reform.

The huge cost of Phase 1 jeopardizes future phases. So, the line to the South Health Campus and Seton, and across the Bow to 160 Ave North – may never be built! If the City does charge on, the full cost of the Green Line could easily reach \$20 - \$25 Billion.

The City charges ahead keeping citizens in the dark, assuming we'll write them a blank cheque. <Slide 6>



### 3. Taxpayers on the hook for overruns

#### The buck stops with us

- No more funding from Feds or Alberta for Green Line
  - Too many cities with high-cost overruns for them to bail out Calgary
- Phase 1 could mean a **23% increase** in property taxes
  - Average homeowner assessed \$2,400/year will pay \$2,960 (**\$560 more**); long-term increase (over 20 years): \$6,300
- Phase 1 & 2 could mean a **50% increase** in property taxes
  - Double current property tax rates
  - \$2,400/year becomes \$3,520 (**\$1,120 more**) over 20 years.

**We must act now. It's never too late.**

September 28, 2023

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Slide 6

But the buck stops with us! The feds can't bail the City out; there are too many other cities across Canada with rail projects in trouble. And the Province has told us they will not provide more funding beyond the \$1.5 Billion already committed.

That leaves the City to fund this project on their own. To assess the cost to taxpayers, we asked Trevor Tombe at The University of Calgary School of Public Policy to run some numbers. They are staggering!

For Phase 1, property taxes could increase 23 percent. So ...

- If your property taxes are \$2,400/year, you'll pay \$560 more a year, a total of \$2,960. Over 20 years, the increase would be \$6,300.

The increase for Phase 1 & 2 could be 50 %

- The average homeowner who pays \$2,400 a year would pay \$1,120 more or \$3,520 in total.

Just imagine the massive jump property taxes if the final price tag is \$20-25 Billion. Our property taxes will be double what we pay now over 20 years! <Slide 7>



## 4. Profits leave the city

### Build economic value at home

- With the current plan, most of the profits will leave the city to pay large multinational engineering firms, management and construction firms, and a Spanish rail car supplier
- City has already bought 28 ground loading cars (not platform loading cars currently being used) that require new operating and maintenance facilities
- Our proposed '**affordable option**' generates direct economic benefits using local contractors for above ground where possible

September 28, 2023

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Slide 7

The City promotes the economic benefits of the Green Line. There will be work for local trades, but many Calgarians don't realize the group who'll build the Green Line are multinational consulting, construction and engineering firms. In fact, they are many of the same firms responsible for other LRT projects across Canada.

So, the profits will leave the City and the country, which is frustrating given the capable construction and engineering firms in Alberta. These multinationals have the expertise to build the tunnels under downtown Calgary - our local contractors don't. But we shouldn't even be building risky, expensive tunnels in water prone downtown Calgary!

By the way, the City has already bought 28 ground loading cars (as opposed to current platform loading cars). These low platform cars from Spain will require a new operating and maintenance facility, another unnecessary cost.

Our 'affordable option' generates direct economic benefits using local contractors for above groundwork.<Slide 8>



## 5. Ridership numbers are too low

### Post-Covid work habits

- Overall transit ridership has fallen 30%
- Downtown office towers have a 25 - 30% vacancy rate
- Increased security and safety issues

### Ridership too low to justify costs

- Few new riders for Phase 1 (Eau Claire to Shepard)
- No residences at Shepard (industrial, office, retail space)
  - 26% of population served by Phase 1
  - 12% feeder population
- More new potential riders to South Health Campus, Seton
  - 74% of population live past Shepard
  - 84% feeder population

September 28, 2023

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Slide 8

Even before Covid, downtown vacancy was approaching 30%. Covid and the changing work habits has made it worse. Calgary ridership has fallen 30%, our office towers remain empty, and users are facing serious transit security and safety issues.

Phase 1 has too few new riders to justify the costs. One of our key recommendations is to extend the line past Shepard (where there are no homeowners) to South Health Campus, a beehive of activity.

Again, we are not trying to kill the Green Line; rather we are proposing an affordable option, that will serve a greater proportion of Calgarians. <Slide 9>





# Status of LRT projects in Canada

- Edmonton**
  - City Council paused project to rein in ballooning costs and major delays due to cracks in recently completed line
- Montreal**
  - Poor financial model, long delays, increasing costs
  - Cost increase from \$6.3 billion to \$8 billion, an 26% increase since 2018
- Hamilton**
  - Postponed due to rising costs
- Toronto**
  - Quality issues with improperly laid track, rising costs
  - 12-year Eglinton Crosstown project has no timeline for opening
- Ottawa**
  - Delays, shortages, tunnel construction, cost overruns, culture of secrecy
  - Scathing judicial inquiry report results in resignations
  - Multimillion-dollar budget deficit as low ridership continues


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Last time I was here, I mentioned Bent [Flooberg] the Oxford Professor who studies megaprojects and has a database of 15,000 projects. In his book, *How Big Things Get Done*, he reports that 99.5% of these projects go massively over budget, off schedule, and under-deliver benefits.

Our Green Line project is a poster child of the path to failure. The City underestimates costs, overestimates benefits, and keeps spending to get past point of no return – that’s where we are today! The same thing is happening in cities across the country.

- In Edmonton for example, their 4.5 kms extension (no tunnels) ballooned over their \$1 Billion budget. And their City Council stopped the project to find ways to cut or defer costs to stay in scope.
- Ottawa’s disaster with delays, leaking tunnels, and huge cost overruns, resulted in a judicial inquiry that identified a culture of secrecy and inept management. Sound familiar?

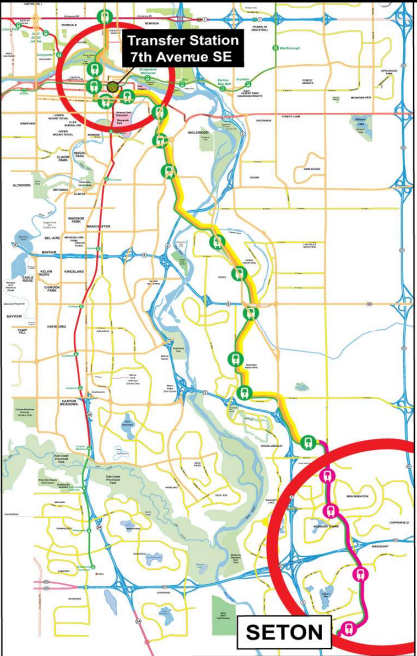
Rail projects are being scaled back in US cities like Austin, NYC, Philadelphia, Atlanta, and San Jose. They're dealing with the same issues we face here: inflation, interest rates, and increasing costs of labour, concrete and steel. <Slide 10>



## An Affordable Option

1. **Extend line from 7th Avenue to the South Health Campus and Seton** (past Shepard to more densely populated southeast communities and South Health Campus)
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 bus services** to the north

Inform taxpayers of real, ongoing costs!



Cancel high-risk, high-cost tunnels

Extend line to South Health Campus and Seton to capture more riders

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Slide 10

Our affordable plan recommends 5 major changes to Phase 1:

1. Run the line from 7th Avenue to the South Health Campus and Seton
  - Past Shepard to more densely populated communities – there are 5000+ people working around South Health Campus
2. Cancel costly, unsafe, high-risk underground tunnels in flood-prone downtown
  - Most important and costly issue – we know what happened during the 2013 flood
  - There is a long history of construction challenges in downtown Calgary due to the underground water flow
3. Start at 7th Ave & 3 St SE, not Eau Claire! We don't understand why Eau Claire. It's a park, not a destination.
4. Hire local contractors for surface and elevated construction. Calgary is home to engineering expertise with lots of capable local firms.
5. Improve bus services to the north. Neil McKendrick, former senior transportation planner, advocates for Bus Rapid Transit to improve what is already an effective bus system in the North.

Our group is working hard though our efforts keep falling on deaf ears! <Slide 11>



## What has our group been doing?

### We've been busy!

- Established Citizens Committee
- Submitted, presented our 'affordable option' to City
- Met with and sent letters to Mayors, Councillors, Board + Executives, Administrators and City Auditors
  - Governance structure obscures accountability, transparency
- Met with and wrote letters to Premiers, Ministers, MLAs
  - Concerned about affordability and impact on taxpayers
- Refreshed our web site
- Engaged 1000+ supporters
- Launched social media campaign to inform taxpayers

### We need your help to engage more Calgarians!

September 28, 2023

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Slide 11

We've been at this since 2016 and are still working hard to spotlight this issue.

- Established Citizens Committee in 2016 (Brian Felesky, Ron Ghitter, Patti Grier, Barry Lester, Hugh McFayden, Neil McKendrick, Emily Struck, and me).
- Presented affordable option to City Council in 2020
- Met with and sent letters to Mayor Nenshi & Gondek; former and current Councillors (5 supporters on Council but can't get to 8).
  - We convinced previous Council to build the project in phases to control costs
  - The City set up the Green Line Board with 'shared accountability' (code for 'no one is responsible')
- Met with Premiers Notley, Kenney, Smith and Ministers Schulz, McIver, Ellis, Dreeshen. Also, Premier's Chief of Staff, Rob Anderson.
  - UCP is receptive; they are studying costs to build a line to the airport. We're hopeful they'll support a 'rethink' as part of that process.
  - The Province is key. They must make it clear there is no more money, and they must do it soon. We won't know true costs until mid-2024 and in the meantime, hundreds of thousands of dollars a day are being spent.
- Submitted op eds and other media articles; conducted radio, print interviews
- Recently refreshed our web site and have enlisted the support of 1400 people (including some of you!)
- Launched social media campaign this fall to inform taxpayers and increase number of supporters. And we could sure use your help! <Slide 12>



# What you can do in the next 100 days!

- 1. Register as a supporter**
  - 5,000 Calgarians will grab the City's attention
- 2. Invite friends, family, other Calgarians to join us**
  - Sign up form on web site (see link below)
- 3. Connect on Social Media**
  - Daily posts on LinkedIn, FB, IG, X
- 4. Volunteer**
  - Help with social media campaign
  - Organize speaking opportunities
- 5. Help us spread the word**
  - Raise the issue with others
  - Set up speaking opportunities for us



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We only have 100 days to force a change in thinking. We urgently need your help!

Here's what you can and must do:

- Sign up to support the affordable option <we are circulating a sign-up sheet or go to our website>
- Become knowledgeable about this issue: visit our website - there's a card on your table for the link ([www.GreenLineInfo.ca](http://www.GreenLineInfo.ca))
- Help us spread the word by sharing our materials, encouraging people to join us
- Connect with us on Social Media – share with your connections, repost and comment
- Volunteer to post messages (we can help you with that) <Slide 13>



## The bottom line ...

1. Phase 1 (nowhere to nowhere) will go 100%+ over budget, from \$4.9B to \$8 to \$10B.
2. As there's no business case for Phase 1, taxpayers will also pay \$40MM of annual operating cost subsidies since the line only serves 15% potential new riders .
3. Phase 1 (assuming 100% overrun) will increase average property taxes (\$2,400) by \$560 a year (23%) for 20 years (U of C report, September 2023).
4. Phase 2 (including Phase 1 transfers) will cost between \$10 to \$15B.
5. Phase 2 will more than double Phase 1 taxpayer increases (\$1,120 more each year for 20 years).
6. Governments of Canada and Alberta can't bail out Calgary -- there are too many other hands out!
7. The Green Line is the poster child of "how to fail". Oxford University: a) underestimate costs  b) overestimate benefits  and spend as fast as possible to get past the point of no return (in progress).
8. We must pause and Rethink NOW – WHILE THERE IS STILL TIME!
9. There is a sensible, affordable alternative: no tunnels; 7th Ave. to SHC and Seton
10. Study extending the line from Saddletown to the airport.



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7. The Green Line is the poster child of "how to fail". Oxford University: a) underestimate costs (check) b) overestimate benefits (check) and spend as fast as possible to get past the point of no return (in progress).
8. We must pause and Rethink NOW – WHILE THERE IS STILL TIME!
9. There is a sensible, affordable alternative: no tunnels; run the line from 7th Ave. to South Health Campus and Seton where new riders are guaranteed.
10. Let's study extending the line from Saddletown to the airport. <Slide 14>



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## Key takeaway points

### The Green Line is off the rails

- \$1 Billion spent in 2023 with no track laid
- It's never too late to do the right thing

### The project is too high-risk, too high-cost

- We want to save, not stop the Green Line
- We need more accountability and transparency from the City

### There is an affordable option

- No underground tunnels
- Go to South Health Campus + Seton with more new riders

### Help us spread the word

- Let's not spend another dime until real impact known

### Let's get the City to rethink the Green Line!



September 28, 2023

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Slide 14

1. The Green Line project is off the rails with no track laid
  - It's never too late to do the right thing
2. The proposed project is too high-risk, too high-cost
  - We want to save, not stop the Green Line
3. There is an affordable option
  - No underground tunnels
  - Go to South Health Campus + Seton where more new riders are guaranteed
4. Spread the word, share your concerns with others – please engage!
5. The next 100 days are critical!

Thank you!