

Tunnel costs exceed \$400M; Mayor Nenshi defends airport project for city's future

BY JASON MARKUSOFF, CALGARY HERALD JUNE 15, 2011



Calgary Mayor Naheed Nenshi's claim that it will cost more not to build a tunnel under a new runway at the international airport than to build the Airport Trail extension is coming under attack, given an increase in the cost of the tunnel proposal.

Photograph by: Brett Beadle, Calgary Herald

As the scope and ultimate price tag for the proposed airport tunnel balloons even before the city signs a contract for it, one of Mayor Naheed Nenshi's key justifications for the roadway appears to be slipping.

He's repeatedly argued that the cost of building the tunnel is less than the long-term cost of the alternative, which is building several other northeast road upgrades to handle the extra traffic that couldn't use Airport Trail.

That assertion may have been fairly solid for a \$295-million tunnel project, but after the city's concession to build special interchanges for airport access, council is committing to a grand total of \$411 million.

The estimate of the notunnel option was between \$325 million and \$425 million. Although some money would also have to be added to that figure for those same interchanges, it's become less clear that Nenshi's plan delivers cost savings.

The cost growth of the proposed project has hardened some aldermen's opposition, although voters appear in favour of the airport and city reaching final contract terms this week.

"I just don't buy it," Ald. Diane Colley-Urquhart said of the claimed financial upside for Calgarians.

"As long as you keep borrowing more money, and piling more money into it, I guess you can do a deal at any cost. And to what end?"

Ald. John Mar, who opposed the tunnel at the original cost but later endorsed the costlier proposal that got the airport authority's approval, said it's a "moot point" now that it's all going ahead.

"Unfortunately, with this one, you're damned if you do and damned if you don't," Mar said, adding that it's probably best the city have the tunnel.

Nenshi disagreed with using the new cost figure for comparison because those extra Airport Trail interchanges aren't counted in the no-tunnel option, but will be necessary.

But he did acknowledge the numbers aren't as rosy anymore.

"It's less good than it was before, which is why I said it's not the best steal ever," Nenshi said.

"But it's still cheaper to build than not to build, and that's the key point."

This debate emerged again as city transportation general manager Mac Logan revealed new figures on what's now a three-phase, multi-decade commitment:

First, for \$280 million, the city builds the tunnel under a new airport runway and links Airport Trail to 36th Street N.E. by 2014.

In Phase 2, the total rises to \$345 million when Airport Trail is extended to Metis Trail and Stoney Trail - as originally planned -and the airport gets better access along Airport Trail with interchanges at Barlow Trail and 19th Street, likely within a decade.

The project hits \$411 million in today's dollars when traffic levels reach agreed-upon levels and the city must pay half the cost for upgraded interchanges. That won't happen for at least 20 years, Logan predicted.

The cost estimates for the notunnel scenario featured major upgrades to Metis Trail and Country Hills Boulevard, but didn't calculate the interchanges that Airport Trail would need without a tunnel, Nenshi noted.

Those might not need to be upgraded to that Phase 3 level for 50 years, he said.

Logan, for his part, always cautioned against saying that his reports predicted that not building the tunnel would cost less than building it today.

"The report's not saying the 30year cost is only \$300 million," he said in February. "We're trying to say to council that the do-nothing option has a cost. And that cost is significant, probably in the same order of magnitude as building this project."

Even without the cost comparison, Nenshi still proffers other strong arguments for the tunnel.

The tunnel will allow a future airport LRT link from the northeast, it would ease future congestion in a growing northeast quadrant and it would allow Country Hills Boulevard to become a retail corridor instead of a commuter expressway.

Ald. Druh Farrell, who questioned whether there's money to fund the new cycling strategy with so much taken up by the tunnel, suggested at a late Monday council session Calgary should scrap future improvements to Metis Trail to offset the tunnel's financial blow.

As she was complaining to council about the city "emptying out our cupboard for a very long time," the mayor retorted that in 2007 council spent much more "in one day" to green-light Dave Bronconnier's plan for the west LRT, a northwest LRT extension and several rec centres.

"I would really like to be able to debate without sniping from the chair," Farrell shot back.

Ald. Andre Chabot backed up Nenshi and heaped criticism on the west LRT approval, even though he would have preferred to pare back costs on the tunnel.

"I think this is the best solution, ultimately, but not the one that emptied the cupboard."

Excavation work for the tunnel will likely start next week, Nenshi predicted -not this week, as he'd hoped.

The tunnel is the largest single road project Calgary has undertaken in years -more than three times what the Glenmore Trail/Elbow Drive interchange cost last decade.

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