

Green Line board staying mum on cost overruns, will present recommendations to council July 30

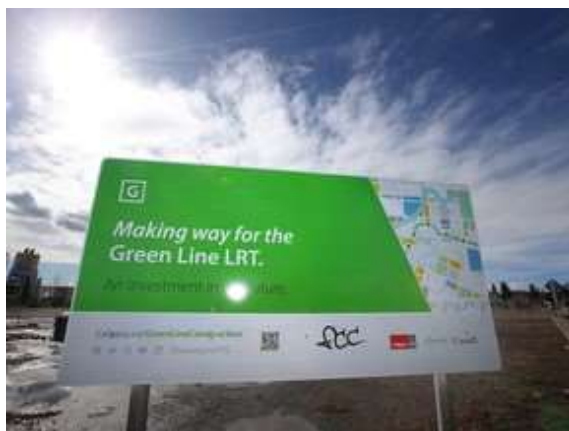
The Green Line board met Thursday, but the bulk of their discussion was held behind closed doors

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Demolition and construction continues for the Green Line LRT at the site of the former Lilydale Chicken plant in the Ramsay neighbourhood in southeast Calgary on Tuesday, March 12, 2024. Jim Wells/Postmedia

Calgarians won't know until the end of the month how much the Green Line could cost, or if the future CTrain line requires more changes to remain within its current budget.

While the Green Line board met Thursday for an update on the multibillion-dollar project, members went behind closed doors to discuss a series of confidential items following a progress report.

After the meeting, project CEO Darshpreet Bhatti told reporters the board will make recommendations to council on whether the project requires an increased budget or a revised track alignment. He said those recommendations likely won't be revealed publicly until the July 30 meeting.

"Council would have to weigh in on the recommendations as well as how best to release (those details)," he said. "We're still in procurement in a sense, or negotiations in a sense, that we

haven't executed on all our contracts. We need to make sure there's a fine balance between releasing numbers before we actually have solid agreements in hand.

"They will become public. It's just a matter of how you're releasing them so you're not compromising the negotiations."

The budget for the Green Line was originally set at \$5.5 billion, with funding divided between all three orders of government. But that number was determined before the COVID-19 pandemic and its subsequent supply-chain disruptions that led to inflationary pressures, difficult market conditions and key skills shortages.

The [Green Line website](#) currently indicates the first phase of construction will include 18 kilometres of track with 13 stops extending from Shepard in the southeast to Eau Claire on the northern edge of downtown.

At the board's first quarterly update of 2024 in March, Bhatti and board chair Don Fairborn [hinted at cost escalations](#) resulting from higher-than-anticipated estimates from some of the project's subcontractors, based on the first 30 per cent of the project's design.

"We've been clear for a number of months now that there are serious cost pressures," Fairborn said Thursday. "Every large infrastructure project in the country is facing and experiencing them. We're no different.

"We've engaged in negotiations with our contractors and we have a high level of confidence with respect to what we think we're going to seek (regarding) support from council. But that decision and full disclosure of that information is really the prerogative of council."



Green Line CEO Darshpreet Bhatti. PHOTO BY AZIN GHAFARI /Postmedia Network

Bhatti told the board on Thursday that the city has committed about \$1.5 billion toward the project so far, including \$178 million of work delivered this year. Much of this year's work has been related to site preparation, building demolitions and utility replacements in the Beltline and downtown.

Some of the milestones the project reached in May included construction of the secant pile walls and excavation of the existing Canadian Pacific Kansas City Rail embankments for both the Ogden pedestrian tunnel and the 78th Avenue grade separation.

Piling has started for the 78th Avenue rail bridge, according to Bhatti, who said that demolition of the above-grade portions of all three buildings in the Beltline East was also completed in May.

‘There’s no way for us to bootstrap more than a third of this’

If the Green Line does require an increased budget, question marks remain over how the overruns will be funded.

Provincial Transportation Minister Devin Dreeshen informed Calgary Mayor Jyoti Gondek in a letter in May that the Alberta government would not contribute more funds to the project.

The UCP government previously pledged \$1.53 billion, but Dreeshen’s letter to Gondek suggested a condition of that funding would be to incorporate the Green Line into the province’s own plans for a regional rail network.

GREEN LINE, PHASE ONE

CTrain would run from Shepard in the south to Eau Claire, with most of the downtown route underground.



SOURCE: CITY OF CALGARY

DARREN FRANCEY / POSTMEDIA

Ward 9 Coun. Gian-Carlo Carra said even though the province has said it won't commit any further funds, it's worth continuing to advocate the importance of the Green Line to higher orders of government.

"We have to secure funding commitments from our funding partners for their thirds, because . . . there's no way for us to bootstrap more than a third of this," he told Postmedia on Thursday.

Carra also said he doesn't want to see the scope of the project altered considerably, as the plan has always been to continue extending the track north after completing the first phase.

"We're in the middle of Stampede, so we're on a charm offensive with the feds (and) the provincial government to really sell them on how important this is to the future of a very successful Calgary," he said. "And how if we don't build it now, it will only get more expensive moving forward."

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