



TEAMSTERS CANADA RAIL CONFERENCE DIVISION 320



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February 7, 2010

Subject: CN is Expanding, Building New Facility.

Dear Brothers and Sisters,

As posted on the TCRC National website.

In Solidarity,

Murray Douglas
TCRC Div 320
S&C Officer

CN plans \$100M move outside city limit

Published: February 5th 2010
Source: By Dan Healing, Calgary Herald

In a move that further cements Calgary's reputation as a transportation hub, CN says it will invest \$100 million in a logistics park east of the city and close its cramped southeast Calgary train yard.

The decision will mean fewer trains shuttling through southeast Calgary, welcome news to commuters who are often frustrated by long delays at track crossings.

The transportation company said Thursday it is expanding to Rocky View County because of customer demand, and because there's no room to grow at its yard south of 50th Avenue between Barlow Trail and 52nd Street S.E.

"We are very excited about business prospects in Alberta and this investment in the Calgary area," said Claude Mongeau, president and chief executive of Canadian National Railway Co., in a news release that adds Calgary is considered the third-largest distribution centre in Canada and is "becoming the logistics hub of Western Canada."

The new 272-hectare CN Calgary Logistics Park near Conrich in Rocky View County is expected to open in 2013 and will include an intermodal terminal with room for customers to custom build their own facilities.

Calgary Ward 9 Ald. Joe Ceci, who represents the area around the current yard, said the movement of CN trains has been a headache for residents for years.

"I've been receiving complaint calls from folks for years who get stuck in the traffic, stuck delivering stuff into the Foothills (industrial area), stuck trying to get home. This will help all of that," he said.

Ceci said the move will improve quality of life for residents and possibly residential property values.

He added he's not concerned about the loss in city taxes because the lands freed up by the move will be available to be redeveloped. CN spokeswoman Kelli Svendsen

said CN has not decided what to do with its Calgary rail yard, but confirmed there will be fewer trains to snarl traffic.

"It will depend on what customer demand is in that area, but there will be fewer trains because there won't be a switching operation in that area. There will be less work being done," she said.

Peter Wallis, president of the Van Horne Institute for International Transportation and Regulatory Affairs at the University of Calgary, said the CN investment fits in well with Calgary's other transportation strengths, such as being home to WestJet Airlines and Canadian Pacific Railway, as well as initiatives such as creating an air freight hub at the Calgary International Airport.

"I think it's very significant for Calgary as it develops even more momentum as a logistics centre for Western Canada," he said, adding companies want to locate near such hubs, creating jobs and economic growth.

CN has a much smaller presence in Calgary than CP, which opened a 40-hectare, \$27.5-million intermodal facility 12 years ago at 110th Avenue and 52nd Street S.E., near its main east-west line. It also has an extensive rail freight yard off Blackfoot Trail, and numerous head office staff.

"We see Calgary as a vibrant and growing centre of traffic for us," said CP spokesman Mike LoVecchio. "It's one of the hearts of our operations."

The new CN yard will be built in an area designated in county planning documents just last year for growth, said Reeve Lois Habberfield, adding it should help substantially in the county's drive to reduce its 80 per cent dependence on residential property owners.

"It's absolutely fantastic news," she said Thursday. "It's quite a coup to get a national company locating there."

Habberfield said she's not worried about increased rail traffic, noting CN's economic contributions will allow the county to improve infrastructure in the future.

Kent Robinson, director of business services, said an industrial business worth \$100 million would pay about \$650,000 in municipal taxes under the current tax rate. The actual rate could vary depending on several factors.

The new CN park will be designed to include a multi-commodity transload and warehouse facility, an automotive compound, and a liquid/bulk transload and distribution facility, CN said.

The site is a few kilometres east of the airport, on Range Road 284 and McKnight Boulevard, providing access to the recently completed Stoney Trail bypass route and other major roadways.

The project will be subject to regulatory approval, including an environmental assessment and public consultation.