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CP won't sell yards, Katz says

Others claim that's a bluff for bargaining on relocation

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Mayor Sam Katz envisions a residential, retail and recreation hub where the CP rail yards (above) now stand. That dream can come true, others say.

Mayor Sam Katz said he would love to buy the CP rail yards and turn them into a model neighbourhood.

Problem is, CP says it isn't selling.

In recent months, the Social Planning Council of Winnipeg has made a pitch to Katz and federal and provincial politicians to fund a \$1.5-million feasibility study on moving the CP yards, which isolate the North End. Such a study would lay out what rail relocation might cost, who might pay, how much

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revenue a new neighbourhood might generate, where the yards and shops could go and what the public thinks.

Katz said turning the vast tract of land into a residential, retail and recreation hub is a "no-brainer" for the city.

But following his meeting with the Social Planning Council, Katz spoke directly with a senior vice-president in charge of real estate at Canadian Pacific who said the company has no

intention of selling the yards.

"I don't know anyone who would be happier than me to see that area redeveloped," Katz said. "But they basically shut the door."

For the mayor, that means a feasibility study is a moot point unless CP has a change of heart.

Social Planning Council of Winnipeg executive director Dennis Lewycky said that's the formal public answer he would have expected from CP. In fact, he said it was premature and even inappropriate for the mayor to make a cold call to CP.

"It would be logical to assume the railway would not say anything to a phone call out of the blue," Lewycky said.

The Social Planning Council has for some time been talking to CP executives behind the scenes, and Lewycky said he's received a more positive response to his pitch for a formal feasibility study.

"People need to know there's a process that can make it happen," he said. According to federal legislation, rail companies can neither benefit nor suffer financially from any government-mandated relocation.

As was the case in the early 1980s when Winnipeg was last embroiled in a real debate over the yards, that rule gives CP significant leverage. It's in the company's best interest to play coy, claiming a move would offer them no benefits, only costs and inconvenience. In that way, public pressure to relocate the yards could even be counterproductive, boosting CP's bargaining power.

A CP spokesman said the yards meet the company's current operational needs.

Many familiar with the long-simmering issue point to Premier Greg Selinger, who was active on an inner-city rail-relocation committee years ago, as the most likely political champion now.

"I think we're just all waiting for him to bring it into the public eye," said University of Winnipeg president Lloyd Axworthy, who was Manitoba's regional minister at the height of the rail debate 30 years ago.

"It could be a very powerful catalyst for the city, as we're going through a pretty dynamic time in the downtown."

But the province is coping with a budget crunch and significant downloading from a cost-cutting federal government. And the province already has big-dollar requests in front of the federal government for projects such as the new east-side road.

Selinger said moving the rail yards could only emerge as a political issue "if all levels of government are part of the conversation."

"It's got to be tri-level," he said. "It can't be just us."

Selinger did allow that if all three levels of government were interested, some money for a feasibility

study could be gleaned from tripartite infrastructure funding.

But nearly every penny of the current infrastructure fund has already been earmarked and new money won't be available until 2014. Moreover, those pots of cash often come with strict criteria governing what kinds of projects and priorities merit funding. A rail-yard relocation study might not fit.

A longer-term approach to the rail yards is more likely -- using the development of CentrePort Canada's trade and transportation hub to create conditions where CP would be likely to move of its own accord.

Among the back-of-mind fears is that CP would move its marshalling yards, its Weston shops and its intermodal terminal out of the province, taking a large chunk of CP's 1,400 Winnipeg jobs with it.

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What the law says

The 1985 Railway Relocation and Crossing Act

If a city, province and a railroad can't come to an agreement on moving yards or tracks, the act gives the Canadian Transportation Agency the power to order rail companies to relocate. A city, province or a rail company can apply to the CTA for an order, which triggers a process that includes a series of financial and transportation reports the CTA uses to make its decision.

The federal government's contribution to rail-relocation costs, and planning and study costs, is capped at 50 per cent. Beyond that, the CTA can also make orders determining who pays what for rail relocation.

In relocating tracks and yards, a rail company must not gain or lose financially by moving. Relocating rail yards must be a break-even proposition for rail companies. But the CTA can compel rail companies -- and the city and province -- to provide accurate financial information, which ensures the true costs and benefits of rail relocation are considered.

The act is rarely used.

What the politicians say

"It's a lot of money. For me, that's the main issue. There are so many infrastructure problems in this city that, frankly, I think it would be lower on my agenda if we're going to be spending that kind of money... Let's fix our old neighbourhood streets...It's a great idea, but it probably should have been done a long time ago."

-- Mynarski Coun. Ross Eadie

"I think it would be absolutely fabulous to see these rail yards relocated... We could have bike paths, a multi-purpose sports complex that's hooked into the existing stuff like the McPhillips park... If one wants to be a visionary, I think we need some minds to come together with the idea of how we want the North End to look 20, 25 years from now... If it's done properly, it could be a win for everybody."

-- Winnipeg North Liberal MP Kevin Lamoureux

"I live on Stella, which is one street off the tracks, so even personally for the 20 years I've lived here I've

waited for those tracks to be moved. I just think it would be tremendous for our neighbourhood to end that lock of the tracks, cutting off the North End. I don't think it's the best use of a fabulous piece of land....I'm hopeful and optimistic we can find a way that works for everyone."

-- Burrows NDP MLA Melanie Wight

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