

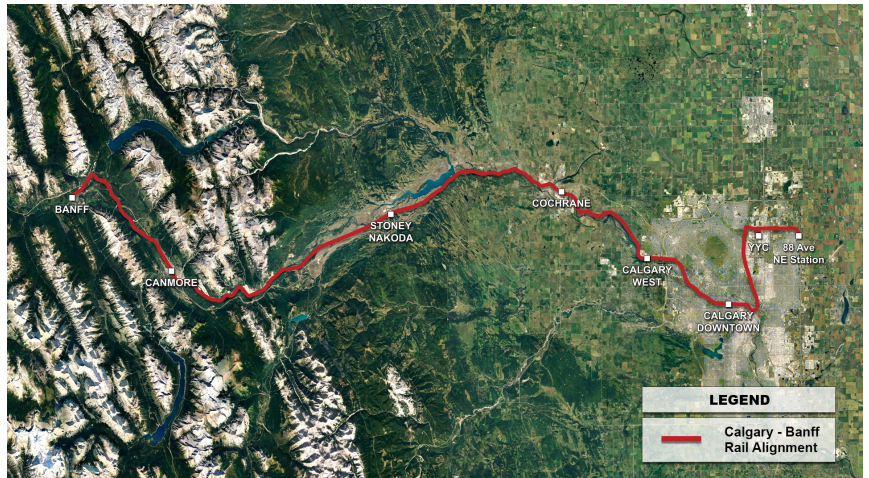


## FRIENDS OF CALGARY AIRPORT TO BANFF RAIL

Non-profit increasing awareness of, and advocating for, the construction of the CABR project.

### WHAT IS THE CALGARY AIRPORT — BANFF RAIL (CABR) PROJECT?

- 150 km commuter and tourist rail system on a new dedicated passenger line ensuring on-time performance and reliability and improved freight resiliency.
- Built entirely within existing CPKC Rail corridor and Airport Authority lands; 7 destinations (Calgary Airport, Downtown and Rivers District, Calgary West, Cochrane, Stoney Nakoda, Canmore, Banff).
- Expedited solution to connect Calgary with its airport, downtown and mountains; allows for talent competition with Vancouver, Toronto, Montreal and Ottawa which have, or are building, airport to downtown rail service.
- Direct, fast and frequent service which departs from airport to downtown every few minutes (15-minute service) and to Banff at least every hour/half hour; key to downtown revitalization.
- Reliable commuter service for residents of Cochrane, Calgary's Northwest and Northeast to downtown.
- Multi-dimensional major infrastructure project serving commuters, business and leisure travelers, employees, and indigenous communities.
- Complements Calgary Transit's Blue and Green Line expansion plans and the proposed Prairie Link High Speed Rail Project (HSR) (YEG/YYC).
- Can be in service by 2028 (3-year construction following design and final investment decision by Government of Alberta (GoA).



## CURRENT STATUS

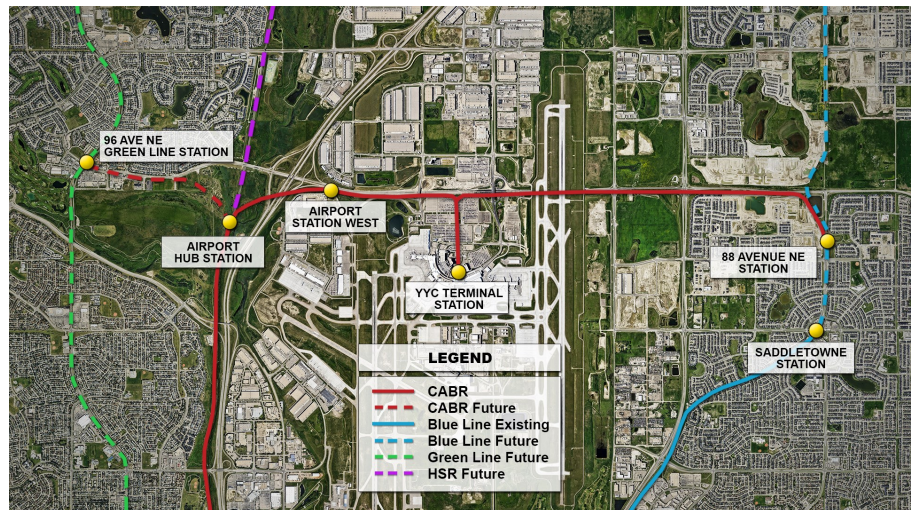
- Premier Smith supports the airport connectivity and a regional rail service; CABR highlighted in recent throne speech:

*"We need to decongest our highways to Kananaskis and Banff with a passenger rail tie between the Calgary airport, downtown Calgary and Canmore/Banff."*

- Project now a priority for GoA in last two mandate letters for Minister of Transportation:

*"...explore cost-sharing arrangements with the private sector and/or municipalities that support economic investment in Alberta's transportation network, including public transit, heavy rail and bridge infrastructure that better connects the Calgary and Edmonton airports to their downtowns, regional communities to Calgary and Edmonton, and Calgary to the province's Rocky Mountains parks system. This must initially include completing the Blue Line link to the Calgary airport."*

- Liricon/Plenary submitted formal proposals to develop CABR in May and November 2021.
- City of Calgary and Alberta Transportation currently leading an **Airport Connection Rail Study** to make recommendations by summer 2024.
- CABR is the foundation for other regional rail projects (including Blue Line and Green Line connectivity to Airport; future high speed rail and regional commuter rail).



## HOW DOES CABR ACT AS FOUNDATION FOR REGIONAL RAIL?

- Obvious solution for connectivity between Northeast Calgary, the airport and downtown.
  - Alternative solution is a “milk run” which is not a fast, direct or frequent service.
- CABR has been working under Memorandums of Understandings (MoUs) for several years with all key stakeholders to create a multi-modal transit hub at the airport and to accommodate future LRT and HSR connections.
- Can be built and operated to connect to the Blue Line at a fraction of the cost of standalone public transit (Airport Transit Line).

## WHY GOVERNMENT OF ALBERTA SHOULD SUPPORT & INVEST IN CABR

**A uniquely multi-dimensional infrastructure investment for Alberta which works effectively as it combines several transportation needs:**

- Direct, express rail connection between the airport and downtown is an essential feature of any world-class city and core public transit infrastructure for City of Calgary.
- Provides connectivity between Blue Line, Northeast Calgary and the airport at fraction of cost of standalone transit.
- Onward connection to world-class leisure attractions of Kananaskis and Banff National Park allows tourism to flourish and grow on sustainable basis.
- Ensures Alberta remains a competitive world-class travel destination.
  - Rail transit draws travellers from global markets; CABR would be North America's only airport to a national park rail service.
  - Banff's 4.2 million visitors overwhelm capacity due to vehicles, degrading visitor experience.
  - Catalyst for low emission transportation and enhanced pedestrian experience.
- Foundation for future regional rail projects (HSR, commuter rail), serving commuters, employees, leisure and business travelers, and indigenous communities.
- Increases labour mobility; can relieve employment constraints in Banff and increase opportunities for Bow Valley and Stoney Nakoda residents.
- Catalyst for Indigenous Cultural Centre and opportunity for enhanced relationship with Stoney Nakoda Nations.

## CAN ALBERTA AFFORD CABR?

- CABR requires no operating subsidy from the government — a \$30 million capped provincial annual performance payment effectively only covers about 25% of capital costs; at the end of a 50-year P3 term the GoA owns CABR.
- CABR's large economic benefits increase tax receipts more than annual performance payment investment by the GoA resulting in an increase in provincial net revenues.
- Provincial investment in Green Line LRT is more than six times greater per new rider than CABR.
- CABR's structure as P3 with Canada Infrastructure Bank (CIB) financing and no GoA capital contribution transfers both capital and operating cost and revenue and ridership risk to the private sector and CIB.



## ECONOMIC BENEFITS FOR ALBERTA

### CABR connects three of the most important economic nodes in Southern Alberta:

- Calgary Airport: contributes \$10 billion and 50,000 direct jobs annually.
  - Growth depends upon increased flights and freeing up airport lands (currently used for parking) for commercial developments.
- Calgary Downtown: highest GDP per person in Canada and a major contributor to the GoA's tax base.
  - Revitalization means attracting new businesses, residents and visitors to reduce vacant commercial properties.
  - Additional visitors to Calgary on their way to Banff by train will contribute \$1.3 billion per year in new spending alone.
  - Total economic benefit to Calgary is huge; strong support from the City of Calgary and relevant agencies including Calgary Economic Development, Calgary Hotel Association, Calgary Stampede, BMO Convention Centre (CMLC), Tourism Calgary.
- Banff/Kananaskis: contributes \$3.15 billion (2015) to the broader Alberta economy.
  - \$8.6 million in economic activity **each day** for Alberta and \$199 million in provincial taxes.
  - With 4.12 million annual visitors to Banff and 5.4 million visitors to Kananaskis, sustainability depends on a reduction in vehicle congestion.

### Significant and diversified benefits to the Alberta economy.

- Conservative forecast Benefit Cost Ratio of 2.8 times (less than 0.6 times for Green Line LRT).
  - 9,880 years of employment over three year construction period.
  - 400 full-time equivalent positions in operations.
  - Estimated 22,500 long-term incremental jobs from increased tourism.
- Over \$6.4 billion of gross value added to Alberta's economy once completed.
- Incremental tax revenues more than justify GoA's investment; the net cost of CABR to GoA is \$0.
- Economic rate of return on proposed maximum investment by GoA of over **6.9** times.
- Conservative estimated economic benefits triple using Liricon/Plenary's upside ridership projections underpinning broad and diverse benefits to Alberta.

### Economic benefits translate into exceptionally strong business and community support for CABR, which makes it a politically attractive infrastructure investment.

- Recent polling data indicates 76% of Albertans and 85% of Calgarians approve of CABR and recognize benefits for the economy, sustainability and community.
- Letters of support from over 35 business organizations who'll be partners and beneficiaries in CABR's success have been publicized.

## RIDERSHIP

### **Economic benefits flow from strong ridership; forecasted to be 11.8 million trips/year by 2035.**

- 9.4 million trips/year (80% of CABR riders) are airport/downtown/commuters:
  - They capture 20% of the airport passenger market and approximately 25% of the airport employee and commuter market by 2035, similar to Vancouver's Canada Line.
- 2.4 million trips/year (20% of CABR riders) are visitors to Banff National Park:
  - 50% are Albertans, 50% out-of-province visitors; non-Albertans will be charged a premium in all three classes of service (economy, premium economy and first class).
- International visitors contribute about 80% of revenues, cross-subsidizing core public transit use by Albertans.
- Conservative CABR ridership estimates (9.4 million trips/year) have significant upside growth compared to: Combined Blue/Red Line – 86 million trips/year, Canada Line (Vancouver) – 54 million trips/year, Blue Line extension – 10 million trips/year.

## **CABR'S FUTURE HINGES ON GoA'S SUPPORT & INVESTMENT**

### **CABR is multi-dimensional:**

- Municipalities lack resources, expertise, money and jurisdiction to deliver regional intercity rail.
- CPKC will not progress access to right of way without provincial leadership.
- CIB and federal government will not invest without provincial leadership.
- Benefits to indigenous relationship not achievable without the GoA.
- Private sector will not invest development capital or finance project without the GoA having "skin in the game".

### **Whole CABR project is greater than the sum of its parts:**

- Airport to downtown rail requires significant government capital and operating cost subsidy.
  - 4 km standalone transit line from Blue Line to airport alone estimated at \$650 million.
  - Canada Line net government contribution more than double the request for CABR.
- Calgary to Banff tourism train not viable: needs "single seat" ride from the airport:
  - Rocky Mountaineer profitable as tourism experience operating on CPKC infrastructure not a mode of transportation.

### **Creates unique investment opportunity:**

- Capital costs less than 10% of standalone greenfield urban light rail transit because of use of CPKC corridor (time and money).
- Hydrogen trains achieve emissions reduction at fraction of cost of rail electrification (which is also incompatible with CPKC freight) and accelerates Alberta's developing hydrogen economy.
- Operating costs would be fully covered by farebox revenues (typically 40% for public transit).

- 20% of leisure passengers to Banff cross-subsidize 80% public transit riders within City of Calgary, through multi-class, high frequency rail service (Swiss model).
  - Economy class provides commuters affordable transit.
  - Premium economy and first class provides unique travel experience for International travelers.
  - Expands tourism economy by providing passengers seamless travel experiences with airlines, hotel companies, and hospitality operations.
- Private sector and Canada Infrastructure Bank willing to fund majority of \$105 million development costs and more than 75% of capital costs with no recourse to the Alberta taxpayer.
- GoA investment is capped, contingent upon CABR's performance, and may be reduced or eliminated through upside revenue sharing.

## **ENVIRONMENTAL BENEFITS DRIVING FEDERAL GOVERNMENT SUPPORT**

- Parks Canada can reduce or eliminate GoA contributions through gate fee/parking initiatives to discourage personal vehicle use, consistent with [Banff National Park Net Zero 2035](#) initiative and the [Banff National Park Management Plan 2022](#) (Key Strategy 8: Moving People Sustainably).
- Fosters enhanced visitor opportunities and more sustainable transportation to Banff and reduces GHG emissions by park visitors.
  - Banff National Park produces approximately 105,000 metric tons/CO<sub>2</sub>/year or 63 times the per visitor emissions of Zion National Park (Transition Accelerator's August 2020).
  - Zion National Park charges US\$35/vehicle (CDN\$45) with no mass transit alternative; on average Banff has 2.2 people/vehicle so Parks Canada charging half US rate.
  - CABR is the only way to achieve Parks Canada objective in any realistic timeframe.
- Opportunity to address wildlife mortality mitigation utilizing fencing and wildlife crossings or adoption of new technology (lighting and sound to warn wildlife of approaching trains).
- Construction strategy using existing CPKC Rail corridor to deliver construction personnel and material minimizes need for construction access roads in Banff.
- First hydrogen-powered passenger train in North America; catalyst for Alberta's hydrogen strategy and leadership in energy transition.

## **WHY CABR SHOULD BE DELIVERED AS A PUBLIC PRIVATE PARTNERSHIP UNDER LIRICON/PLENARY PROPOSAL?**

### **Effective risk transfer, low cost and access to new sources of financing.**

- Public private partnerships (P3), when well structured, have been successful in insulating taxpayers from delays and cost overruns endemic in Canadian and global rail transit projects, but generally have not taken revenue risk, have not achieved exceptional service quality and have relied on government led development efforts.

- Several key components of CABR can only be delivered by private sector involvement:
  - Effective risk transfer from government to private sector partners and fiscally responsible way to proceed towards final investment decision minimizes required investment and risk by Alberta.
  - Liricon/Plenary will pay over 80% of \$105 million budget necessary to achieve financial close alongside matching contributions of \$10 million from CIB and GoA.
  - Liricon/Plenary, in conjunction with low interest loan of 50% of capital costs from CIB, will finance the project against ridership revenues.
  - P3 recognizes project benefits best delivered by private sector partner willing to deliver exceptional service quality and to accept risks of achieving commercially reasonable investment, including capital and operating costs, ridership and revenue.

*“This arrangement would represent an unprecedented assumption by the private sector of development risk for a project of this nature in the Canadian market and would represent real and substantial value to Alberta.” Canada Infrastructure Bank May 2021.*

### **Strong, local, highly credible and experienced private sector sponsors.**

- Liricon Capital Ltd, family holding company of long term Banff residents, Adam and Jan Waterous.
  - Acquisition from CP Rail of long term lease of historic Banff passenger rail station and development of 600 space intercept parking lot on station lands provided free of charge .
  - Acquisition of Mount Norquay resort.
  - Negotiation of MOU with CPKC Rail to develop passenger rail project.
- Plenary Group, P3 subsidiary of Caisse de Depot of Quebec, competitively selected development partner.

### **Provincial leadership.**

- Multi-dimensional opportunities and benefits of CABR requires support of all stakeholders and all departments within GoA.
- Announcement of Airport Connection Rail Study positive step, but risks too narrow focus and delay.
- Leadership from Province is essential catalyst to bring other stakeholders along.
- Two things are urgently required to progress CABR in parallel with Airport Rail Study:
  1. GoA needs professional and comprehensive evaluation of merits of Liricon/Plenary unsolicited proposal for CABR. (Multi-Ministry Oversight Committee essential).
  2. Liricon/Plenary need funding to work with CPKC Rail to solve identified pinch points in alignment which is critical to identifying train length, frequency of service and resulting revenue capacity (commercial viability) to validate Airport Connection Rail Study conclusions.
- Failure by government to show leadership would be missed opportunity to undertake project of huge value to Alberta and popularity with Albertans in the right, fiscally responsible way.

## CPKC CORRIDOR BENEFITS

- Utilizing the existing CPKC Rail corridor and airport lands eliminates the need for land acquisition and reduces the project development time from 10+ years to 3-4 years with much lower capital cost (10% of the comparable cost to build a greenfield LRT).
- No interference with CPKC freight operations and no electrification of the corridor required (as would be required to accommodate High Speed Rail).
- Dedicated passenger rail line ensures on-time performance.

## FRIENDS OF CABR

- Independent non-profit organization supporting CABR.
- Efforts are to encourage the GoA to proceed with the Design Phase and, subject to the outcome, the Construction Phase of the project by:
  - Increase community awareness by providing transparent and comprehensive information.
  - Promote the benefits CABR provides to residents and businesses of the First Nations, communities in the Bow Valley Corridor, and Alberta.
  - Activating and demonstrating grassroots support for the CABR project.

## CABR SUPPORTERS

- |                                              |                                          |
|----------------------------------------------|------------------------------------------|
| • City of Calgary                            | • Canadian Rocky Mountain Resorts        |
| • Town of Canmore                            | • The Rimrock Resort Hotel               |
| • Town of Cochrane                           | • Business Council of Alberta            |
| • Town of Banff                              | • ATB                                    |
| • Calgary Downtown Association               | • BMO                                    |
| • Calgary Economic Development               | • CIBC                                   |
| • Calgary Hotel Association                  | • RBC                                    |
| • Tourism Calgary                            | • Scotiabank                             |
| • CMLC                                       | • TD                                     |
| • Arts Common                                | • Suncor Energy                          |
| • Glenbow                                    | • TC Energy                              |
| • Calgary Stampede                           | • Lawson Projects                        |
| • Calgary Airport Authority                  | • Osborne Interim Management             |
| • Air Canada                                 | • Calgary Chamber                        |
| • WestJet                                    | • RK Visual/Riddel Kurczaba              |
| • Banff Lodging Co.                          | • Canadian Building Trades Unions (CBTU) |
| • Fairmont Banff Springs/Chateau Lake Louise | • Building Trades of Alberta             |
| • Banff Hospitality Collective               | • Blakes                                 |
| • Banff Park Lodge                           |                                          |

## REQUIRE MORE INFORMATION?

Bruce Graham – Executive Director  
[bgraham@friendsofcabr.com](mailto:bgraham@friendsofcabr.com)