

Don't count out Hamilton LRT yet: Mancinelli

Don Wall December 20, 2019



CITY OF HAMILTON — A presentation prepared for a public information centre highlighting progress on the Hamilton LRT project offered images of the electrified rail cars.

A day after the Ford government delivered its shocking Hamilton LRT cancellation announcement due to newly developed cost projections, stakeholders were doing some of their own, suggesting there might still be options to get the build done.

The cancellation of the 14-kilometre, 17-stop project, announced in Hamilton on Dec. 16, prompted accusations that the provincial government was fudging numbers for political reasons and spurred the leadership of the Labourers' International Union of North America (LIUNA) to launch its own investigation into project cost projections.

“It is so bizarre, this is not the way a government should handle these things,” said Joe Mancinelli, LIUNA’s international vice-president and regional manager for Central and Eastern Canada.

“Quite frankly we don’t believe the numbers they claim an independent source came up with are legitimate.”

As recently as September the government and Infrastructure Ontario had maintained the Metrolinx project, originally targeted to cost \$1 billion, was still on track. Three project consortiums were due to submit updated bids in March as part of the RFP process.

That process is now abandoned. Caroline Mulroney, Ontario's transportation minister, said in a statement the government received estimates from a third-party consultant that the project would cost \$5.5 billion.

"Although today's news is certainly disappointing, for Hamiltonians and for our government, we cannot afford to make unaffordable and unsustainable promises," she said.

"We cannot afford to continue the Liberals' approach of making empty promises today and accumulating a massive legacy of debt for our children and grandchildren."

The government said the initial billion dollars was still on the table and it would create a task force to develop ideas for suitable transportation projects for the city.

Mancinelli, though, said the LRT deal is not dead. LIUNA has already commissioned its development partner Fengate to review the budget numbers presented by Mulroney, he said, and a preliminary assessment was that the costs presented by Mulroney were inflated by operations and maintenance allocations.

I don't think it's dead. I think it's up to those other levels to determine if they want to support it,

— **David Frame**

Ontario General Contractors Association

"We are going to come up with our own presentation on this LRT and...show it is a plausible project," he said. "And we will come up with a plan on how to do it because I think through a P3 and dealing with the federal government, getting some money from the feds, getting some money from the province, maybe what should happen here is that maybe the province should stay out of it. Just commit the money, since they have made these mistakes, commit the \$1 billion-something to this project, and stay out of it and let the City of Hamilton and the private sector work together to get this done."

Various sources suggested the costing presented by Mulroney for Hamilton has never been applied to any other major transportation project in the province.

MP for Hamilton Centre NDP MP Matthew Green wrote on Facebook, "What (Ford is) actually doing is counting the cost of upkeep for the next 30 years as part of the upfront construction cost, even though this maintenance cost was known about when the deal was made.

"This is a transparent attempt to punish Hamilton for voting NDP, and to make cuts in a place that won't cost Ford votes."

Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario, argued that Mulroney was off base in blaming the Liberals.

“They are blaming the Liberals but that’s a long time ago,” said Manahan. “They said the Liberals knew it was a \$3-billion cost but Metrolinx would have provided that number so the PCs would have known about the \$3-billion figure and why weren’t they transparent about it sooner.

“Why was a third-party consultant needed to provide a revised cost estimate of \$5.5 billion?”

Liberal leadership candidate Steven Del Duca, a former transportation minister, commented succinctly in a tweet: “This is why Caroline Mulroney ran away from her own press conference. Her fake math doesn’t add up.”

David Frame, director of government relations for the Ontario General Contractors Association, argued the problem with the Hamilton project is there is only one funding partner, the province — neither the City nor the federal government has committed capital support.

“All of the other major light rail and subway construction projects that are going ahead have three levels of government participating. If Hamilton wants to go ahead it’s going to have to get other levels of government,” said Frame.

“I don’t think it’s dead. I think it’s up to those other levels to determine if they want to support it.”

Both Fred Eisenberger, Hamilton’s mayor, and Mancinelli as well as Hamilton-Halton Construction Association general manager Sue Ramsay said the province should have waited until the three bids were presented in March to determine how the teams — one of which includes Aecon, another which is led by EllisDon — saw the numbers add up.

“Estimates are estimates. Talking about numbers ahead of the RFP is malpractice,” said the mayor in a statement.

Commented Mancinelli, “The government should have done a consultation with the City and with stakeholders.

“They had three consortia bidding, why wouldn’t they have a consultation with those stakeholders, the municipality and LIUNA and others to say, guys you know what, we have a difficult choice to make, the numbers from an independent source have come in high, let’s talk about it.

“The reason why they didn’t do that is suspicious. And my opinion, and I will verify that, they have inflated the numbers to cancel the project.

“But it is not over yet.”