



Ottawa, Canada
K1P 0B6

Darshpreet Bhatti
Chief Executive Officer
Green Line Light Rail Transit Project
City of Calgary
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Dear Darshpreet Bhatti,

Further to the ongoing discussions raised by the City of Calgary and the Calgary Green Line Board regarding the Green Line Light Rail Transit Project, I am writing in anticipation of the forthcoming Council Meeting on July 30, 2024, during which potential strategies for advancing the project will be explored.

As you know, the project was approved by the Federal Treasury Board (TB) and announced on May 15, 2018, under the Investing in Canada Infrastructure Program (ICIP) for up to \$1,530,000,000 towards the eligible costs of the project. The Government of Canada remains committed to support the advancement of transit infrastructure projects, including the Calgary Green Line. The Calgary Green Line is a project that aligns well with the objectives of the Government of Canada's transit programs, and I understand that there is opportunity for transit oriented development along its route and at the new stations. This is positive.

It is our understanding that the project team has continued to assess the project, and is considering a variety of options including a potential scope change, to help address the cost escalations. In order for the Government of Canada to assess the proposed changes to the approved project scope, a comprehensive business case must be submitted to Housing, Infrastructure and Communities Canada (HICC) officials. It is our understanding that you will be providing this business case by August 15, 2024. HICC has received descoping proposals for other projects under ICIP and this has proven to be an effective tool for addressing cost overruns. Our intention is to ensure that the investment continues to meet the program objectives.

It is important to note that the scope change needs to be aligned with the ICIP Terms and Conditions. As the ICIP is managed through the Province of Alberta, the business case should be submitted to HICC by the Province following their review and approval. I know that our teams have been in regular communication at all levels throughout the last three months, which has included weekly meetings between Executive Directors from the project team and federal and provincial Directors as well as multiple discussions at the working level. The federal business case template was shared with the project team on June 17, 2024, with a follow-up meeting held on July 4, 2024, to discuss and outline the specific details required. This meeting resulted in a good exchange about the details needed on updated costing and phasing of the project. I encourage you to remain engaged with officials and provide as much detail as possible on the option under consideration to allow the Department to guide the discussion and help meet the program objectives.



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Upon receipt of the provincially approved business case, HICC will assess the submission and will consult with the Federal Treasury Board Secretariat on the project scope change request to determine if the Treasury Board must review and approve the changes. The initial assessment, based on the information provided to date, is that the scope change will require the approval of our Treasury Board.

The ongoing discussions also identified a proposed change in the procurement model. Any non-competitive contracts related to the new procurement model should be submitted to HICC through the Province for review and approval as quickly as possible. In accordance with the ICIP Terms and Conditions, the Minister may approve non-competitive contracts if any of the following apply:

- Contract is for less than \$500,000; or
- Contract is with a public sector entity; or
- Contract can only be performed by one person or entity; or
- Contract is entered into by an Indigenous recipient; or
- Contract is entered into with an Indigenous organization/governing body and there is a benefit to an Indigenous community; or
- Contract addresses a state of emergency that has been declared.

All other non-competitive contracts that do not fall under one of the above categories require TB approval.

While there is no funding available to address cost overruns under ICIP, HICC officials are committed to continuing to work in collaboration with the various partners on options for moving forward, and provide guidance as required.

Additionally, on July 17, 2024, the Prime Minister announced the launch of the Canada Public Transit Fund. This fund represents an average annual investment of \$3 billion in public transit projects across the country. Two streams of the new program opened intakes for expressions of interest on the same day.

- Baseline funding offers stable and predictable funding for transit agencies' routine capital projects, such as repairs, maintenance, and upgrades that will keep people moving. We encourage Calgary Transit to consult our website for application details: [Housing, Infrastructure and Communities Canada - Canada Public Transit Fund](#)
- The Metro-Region Agreement (MRA) stream offers a new way for the federal government, the Province, and municipalities to collaborate. These agreements are meant to enable transit projects in large urban areas that increase the regional integration of transit and make it more accessible for Canadians. I would encourage you to engage with the Province of Alberta on making a submission.



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The Calgary Green Line has received funding through the ICIP, and we are not able to fund the same project through multiple programs. However, future phases could be considered by the City of Calgary and the Province of Alberta as potential projects submitted through an Integrated Regional Plan, a requirement under the MRA stream.

I thank you for your continued collaboration and confirm the Government of Canada's continued commitment to working with the City towards the successful completion of the project.

Please accept my best regards.

Sincerely,

Erin Lynch
Assistant Deputy Minister, Transit Programs
Communities and Infrastructure Programs
Housing, Infrastructure and Communities Canada
Government of Canada

c.c. Paul Smith, Assistant Deputy Minister
Capital Planning, Grants and Engineering Services Division
Province of Alberta