

**Minutes – Standing Policy Committee on Finance – January 9, 2018**

**REPORTS**

**Item No. 3                      Southwest Rapid Transitway (Stage 2) and Pembina Highway  
Underpass – Quarterly Project Status Report**

**STANDING COMMITTEE DECISION:**

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service that the financial status of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project (“the Project”), be received as information.

**Minutes – Standing Policy Committee on Finance – January 9, 2018**

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

# ADMINISTRATIVE REPORT

**Title: SOUTHWEST RAPID TRANSITWAY (STAGE 2) AND PEMBINA HIGHWAY UNDERPASS – QUARTERLY PROJECT STATUS REPORT, Project ID: 4230010514, Quarterly Project Status Report No. 12 For the Period Ended September 30, 2017**

**Critical Path: Standing Policy Committee on Finance**

## AUTHORIZATION

Author	Department Head	CFO	CAO
S. Payne	G. Ewankiw	B. D'Avignon, Acting for M. Ruta	G. Chartier, Acting for D. McNeil

## EXECUTIVE SUMMARY

Project On Schedule: Yes  No

Project On Adopted Budget: Yes  No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The project is well into the design of all of the major project elements with construction underway at sites over the entire length of the project.

Plenary Roads Winnipeg (Project Co.) continues to work with CN and Manitoba Hydro on the design, approval and relocation of CN and Hydro infrastructure.

CN has formally advised the City that due to the proposed reconfiguration of existing CN infrastructure as part of both the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass and Waverley Underpass projects, CN will require the proposed railway design be modified to accommodate a third track. The City/ Project Co. is preparing a design and estimated cost for the proposed third track.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance.

## RECOMMENDATIONS

That the financial status of the Southwest Rapid Transitway (Stage 2) and Pembina Highway

Underpass Project (“the Project”), as contained in this report, be received as information.

## REASON FOR THE REPORT

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$22 million (2018) or more report quarterly to the Standing Policy Committee on Finance. This threshold is adjusted annually for construction inflation as part of the annual Capital Budget approval. The Standing Policy Committee on Finance may also request reporting on any capital project.

## IMPLICATIONS OF THE RECOMMENDATIONS

No implications.

## HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

### Design (Update from last report)

- Project Co. has submitted, to the City, design plans for approximately 80% of the project.
- CN has requested Project Co. modify the Portage Wye rail plans to align with a proposed third track. The City has issued a change order to Project Co. for the design of a third CN track at the Portage Wye.

### Construction (Update from last report)

Pembina / Jubilee:

- Construction of transitway and rail bridges underway
- Reconstruction of Pembina Highway on hold for winter months
- Pump station underway. Retention pond complete.
- CN Portage Wye pump station and underpasses:
  - Construction of underpass foundations underway
  - Pump station underway
- Bishop Grandin Crossing Structures:
  - Active transportation bridge structure underway
  - Transitway bridge structure underway
- Noise Attenuation Wall south of Bishop Grandin:
  - Foundations for noise attenuation wall underway
- McGillivray Overpass:
  - Transitway overpass structure underway
- Letellier Overpass:
  - Transitway overpass foundation underway

- Roads (Waller, Seel, Willson Place) and Transitway in Parker lands complete
- Bus staging area and road reconstruction on Dafoe Road (U of M Station) substantially complete

Table 1 – Contracts

Contracts Table							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Completion	Estimated % Complete
685-2013	Dillon Consulting Limited	Technical & Procurement Advisor (Ph 3)	\$ 2,380,000	\$ 633,346	July 21, 2014	June 2016	100%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C1)	\$ 3,999,675	\$ 54,148	August 26, 2016	December 2019	40%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C2)	\$ 2,657,825	\$ -	May 30, 2017	December 2019	15%
471-2014	P1 Consulting Limited	Fairness Monitor	\$ 67,500	\$ -	August 29, 2014	June 2016	100%
N/A	Manitoba Hydro	Environmental Act License	\$ 200,000	\$ -	October 15, 2014	December 2015	100%
N/A	Manitoba Hydro	Hydro Early Works Geotechnical Studies & Design Work	\$ 300,000	\$ -	January 29, 2015	June 2016	100%
N/A	Manitoba Hydro	Hydro Early Works Construction	\$ 6,750,000	\$ -	February 13, 2015	June 2016	100%
413-2016	JCRA Financial LLC	Capital Markets Advisor	\$ 314,799	\$ 23,507	August 24, 2015	June 2016	100%
38-2016	Green Drop Ltd.	Tree Removal at University of Manitoba	\$ 30,916	\$ 4,084	February 26, 2015	March 2016	100%
601-2014	Blakes, Cassels, Graydon LLP	Legal Advisor	\$ 301,784	\$ 488,840	October 21, 2014	December 2017	100%
N/A	Aikins, MacAulay & Thordvaldson LLP	Legal Opinion	\$ 20,000	\$ -	November 24, 2015	January 2016	100%
460-2016	WTP Property Consultants	Independent Center	\$ 121,420	\$ -	June 15, 2016	December 2019	20%
N/A	Canadian National Railway	Purchase of Land	\$ 300,000	\$ -	July 13, 2016	July 2016	100%
N/A	Canadian National Railway	Relocation of CN Buildings	\$ 1,945,000	\$ -	July 13, 2016	December 2017	14%
<b>Total</b>			<b>\$ 19,388,919</b>	<b>\$ 1,203,925</b>			
201-2014B	Plenary Roads Winnipeg	Construction and OMR Contract	Per P3 Financial Model		June 24, 2016	November 2019	31%

**Upcoming Procurements:**

Description	Anticipated Award Date

**Schedule** (Update from last report)

Construction began on August 8, 2016 and is planned to be complete in late 2019. The Transitway would then be introduced into service in early 2020, following a period of

commissioning and training. The project remains on schedule with work ongoing on the structures and underground works during the winter months.

Table 2 – Milestones

Project Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Early Access Works completion (IGF Station)	2017 Q2		2017 Q2	100
2	Substantial Completion	2019 Q4			35
3	Total Completion	2019 Q4			35
4					
5					
6					
7					
8					
9					

**Risk** (Update from last report)

During field preparations for the noise attenuation wall, crews discovered a previously unknown Hydro duct line that is in close proximity to the proposed fence piles. The design of the fence and piles are being discussed with Hydro to identify options for either the fence location or relocation of the Hydro duct. The relocation of the Hydro duct could impact project costs.

CN is proposing a third track between the Waverley Underpass and Pembina Hwy Underpass which could result in design changes and costs impacts to the Project. The City has received a formal request from CN to construct a third track in the Portage Wye area as part of the planned CN rail modifications associated with the project. The City, CN and Project Co. are working together to develop a design and cost estimate.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<b><u>New:</u></b>	
Unknown Hydro duct in the proposed noise wall alignment.	Project Co. meeting with utilities to determine if new alignment possible.

Significant Risks and Mitigation Strategies, Continued	
Risk Statement and Explanation	Risk Mitigation Management Plan
<b><u>Ongoing:</u></b>	

Design changes and the timeliness of plan reviews by CN ( <b>High Risk</b> )	Regular design meetings with CN, use of Canadian Transportation Agency (CTA) design standards; CN has hired a third party consultant to review plans.
Lands values for the expropriated properties continues to be negotiated.	The City will continue to negotiate the expropriated land transactions. Properties that fail to reach a settlement are tabled at the Land Value Appraisal Commission.
Uncertainty regarding any changes to the previously committed Provincial funding.	The City has ongoing communications with the Province.
The project requires the Utility companies' timely participation in plan approvals and the relocation of existing infrastructure necessary for the project alignment.	The City has identified to all affected utilities the relocation requirements. The City has where possible entered into agreements with utilities to pre-design much of the relocation works. The City's Owners Advocate will monitor the progress of the Utilities works.
The City's capacity to provide timely plan reviews and approvals necessary to meet our contractual obligations. The volume and complexity of the reviews will be in addition to the normal City plan review workloads.	Transit has been meeting with the affected departments providing information and developing processes for the review and approvals. Plan review and tracking software has been implemented to assist with the City's obligation.
Protection of Critical Public Infrastructure, i.e., water distribution systems, gas and hydro electric distribution systems, CN systems.	The City and the City's Owner Advocate (Dillon Consulting) have engaged Project Co. to ensure the ongoing awareness and protection of critical infrastructure.
CN has requested the City construct a third track in the Portage Wye area as part of the planned CN rail modifications associated with the project.	The City, CN and Project Co. are working together to develop a design and cost estimate.
The Province of Manitoba has not confirmed support for the ongoing maintenance and operations of the Transitway.	The Administration continues to work with the Province of Manitoba to identify support for the Operations and maintenance period.

<b>Significant Risks and Mitigation Strategies, Continued</b>	
<b>Risk Statement and Explanation</b>	<b>Risk Mitigation Management Plan</b>
<b><u>Mitigated:</u></b>	
Innovative designs proposed by Project Co. must be approved by CN and Hydro.	Project Co. must follow pre-defined plan review and approval processes.

Timeline for completion of Calrossie-Cockburn Stormwater Retention Basin to facilitate construction of SWT2 drainage system.	On-going meetings with Transit, Plenary and Water & Waste to determine mitigation strategies and opportunities to reduce or eliminate delays to SWT2 project. Water and Waste began construction of the pond in Sept 2017.
Protests on the project lands could result in project delays and additional costs.	The project team continues engage with the Parker Wetlands group and area residents.

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast

**Funding** (Update from last report)

No update from last report. For additional information, refer to Appendix C – Key Project Events for historical details

Table 4 – Project Funding Forecast and Receivable

<b>Funding Forecast &amp; Receivable</b>			
<b>Funding Source</b>	<b>Adopted Budget (in millions)</b>	<b>Amended Budget (in millions)</b>	<b>Committed (in millions)</b>
<b>Class of Estimate</b>	<b>Class 3</b>		
P 3 Canada	137.30	91.20	91.20
Provincial Grant	218.65	181.70	181.70
2010 Provincial Grant for Roads	6.35	6.35	6.35
Public Private Partnership (City)	220.80	138.20	138.20
External Debt		40.05	40.05
Southwest Rapid Transit Corridor Reserve	4.20	4.20	4.20
CN Rail Cost Apportionment		5.60	5.60
<b>Total</b>	<b>\$ 587.30</b>	<b>\$ 467.30</b>	<b>\$ 467.30</b>



## **Property Acquisition** (Update from last report)

### Easements and Licenses

- The permanent easement agreements with the U of M at Stadium Station are complete. The permanent easement agreement for Dafoe Road is ongoing.
- The Letellier lease agreement with CN is ongoing.
- The City has obtained consent to enter and construct agreements for all license and easements areas.

### Expropriations

	<b>Total Properties</b>	<b>Complete</b>	<b>Ongoing</b>
<b>Full Takings</b>	2	2	0
<b>Partial Takings</b>	28	1	27

### Acquisitions

<b>Total</b>	<b>Complete</b>	<b>Ongoing</b>
9	7	2

## **Stakeholder Engagements/Communications** (Update from last report)

- Construction notices for various areas of work along the project corridor continue to be provided to stakeholders.
- Updated the Project web page to include a monthly look-ahead which includes construction plans and lanes closures.

## **Subsequent Events after Report Period End Date**

- On October 23, 2017, a slope failure occurred on the east side of the Pembina Highway Underpass. No damage occurred to the roadway or adjacent CN rail line. CN shut down Project Co. operations until the area was secured.
- Pembina Hwy at Jubilee was closed to motorists from December 30, 2017 to January 1, 2018 for the installation of bridge girders across Pembina Hwy.
- The Hydro conflict with the proposed noise attenuation wall was resolved by moving the fence east of the Hydro duct with no anticipated additional project costs.

**FINANCIAL IMPACT**

**Financial Impact Statement**    **Date:** [December 20, 2017](#)

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**Project Name:**

**SOUTHWEST RAPID TRANSITWAY (STAGE 2) AND PEMBINA  
HIGHWAY UNDERPASS – QUARTERLY PROJECT STATUS REPORT,  
Project ID: 4230010514,  
Quarterly Project Status Report No. 12  
For the Period Ended September 30, 2017**

**COMMENTS:**

There is no financial impact as this report is for information only.

**original signed by** \_\_\_\_\_

Laurie Fisher, CPA, CA  
Manager of Finance & Administration

## CONSULTATION

This Report has been prepared in consultation with:

n/a

## OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1: Provide efficient and focused civic administration and governance. This report supports demonstration of accountability through service performance measurement and reporting.

02-2 Environment: Our environment is the foundation for our economic and social health, and collectively, we need to continue to take responsibility for it. Our actions should contribute to the protection of the natural environment locally, regionally and globally, both for our own well-being and for future generations.

Key Direction > Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction.

05-1 Public Transit System: Winnipeg has a high quality and efficient public transit system characterized by its focus on key corridors and incremental improvements to service. Sustainable Transportation will take these improvements to the next level, providing improved transit access across the city. We envision that public transit in Winnipeg will be structured into a hierarchy of three main categories: Rapid Transit, Transit Quality Corridors and Conventional Transit Service.

Key Direction > The inclusion of rapid transit in this vision is necessary, since only rapid transit, with its high levels of service frequency and absence of congestion delays, can make public transit fast and convenient enough to compete with the private automobile. In a balanced transportation system, public transit should be an easy and convenient option for moving people.

## SUBMITTED BY

**Department:** Transit  
**Division:** Asset Management Office  
**Prepared by:** Scott Payne, Manager of Asset Management Office  
**Date:** December 20, 2017

## **Appendices**

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

<b>Appendix A - Key Project Facts</b>	
<b>Project Name</b>	Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass
<b>Business Owner (Department)</b>	Transit
<b>Project ID</b>	4230010514
<b>Project Sponsor</b>	
	Greg Ewankiw
<b>Department Responsible for Project Delivery</b>	Transit
<b>Consultant Engineer (Company Name)</b>	Dillon Consulting Limited
<b>Adopted Budget</b>	
	\$587.3 M
<b>Class of Estimate (Adopted)</b>	3
<b>Range of Estimate (Adopted)</b>	- 20% to +30%, \$489.4M to 763.5M
<b>Amended Budget</b>	
	\$467.3 M
<b>Class of Estimate (Amended)</b>	3
<b>Range of Estimate (Amended)</b>	- 20% to +30%, \$389.4M to \$607.5M
<b>Project Description (Scope)</b>	
<b>Southwest Transitway Stage 2 – Project Overview</b>	
<p>Stage 2 of the Southwest Transitway (SWT) will be a dedicated corridor that will extend from Pembina Highway and Jubilee Avenue to the University of Manitoba and Markham Road. The alignment of Stage 2 will extend westward through the Parker Lands, then southeast along a Manitoba Hydro right-of-way, crossing McGillivray Boulevard, Clarence Avenue, and Chevrier Boulevard before crossing the CN Letellier Subdivision. The transitway will then run parallel to the CN railway as it crosses Bishop Grandin Boulevard and Chancellor Drive. An access to Southpark Drive will allow some routes to enter the University of Manitoba/Investors Group Field via the Southwood Lands. The transitway will extend as far south as Markham Road, where routes serving Waverley West, Fort Richmond, Richmond West and St. Norbert will enter/exit the transitway.</p>	
<p>In addition to nine new Rapid Transit stations, the Project is proposed to include the following new transitway grade separations:</p>	
<ul style="list-style-type: none"> <li>• an overpass of Pembina Highway</li> <li>• an underpass of the CN Letellier Subdivision rail lines near Jubilee Avenue</li> <li>• an overpass of McGillivray Boulevard</li> <li>• a grade separation at the CN Letellier Subdivision south of Chevrier Boulevard</li> <li>• an overpass of Bishop Grandin Boulevard</li> </ul>	
<p>To make way for the construction of the Transitway, track relocations of the CN Letellier Subdivision and CN Rivers Subdivision will be necessary in the vicinity of Jubilee Avenue. Relocation of the CN Letellier Subdivision track 5.6 metres to the west, between Plaza Drive and Markham Road, is also required to construct the Transitway alignment. Reconstruction of the track bed, upgraded rail, ties, and ballast, and construction of a noise attenuation wall on the west side of the CN Letellier Subdivision south of Bishop Grandin Boulevard, are expected to reduce railway noise and vibrations below existing levels for adjacent residents.</p>	

## **Appendix A - Key Project Facts - Continued**

### **Pembina Highway Underpass Widening – Project Overview**

Combined with the construction of the Transitway will be the widening of the Pembina Highway underpass which will include the following roadway improvements: addition of third northbound traffic lane to allow for three lanes in each direction; increased lane width; improved left turn lane; and the construction of bicycle and pedestrian facilities on both sides of Pembina Highway through the Pembina Highway underpass.

To accommodate the widening of the Pembina Highway underpass, associated railway works will include the relocation of the existing CN rail bridge over Pembina Highway and track relocation on the CN Letellier Subdivision and the CN Rivers Subdivision near Jubilee Avenue.

### **Committee Membership:**

#### **MAJOR CAPITAL PROJECT ADVISORY COMMITTEE**

Administrative policy for projects with capital costs exceeding \$20 million requires formation of a Major Capital Project Steering Committee. This threshold was approved by Council on October 28, 2015. Any project reporting to SPC Finance under the previous \$10 million threshold will continue to report. The Committee has been formed and its members are:

Doug McNeil, Chief Administrative Officer  
Michael Ruta, Chief Financial Officer  
Michael Jack, Chief Corporate Services Officer  
Dave Wardrop, Chief Transportation and Utilities Officer  
Rob Taylor, Manager, Major Capital Projects Oversight  
Jim Berezowsky, Acting Director Public Works  
John Kiernan, Director of Planning, Property and Development  
Greg Ewankiw, Acting Director of Transit  
Scott Payne, Manager, Asset Management Office, Transit

(\*) – Projects with aggressive schedules are inherently more risky and more likely to experience cost overruns and schedule delays.

## Appendix B – Financial Forecast

### Appendix B - Southwest Rapid Transitway (Stage 2) & Pembina Highway Underpass Financial Forecast \* As at September 30, 2017

Project Component Deliverables	Budget (in 000's)			Actual Costs To Sept 30, 2017	Expenditure Forecast (in 000's)				Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget <sup>1</sup>	Council Approved Change**	Amended Budget		Projected Costs							
					2017	2018	2019	2020				
Engineering, Design and Other	\$ 13,000	\$ (1,694)	\$ 11,306	\$ 6,375	\$ 887	\$ 2,127	\$ 1,917	\$ -	\$ 11,306	\$ -	\$ -	\$ -
Construction	\$ 476,750	\$ (130,000)	\$ 346,750	\$ -	\$ -	\$ -	\$ 346,750	\$ -	\$ 346,750	\$ -	\$ -	\$ -
Land Acquisition	\$ 23,000	\$ 10,000	\$ 33,000	\$ 24,679	\$ 1,238	\$ 7,083	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ -
Internal Financing / Overhead Costs	\$ 5,550	\$ 1,694	\$ 7,244	\$ 1,295	\$ 432	\$ 1,813	\$ 3,704	\$ -	\$ 7,244	\$ -	\$ -	\$ -
Contingency <sup>2</sup>	\$ 69,000	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ 68,952	\$ 68,952	\$ 48	\$ 48	\$ -
Change Order	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ (48)	\$ (48)	\$ -
<b>Total Project Budget <sup>3</sup></b>	<b>\$ 587,300</b>	<b>\$ (120,000)</b>	<b>\$ 467,300</b>	<b>\$ 32,397</b>	<b>\$ 2,557</b>	<b>\$ 11,023</b>	<b>\$ 352,371</b>	<b>\$ 68,952</b>	<b>\$ 467,300</b>	<b>\$ -</b>		
<b>% of Project Budget Spent</b> (Actual Costs to Date / Adopted & Amended Budget)	6%		7%									

\* Amended budget and actual costs to date have been agreed to the City's general ledger and Monthly Capital Expenditures Report.

\*\* Amended Budget as reflected in Transit's 2018 Capital Budget submission.

1) Adopted budget at September 30 reflected in Project No. 4230010514 - SWRT Stage 2 Upfront Costs and Project No. 4230010614 - SWRT Stage 2 Construction Costs; Budgets consolidated into 4230010514 in Nov 2017.

2) Change Orders in the amount of \$995k (Capital) and \$83k (Operating & Maintenance) have been approved with Plenary Roads Winnipeg of which \$48,307 has been processed and reflected above. The remaining approved Change Orders will be reflected above as completed.

3) Annual service payments (ASP) are not included in Total Project Budget. ASP commence in 2020 for 30 years and will be funded by the City of Winnipeg for the amount related to debt repayment and shared by the City and Province of Manitoba for the amount related to operation and maintenance. The forecasted amount for the Annual Service Payments in 2020 is \$14.46 million for debt service, operation and maintenance and other annual expenditures. Operation and Maintenance P3 Payments increase with inflation.

Of the total forecast for Annual Service Payments of \$493.1 million, \$353.0 million relates to debt service payments, \$123.9 million relates to operation and maintenance of the corridor over the 30 years, and \$16.2 million relates to other annual expenditures.

## Appendix C – Key Project Events (History)

On February 9, 2015, the Federal Government, through PPP Canada, announced its commitment to the project in the amount of \$137.3 million to be provided at substantial completion.

On June 25, 2014, Council approved the report submitted by the Transit Department entitled Capital Integration Project – Southwest Transitway (Stage 2) and Pembina Highway Underpass in which:

- A 2014 capital project was approved in the amount of \$590 million, subject to confirmation of federal and provincial funding.
- The Project was authorized to proceed based on a Design-Build-Finance-(Operate)-Maintain (DBF(O)M) Public-Private Partnership delivery model.
- The Chief Administrative Officer (CAO) was authorized to approve, issue and award the Request for Qualifications (RFQ) and the Request for Proposals (RFP) for the Project.

Project funding is being provided by all three levels of government. A portion of the funding will be financed through the private partner and paid back over 30 years. Annual service payments are expected to commence in 2020 for both the financing and maintenance of the project.

In September 2014, the CAO approved the release of the RFQ with responses received in November 2014.

In February 2015, three shortlisted proponents from the RFQ were approved by the CAO. The following three shortlisted proponents will be responding to the RFP that was issued on July 17, 2015:

- Red River Infrastructure Group
- WinnCity Transportation Partners
- Plenary Roads Winnipeg

On February 25, 2015, the Administrative report titled Expropriation of Lands – Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project was approved by Council. Expropriation hearings to acquire the necessary project lands (referred to as the “Parker Lands”) were held between August 4, 2015 and September 4, 2015.

On March 23, 2015, Council approved \$31 million of interim financing. The project currently has a total of \$10.55 million in cash, contributed from the Southwest Rapid Transit Corridor Reserve and the Province of Manitoba.

Provincial funding of \$225 million was originally announced in 2014 and the details regarding the timing and method of this funding were agreed upon on July 9, 2015. The Province agreed to provide a combination of \$18 million toward upfront costs, \$95 million at substantial completion, and \$112 million post construction.



On July 15, 2015, Council approved additional borrowing authority of up to \$112 million to ensure sufficient funds are available at substantial completion to make required payments to the P3 Proponent. This additional borrowing authority is part of an agreement with the Province of Manitoba to bridge the Province's financial contribution to the project. The interest costs associated with the additional borrowing authority will be fully funded by the Province of Manitoba.

On July 17, 2015, the CAO approved the release of RFP 201-2014B to the three shortlisted pre-qualified parties. The RFP open period will be approximately six months, with an award to the successful proponent expected in mid-2016.

On October 28, 2015, Council approved the report submitted by the Transit Department entitled Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass – Project Authority in which:

- The City of Winnipeg enter into agreements with the University of Manitoba, Triple B Stadium Inc. and the Winnipeg Football Club for the implementation of proposed works related to the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project, and
- The authority be delegated to the CAO to negotiate and approve the terms and conditions of the agreements.

On January 27, 2016, Council approved the report submitted by the Standing Policy Committee on Property and Development, Heritage and Downtown Development entitled Expropriation of Lands – Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass, in which:

- The expropriation of lands for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project, approved at the February 25, 2015 Council meeting, be confirmed as outlined in the Declaration of Expropriation submitted on March 25, 2015 with the exception of Holdings #15, #16, #17 which will be removed from the expropriation and Holdings #22 and #23 which have had the required takings reduced in size.
- The four recommendations proposed by the Inquiry Report not be endorsed.
- That Council acknowledge sections 354, 356 and 357 of the Inquiry Report.
- That the Director of Legal Services/City Solicitor be instructed to initiate Manitoba Court of Queen's Bench proceedings, if necessary, to obtain an order extending the time under The Expropriation Act for Council to confirm the expropriation.
- That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

On March 4, 2016, the City received technical proposals from the three pre-qualified project proponents.

On March 22, 2016, Council approved:

- That Recommendation two of the report entitled “Capital Integration Project – Southwest Transitway (Stage 2) and Pembina Highway Underpass” dated May 9, 2014, approved by Council on June 25, 2014, be amended to add the following language at the end of such recommendation:
  - “and that such delegation to the Chief Administrative Officer include all necessary power and authority to:
    - Identify the Preferred Proponent in accordance with the Request for Proposal (RFP No. 201-2014B); and
    - Award the Project to the Preferred Proponent.”
- That the City execute, deliver and perform the agreement to Design, Build, Finance, (Operate) and Maintain the City of Winnipeg’s Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass (the “Project Agreement”) and all such other agreements ancillary to the Project Agreement as deemed necessary by the Director of Legal Services/City Solicitor (the “Ancillary Agreements”), and that authority be delegated to the Chief Administrative Officer to approve the terms and conditions of, and deliver, the Project Agreement and all Ancillary Agreements.
- That the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project be updated to reflect confirmed P3 Canada funding of up to \$137.3 million.
- That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

On March 22, 2016, Council approved an additional \$16.5 million of external debt in replacement of Public Private Partnership debt.

With the original \$10.55 million in cash combined with the \$31 million of interim financing and \$16.5 million in external debt, sufficient authority exists (\$58.05 million) to fund the upfront costs (\$51.55 million) and any interest incurred prior to receiving partner funding.

On May 12, 2016, the City and Province of Manitoba signed the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project Contribution Agreement.

On May 13, 2016, the CAO identified Plenary Roads Winnipeg, the proponent with the highest overall proposal score, as the preferred proponent.

On June 21, 2016, the City and Plenary Roads Winnipeg reached commercial close.

On June 24, 2016, the City and Plenary Roads Winnipeg reached financial close and the CAO awarded Plenary Roads Winnipeg the contract to Design, Build, Finance, (Operate) and Maintain the City of Winnipeg’s Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project.

On July 28, 2016, the Province of Manitoba denies all appeals related to the projects City's Environmental Act License and ends the appeal process.

On August 2, 2016, the Province of Manitoba's office of Sustainable Development approved the City's Species at Risk Report and provides authorization to proceed with construction with the mitigation plan.

On December 13, 2016, Council approved that external borrowing authority of \$23,550,000 for the 2016 Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project be approved in replacement of \$23,550,000 of debt previously approved as part of the Public Private Partnership.

Note: This will make the external borrowing amount equal to \$16,500,000 plus \$23,550,000 for a total of \$40,050,000 in 2016 with all related debt and finance charges to be repaid from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve. A portion of this external debt is to be utilized to fund the City's portion of the \$69 million contingency, and therefore may not all be required.

On January 19, 2017, the City and Federal Government executed the project Federal Funding Agreement.