All Aboard! Alberta Government Announces Master Plan to Build Passenger Rail

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On April 29, 2024, the Alberta Government announced the launch of its Passenger Rail Master Plan ("Plan") to increase the transportation capacity of Canada's fastest growing province via rail service.

The Plan currently contemplates the creation of six new passenger rail projects, including:

- A regional rail line between Calgary and Edmonton, with a local transit hub in Red Deer;
- Regional rail lines connecting Calgary and Edmonton to Banff and Jasper National Parks;
- A commuter rail connecting Calgary International Airport and surrounding communities to the city's downtown core;
- A commuter rail connecting Edmonton International Airport and surrounding communities to the city's downtown core;
- A hub connecting the provincial rail system to Calgary and Edmonton's LRT systems; and
- A regional rail line connecting Fort McMurray and Grand Prairie.

The Plan further contemplates the creation of a new Crown corporation akin to Metrolinx in Ontario.

Devin Dreeshen, Alberta's Minister of Transportation and Economic Corridors, indicated during the announcement that the proposed rail system will involve significant private cooperation and involvement, although the Government has also stated it is exploring a variety of delivery options, including public, private, or a combination of both.

The Plan is still in its infancy. It will commence with a feasibility study to assess ridership demand and infrastructure needs and identify what elements of a passenger rail system should proceed, in what sequence, and based on what conditions. In addition, the Plan will include:

- financial and delivery model options that consider private, public, or hybrid services;

- options to ensure the effective governance and operations of the passenger rail system;
- engagement with Albertans and interested stakeholders; and
- a 15-year delivery plan which will provide options and recommendations to government.

The Government expects the Plan to be completed by summer 2025, with key milestones as follows:

- **April 29, 2024**: Government issues a Request for Expression of Interest for the Plan.
- **June 2024**: Government issues a Request for Proposal for Plan development.
- **July 2024**: Consultant work on the Plan begins.
- **August 2024**: Expected completion of the Calgary Airport Rail Connection Study, an ongoing study on the feasibility of connecting the Calgary International Airport to Calgary's Blue Line.
- **September/October 2024**: The Government holds a passenger rail forum with rail stakeholders.
- **Summer 2025**: The Plan is completed.

Currently, we are aware of two unsolicited proposals that could ultimately form part of Alberta's future passenger rail network. The Prairie Link Partnership (EllisDon and AECOM) proposed a $9 billion high-speed train between Calgary and Edmonton. In 2022, Banff-based Liricon Capital proposed building a $1.5 billion rail line between the Calgary International Airport and Banff ("CABR"). The announcement of the Plan raises some questions about the status of each of these unsolicited proposals, which are currently being evaluated under Alberta's Unsolicited Framework process. At the press conference, Minister Dreeshen stated these parties are welcome to make proposals as part of the Request for Proposal process, which is set to open in June 2024.

Stakeholders of the CABR proposal have commented that the success of the project hinges on the CABR proposal being advanced in tandem with the Plan studies in order for it to secure more than $1 billion in financing from the Canada Infrastructure Bank ("CIB") CABR stakeholders believe that with CIB funding, the project could be completed by 2029.

With Alberta's population projected to rise from 4.9 million to 7.1 million by 2051, the Plan has to potential to transform the province by linking its two largest cities, where approximately 70 per cent of the population resides, and connecting tourists and locals to Alberta's world-class Rocky Mountain parks. The Government anticipates construction on the network to begin in 2027 and last until 2040.

BLG will be closely following this exciting project.

By

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