

National Trade Corridors Fund Application for a Joint Industry Rail Initiative**Report Purpose**

To seek Council approval on a National Trade Corridors Fund Application for a Joint Industry Rail Initiative.

Recommendation

THAT support for the National Trade Corridors Application, as described in enclosure 1 of the May 21, 2019 Joint Industry Rail Initiative report, be approved; and that Administration submit the Application to the Federal government on behalf of the parties.

Our Prioritized Strategic Goals

Goal 3 - Cultivate economic diversification, within the petro-chemical industry and beyond, through a business-friendly environment

Goal 4 - Ensure effective stewardship of water, land, air and energy resources

Goal 5 - Foster collaboration through regional, community and governmental partnerships

Report

The federal government's National Trade Corridors Fund (NTCF) funds infrastructure projects that support Canadian trade and help transportation systems better adapt to new technologies and climate change.

On January 15, 2019, the NTCF issued a call for Trade Diversity Projects. These projects are intended to help expand Canada's export markets by supporting the following areas of focus:

- Improving the fluidity and/or performance of the transportation system to contribute to and increase in the value and/or volume of goods exported from Canada to overseas markets.
- Increasing existing or generating new overseas trade flows because of the investment.
- Adding capacity or addressing bottlenecks near major ports, airports, or along road and rail corridors in Canada that contribute to generating or increasing overseas trade.

Inter Pipeline Propylene Ltd. (Inter Pipeline), Keyera Energy Ltd. (Keyera) and Shell Products Ltd. (Shell) are proposing to construct and operate an industry-owned rail connection between a CN rail yard in SW 20-55-21W4M and Inter Pipeline's Heartland Petrochemical Complex in the NE 25-55-22 W4M and a future extension to a tie-in point in W 31-55-21W4M. The rail connection will serve the needs of all three proponents and is expected to be in service in the second quarter of 2021. Enclosure 1 provides a map that illustrates the project location and surrounding area for reference.

Administration believes that this Joint Industry Rail Initiative will improve rail performance and competitive access for the region and assist the three proponent businesses to access North America and overseas markets in a competitive way.

Inter Pipeline will lead the assembly of the application; however, the municipality must put forward the application.

Other Impacts**Policy:** n/a

Legislative/Legal: If the application is accepted, in order for the project funding to be received, the County must enter into a Contribution Agreement with the federal government. The County would enter into a corresponding agreement with the proponents in order that the obligations and right to payment under the Contribution Agreement flow to the proponents.

Interdepartmental: Economic Development and Tourism, Intergovernmental Affairs, and Legislative and Legal Services

Master Plan/Framework: n/a

Communication Plan

Administration will update Council on the application result when information is received from the Federal Government.

Enclosures

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Joint Industry Rail Initiative