



BUSINESS AND ECONOMIC DEVELOPMENT

TO: Council
DATE: June 8, 2021
FILE: N/A
SUBJECT: Letter of Support – CN Rail Acquisition of Kansas City Southern

DIVISION: All
APPLICATION: N/A

POLICY DIRECTION:

The County's Economic Recovery Task Force (ERTF) report identifies assessment base growth as a County goal. The retention and expansion of businesses in Rocky View County would support this objective. Support for local facilities, such as CN's Calgary Logistics Park at Conrich, is a major part of the County's ongoing investment attraction work.

EXECUTIVE SUMMARY:

Canadian National Railway Company (CN Rail) is seeking to acquire Kansas City Southern (KCS). As such, CN is currently seeking regulatory approval in the United States. This letter supports their acquisition proposal and strengthens Rocky View County's relationship with CN Rail, a major investor and developer in the County, as evidenced by their \$260M Calgary Logistics Park at Conrich.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

Rocky View County is a major center of logistics for Western Canada. CN's investments in the County, specifically the Calgary Logistics Park at Conrich, are a major contributor to the County's economic success and ability to attract international investment in major warehousing, distribution centers, and production facilities.

Administration believes that an expanded rail network across North America will support CN's Calgary Logistics Park in Conrich. CN's inland port in Rocky View County is a major part of the County's growing transportation and logistics sector.

The request for a letter of support is consistent with County objectives as identified in the ERTF. Administration has included a draft letter for Council's consideration (Attachment 'A'), and recommends approval in accordance with Option #1.

BUDGET IMPLICATIONS:

There are no budget implications associated with this request.

Administration Resources

David Kalinchuk, Business and Economic Development



STRATEGIC OBJECTIVES:

If approved, providing a letter of support to the United States Office of Proceedings, Surface Transportation Board (the regulatory agency overseeing this proposed acquisition) will support CN Rail. CN's ongoing success aligns with Rocky View County's Strategic Objective of "Strengthening of Financial Resiliency" and supports the objective that businesses are open and thriving.

OPTIONS:

Option #1: THAT Council supports the proposed SN Railway acquisition of Kansas City Southern, and that Administration be directed to send the letter of support to the Surface Transportation Board.

Option #2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"David Kalinchuk"

"Kent Robinson"

Economic Development Manager

Acting Chief Administrative Officer

DK/bs

ATTACHMENTS:

Attachment 'A' – Draft Letter of Support for CN Rail