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# Introduction to the CIB Shortline Rail



# The CIB Overview

- The Canada Infrastructure Bank (“**CIB**”) is a federal Crown corporation and impact investor whose purpose is to invest \$35 billion in new, revenue generating infrastructure that will benefit Canadians and attract private capital
- The CIB is a partner to governments, Indigenous communities, and private and institutional investors
  - We work on two-time horizons – short and long-term – and are flexible to adapt our financing to project goals
- The CIB is a catalyst to finance (not fund) more projects
  - We finance infrastructure projects that can generate revenues or create savings as new ways to pay for infrastructure
  - We balance risk and outcomes in a portfolio of projects
  - We fill gaps with low-cost financing – we do not make grants
- The CIB focuses on priority sectors and makes independent investment decisions based on rigorous commercial work



# Our Five Priority Sectors

<b>PUBLIC TRANSIT</b>	<p><b>Long-Term Sector Target:</b> \$5B</p> <p><b>Growth Plan:</b> \$1.5B for zero-emission buses</p> <p><b>Target Outcome(s):</b> Ridership, GHG emissions</p>
<b>CLEAN POWER</b>	<p><b>Long-Term Sector Target:</b> \$10B</p> <p><b>Growth Plan:</b> \$2.5B for clean power</p> <p><b>Target Outcome(s):</b> GHG emissions</p>
<b>GREEN INFRASTRUCTURE</b>	<p><b>Long-Term Sector Target:</b> \$10B</p> <p><b>Growth Plan:</b> \$2B for energy efficient retrofits</p> <p><b>Target Outcome(s):</b> GHG emissions, water/wastewater access and quality</p>
<b>BROADBAND</b>	<p><b>Long-Term Sector Target:</b> \$3B</p> <p><b>Growth Plan:</b> \$2B for connecting homes/small business to broadband</p> <p><b>Target Outcome(s):</b> Digital connectivity</p>

<b>TRADE &amp; TRANSPORTATION</b>	
<p><b>Long-Term Sector Target:</b> \$5B</p> <p><b>Growth Plan:</b> \$1.5B for agriculture-related infrastructure</p> <p><b>Target Outcome(s):</b> Economic growth through trade, ridership</p>	
<b>Marine</b>	Canadian Port Authorities and Private Ports
<b>Air</b>	Cargo, Large (City Side) Airports, Smaller Airports (Air and City Side)
<b>Surface - Passenger</b>	Intercity Passenger Rail, Road, Bridges, Tunnels
<b>Surface - Freight</b>	<b>Shortline Rail (“SLR”)</b> , Main Line Freight
<b>Other</b>	Logistics Facilities, Multimodal Terminals/Hubs

**Indigenous Infrastructure:** \$1B across all priority sectors in partnership with and for the benefit of Indigenous Peoples

**Project Acceleration:** \$500 million for project development and early works to shorten critical paths to construction



Partnerships with Provinces, Territories, Municipalities, Indigenous Communities and Private Sector and Institutional Investors

# The CIB as an Investor

## CIB Role

- The CIB's role is to **accelerate and catalyze** the development and construction of new infrastructure projects
- The CIB will often participate in the **early stages of a project** to inform the appropriate overall project structure
- Our role includes advising public sector sponsors on project development, deal structuring and investments
- **Acceleration Financing** is available to the public sector for planning studies, engineering design and volume/capacity studies if needed to enable faster construction start
- Potential opportunities can be originated directly through the private sector or public sector
- The CIB can work with the public sector on procurement for infrastructure projects by providing staple financing
- We also have an **Unsolicited Proposals Framework** where we can accept unsolicited proposals from the private sector

## CIB Investment Offering

- The CIB is an **impact investor** that measures our investments against project outcomes such as increased economic growth, connecting Canadians and communities, Indigenous reconciliation and action on climate change to support a low-carbon future
- The CIB seeks to **fill investment gaps** and has flexibility on the level of risk we can accept to ensure that projects that might not otherwise happen can get funded and financed
- The CIB can provide **concessionary financing** (i.e., below market rates of return, longer tenors, and flexible terms and conditions), depending on the identified gap, to enable the development of a project
- The CIB **does not provide grants** but can provide financing anywhere in the capital stack including **senior debt, sub-debt or equity**, depending on the needs and risks of the project

The CIB's investment philosophy is to **attract private capital in revenue generating projects** while achieving a balanced risk/reward allocation

# The CIB's Interest in SLR

- As part of the Trade and Transportation priority sector, the CIB is seeking potential investment opportunities in the SLR sector, including, but not limited to:
  - Project acceleration funding for feasibility studies
  - Support for greenfield track infrastructure and brownfield track renewal and renovation
  - Support for greenfield logistics facilities and intermodal hubs
  - Other opportunities as identified by the CIB and sector stakeholders
- The CIB's financing can be structured to fill various financing, economic or commercial risk gaps that can prevent new infrastructure projects from going ahead in a timely manner

## CIB Benefits

- Competitive financing rates and flexible terms available via debt or equity instruments
- Ability to develop innovative financial structures tailored to an asset or operator
- Greater risk appetite than traditional lenders

## CIB Requirements

- Minimum investment size of \$100M
- Projects must be revenue generating and provide a clear stream of positive cash flows for CIB repayment
- The CIB seeks to maximize private sector attraction for each dollar of CIB investment
- Clear indication of positive public impact in the form of tonnes of trade volumes

# Case Study #1: Tshiuetin Railway

**Indigenous Infrastructure Financing**  
 \$50 million secured corporate debt facility

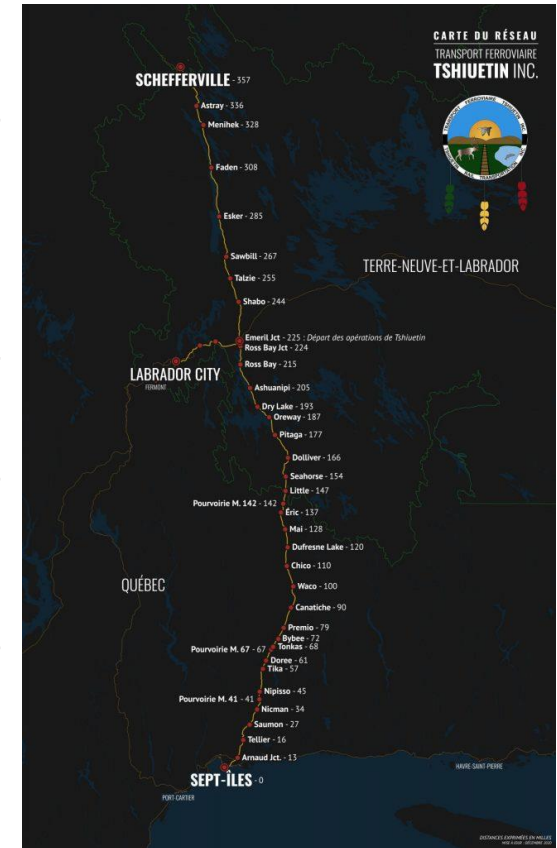
**Borrower** Tshiuetin Rail Transportation Inc.

**Project Overview** The project consists of new infrastructure and equipment upgrades, including track structure improvements, a new worker lodging camp, a new train station and passenger train with upgraded technology to enable LTE connectivity

**Status** Financial close achieved July 2021

**Addressed Gap** Commercial risk and structural lending gaps. Absence of a long-term freight contract and smaller balance sheet limit Tshiuetin’s access to private capital

*The Project, which spans Quebec and Labrador, will enable better service for the three remote Indigenous communities along the route by increasing mobility, safety and comfort. Increased capacity and efficiency of freight services will also provide economic and employment opportunities and reduction of greenhouse gas emissions along the corridor.*

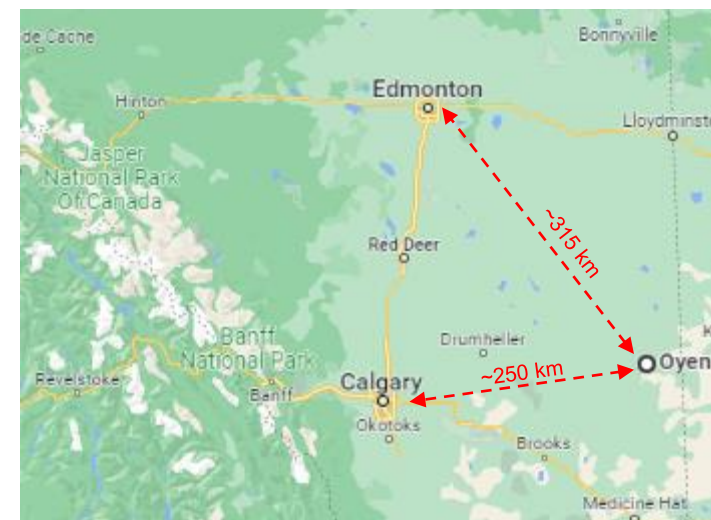


# Case Study #2: East Central Alberta SLR

## Project Acceleration

Up to \$500,000 contributed by the CIB for initial feasibility assessments

<b>Partners</b>	Province of Alberta, Special Areas and Oyen Development Corporation, and Oyen Regional Rail Company Inc.
<b>Project Overview</b>	The partners are investigating the preliminary feasibility of developing an SLR system from Oyen to an intermodal terminal in either Calgary or Edmonton with access to a port
<b>Status</b>	Feasibility studies to be undertaken in 2023/2024
<b>Addressed Gap</b>	Economic gap. Absent CIB financing, a future project may not be economically feasible given revenues will likely be insufficient to service debt



*SLR connected to an intermodal terminal will provide access to a port and critical export markets for both agricultural and industrial products. This would reduce shipping distances (and therefore costs) for producers, stimulate investment attraction in the region, and help reduce bottlenecks in provincial and federal shipping.*

# Discussion Points

- What are your capital needs and pain points as an organization?
- Are there ways in which the CIB can assist your organization in maintaining or enhancing your operations?
- Do you serve remote or Indigenous communities and does your organization provide an essential service?
- Are you encountering any roadblocks in accessing traditional sources of financing?
- Do you require support for initial feasibility studies to assess the practicality of a capital/operating plan?



# CIB Team



**Divya Shah**

Managing Director, Investments  
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Divya is a Managing Director at the Canada Infrastructure Bank, where she leads the investment team responsible for capital deployment and impact investments in the Trade and Transport and Critical Minerals sectors.

Prior to her current role, Divya spent over 10 years at Infrastructure Ontario, where she was a key member of the Transaction Finance team. In this role, she oversaw over 100+ projects in both the social and civil sectors, from procurement to operations.

Divya is a CFA charter holder with an MBA in Banking and Finance from the Rotman School of Business. She is an active executive member of the Women's Infrastructure Network and the International Project Finance Association.



**Minh-Tuong Dang**

Director, Investments  
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Minh is a Director at the Canada Infrastructure Bank, where she leads investment transactions in the Trade and Transport and Critical Minerals sectors.

Prior to her current role, Minh spent eight years at Brookfield Financial Corp. where she focused on financial advisory, infrastructure development and asset management services in the North American public-private partnership space.

Minh has an MBA from Queen's University and a Bachelor of Mechanical Engineering from McGill University.



**Jordan Blum**

Associate, Investments  
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Jordan is an Associate at the Canada Infrastructure Bank, where he supports the diligence, structuring and execution of investments across the organization's five priority sectors.

Prior to his current role, Jordan spent over 4 years at Deloitte on the Infrastructure Advisory team where he advised the private and public sectors on greenfield and brownfield infrastructure developments, procurement, corporate finance and organizational transformation initiatives.

Jordan is a CPA with a Graduate Diploma in Professional Accounting from the Rotman School of Business and a Bachelor of Commerce degree from the University of Guelph.



# Thank you

Contact us at [investments@cib-bic.ca](mailto:investments@cib-bic.ca)

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