



Airport Trail Tunnel

Letter From Garth Atkinson, President & CEO of Calgary Airport Authority
January 2008

January 17, 2008

Alderman Jim Stevenson
The City of Calgary
Office of the Alderman
P.O. Box 2100, Stn. M #8001
Calgary, AB T2P 2M5

Re: Airport Trail

Dear Alderman Stevenson:

Thank you for your letter of January 7, 2008 regarding a possible eastward extension of Airport Trail, including an associated tunnel under our future runway.

To put this matter in perspective, I provide the following brief history of the dialogue on this topic:

- In mid-2002, we began the consultation process regarding a draft Master Plan update
- The City of Calgary transportation department indicated a concern with the closure of Barlow Trail. The draft plan indicated this airport roadway would be closed concurrent the construction of our 4th runway (an associated aircraft taxiway will replace Barlow Trail).
- Following an extensive review of alternatives with City staff, we agreed to permit the eastward extension of Airport Trail across airport lands and an associated tunnel under the new runway. We amended our Master Plan to incorporate this extension and we understand there was an associated amendment by the City of Calgary to the Northeast Transportation Bylaw.

- It was our understanding at that time that the City of Calgary would commence design of this extension and 'programming' of the associated expenditure.
- In February 2007, we wrote to Mr. Owen Tobert, City Manager, advising that the airport had experienced considerable growth over the past four years and that our latest runway construction schedule would require the construction of the tunnel and associated road works to be completed no later than the fall of 2011.
- The City Transportation Department subsequently advised that the extension of Airport Trail was not in the City's 10 year capital program; that the necessary timeline could not be met; and that the City would be exploring other network alternatives. It was our understanding that an upgrade to Country Hills Blvd. would be pursued as an alternative to the Airport Trail extension.
- Based on the above advice, we formally advised the City that the Airport Authority would be removing the eastward extension of Airport Trail from our Master Plan and that detailed runway planning would proceed on the basis that future public access to the terminal complex, after the decommissioning of Barlow Trail south of the terminal, would be via the existing Airport Trail and Barlow Trail North roadways.

Over the past several years, the Authority has undertaken, at its own cost, an assessment of the scope of the tunnel, its impact on access to the airport terminal complex and a preliminary cost estimate. As a result of this work, we can advise that the estimated cost of the tunnel, road works and additional separated grade interchanges required to permit access to the terminal complex is in the range of \$450-500 million dollars.

The Airport Authority does not have the financial capacity to participate in this expenditure. To further explain this point, I provide the following overview of our fiscal challenges in the upcoming ten years:

- Our latest runway cost estimate is \$ 500 million dollars, with major construction completed by late 2013.
- We are currently in the planning stages of a major terminal complex expansion currently estimated at \$ 1.2 billion dollars.
- The total capital investment required over the next ten years is in the range of \$3 billion dollars.
- The Authority does not currently have an approved plan in place to finance this \$ 3 billion capital investment.

In addition to funding 100% of airport operation and capital development costs, we continue to struggle with the intensity of the Federal Airport Rent Tax. To the end of 2007, we have paid approximately \$ 300 million dollars in Rent Tax and we anticipate in excess of another \$ 300 million dollars in the next ten years alone. It is unfortunate that these funds could not have been used for capital investments that would benefit the airport and the City of Calgary.

As noted above, we are now proceeding with the studies, design and construction of the 4th runway on a timeline that would see major construction completed by late 2013. Our current design efforts, including those related to the terminal complex and ground transportation systems, do not anticipate/incorporate an eastward extension of Airport Trail.

Notwithstanding the above statement, I appreciate your advice regarding potential Municipal, Provincial and Federal interest in such an extension. With respect to your specific inquiry on timelines for such an undertaking, I suggest that the following would be required:

- ✓ Secure funding of \$450-500 million for the tunnel and associated works no later than the summer of 2008
- ✓ Secure a project delivery schedule that would permit 100% design to be completed in 2009 and construction of the tunnel, roadways and roadway bridges to be complete by the fall of 2011

We do not have information on the cost/benefit of other road network alternatives that may be available to the City, however this is likely available from the City of Calgary Transportation Department.

We will certainly provide any available information that might assist you in your efforts on this matter and do not hesitate to contact me if there are any aspects you would like to discuss.

Yours truly,

The Calgary Airport Authority

Garth F. Atkinson
President and Chief Executive Officer

cc: Prime Minister Steve Harper
Minister Diane Ablonczy, MP, Calgary, Nose Hill
Minister of Transport, Lawrence Cannon
Minister Jim Prentice, MP, Calgary, Centre North
Minister Monte Solberg, MP, Medicine Hat
Minister Art Hanger, MP, Calgary NE
Premier Ed Stelmach
Minister Yvonne Fritz, MLA, Calgary Cross
Shiraz Shariff, MLA, Calgary McCall
Mayor Dave Bronconnier
City of Calgary Alderman
John Hubbell, General Manager Transportation