



RETHINK
the **Green**
Line

Why do so many big projects like Calgary's Green Line fail?

Deep Dive Discussion Group

11:30 am, Wednesday, May 15, 2024

James K. Gray

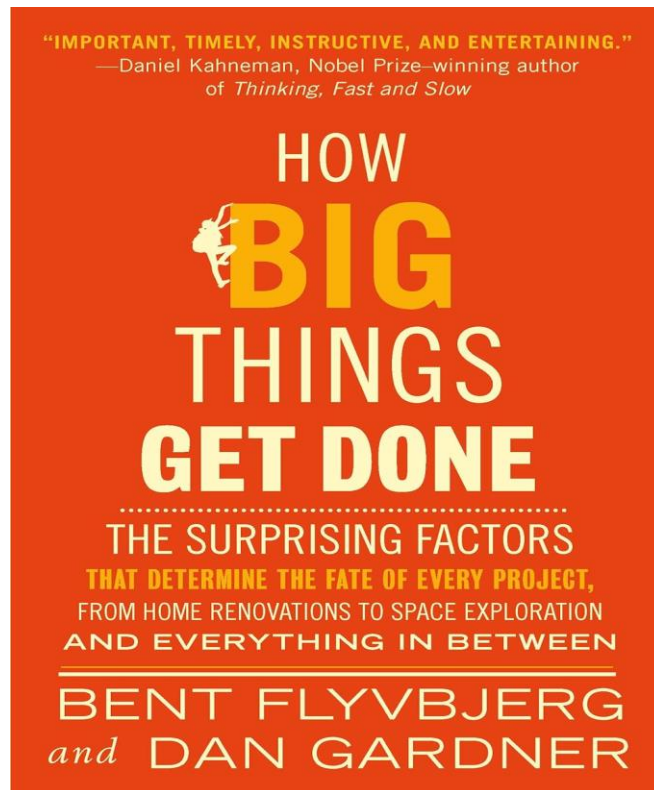


“Why do these cost overruns and delays happen over and over and over again?”

John Tory, former Mayor of Toronto



How big projects go off the rails



Dr. Bent Flyvbjerg, Oxford University,
foremost global megaproject expert

1. Underestimate costs
 2. Overestimate benefits
 3. Spend as fast as possible to get past the point of no return
- Calgary's Green Line: a textbook case

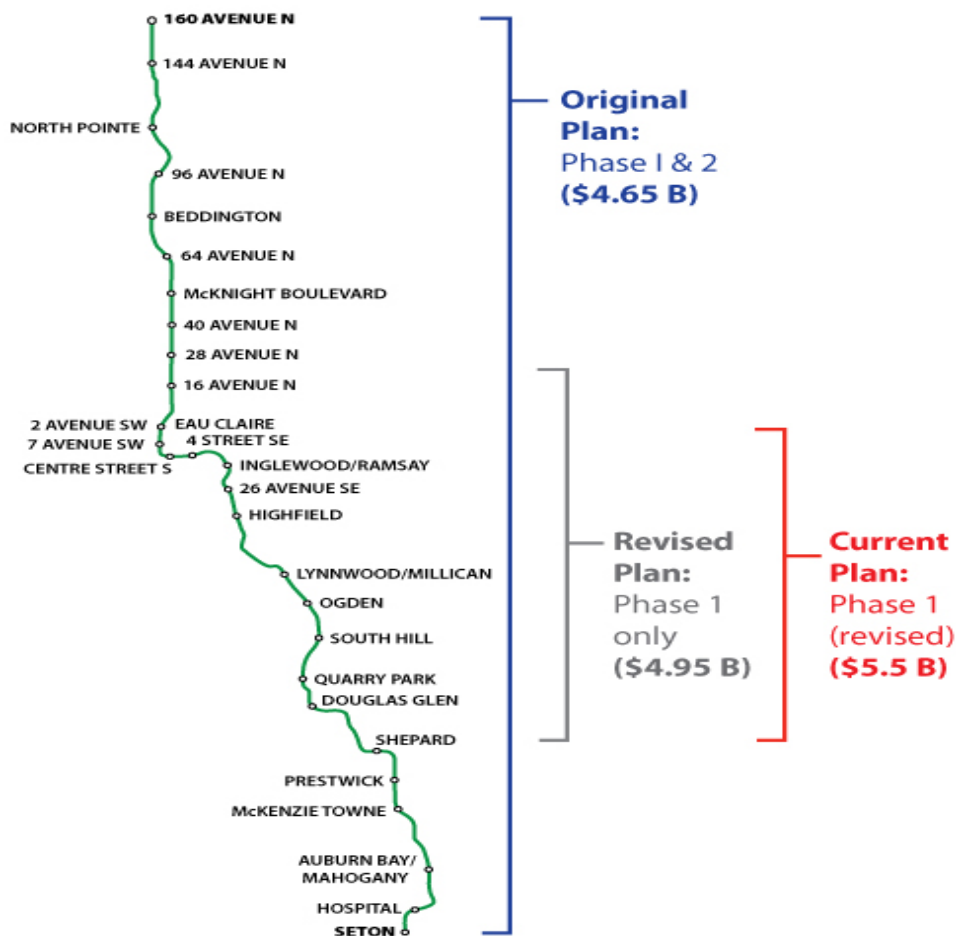
Green Line case study

- ✓ Underestimate costs: \$4.65 becomes \$20 Billion
 - High-cost, high-risk tunnels
 - New ground loading track and rail cars
 - Two operating and maintenance facilities
- ✓ Overestimate benefits: No business case
 - Few, if any, new riders in Phase 1
 - Changing travel patterns (work-from-home norms)
 - Subsidized fares to cover operations
 - Profits for multinationals: few local jobs
- ✓ Spend past the point of no return: \$1.2 B spent so far (\$200,000+ per day)
 - Multinational consultant fees, Board and staff salaries
 - Land expropriation, utility diversions, road upgrades
 - No track laid!



Route shrinks, costs double, \$1 billion spent

Proposed Green Line



Original Plan (2017): \$4.65 Billion

- 160 Ave N to South Health Campus, Seton
- 46 kms+28 stations

Phase 1 (2024): \$8-10 Billion

- 1/3 route for 2X the cost
- Eau Claire to Shepard
- 18 kms+13 stations

Phase 2: \$10 Billion?

- From Eau Claire to 160 Ave & from Shepard to South Health Campus, Seton

Total Green Line: \$20+Billion



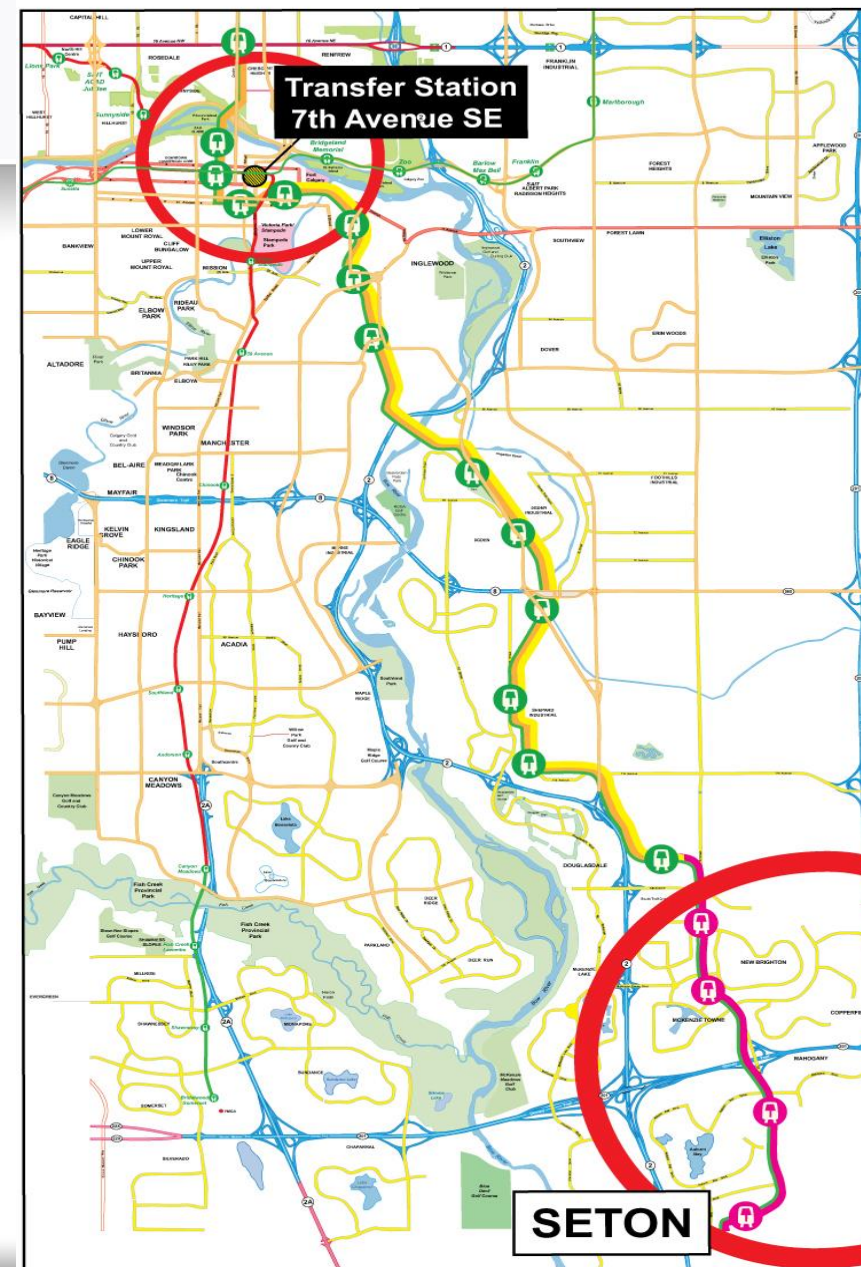
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Can the project be saved?

Yes!

1. Cancel costly, unsafe tunnels
 2. Build above-ground 7th Ave to Seton
 3. Improve rapid bus service north
 4. Extend the Blue Line to the airport
- **Execute flexible, not fixed, solutions**

The Affordable Option



Cancel
high-risk,
high-cost
tunnels

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

Why big projects fail?

1. Too high-risk, high-cost

- Transit projects in Canada cost 6 times more than in Europe or Asia
- A tunnelled subway in Toronto costs \$636 million/km; subways in Madrid or Seoul cost \$80 to \$120 mm/km
- No more fixed-price bids

2. Massive cost overruns in Canada and worldwide

- Flyvbjerg's 3-step formula for failure
- Political agendas and closed-door decisions
- Inflation, increased construction and labour costs
- Ongoing operational issues
- Heavily subsidized fare box

3. Now TMX. Next Calgary's Green Line (plus others!)





**Alarmed about the
high-cost, high-risk
Green Line?**



There's a better way!

-  **Build above ground**
to avoid costly floodplain issues
-  **Build to populated communities in SE**
where riders are guaranteed
-  **Preserve green space in Eau Claire**

Support the affordable option



Treat taxpayers with more respect!