

REPORTS

**Item No. 2 Southwest Rapid Transitway (Stage 2) and Pembina Highway
Underpass – Quarterly Project Status Report
Project ID: 4230010514, Quarterly Project Status Report No. 22 for
the Period Ended May 31, 2020**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service:

1. That the financial status of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project (“the Project”), as contained in the report be received as information.

Minutes – Standing Policy Committee on Finance – November 13, 2020

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

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. 22 For the Period Ended May 31, 2020

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
S. Payne	G. Ewankiw	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

Substantial Completion for the project occurred on October 1, 2019 (approximately eight weeks ahead of schedule and approximately \$48.6 million under budget). Final Completion will occur upon completion of seasonal works.

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

RECOMMENDATIONS

1. 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 \$24 million (2020) 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)

No update since last report.

Construction (Update from last report)

Construction activities addressing deficiencies are on-going and Final Completion will occur upon completion of seasonal landscape works.

Table 1 – Contracts

Contracts							
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 Total Completion	Estimated % Complete
685-2013	Dillon Consulting Limited	Technical & Procurement Advisor (Ph3)	\$2,380,000	\$633,346	July 21, 2014	Jun-16	100%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C1)	\$3,999,675	\$741,300	August 26, 2016		99%
685-2013	Dillon Consulting Limited	Owners Advocate (Ph 4, C2)	\$2,657,825	\$346,850	May 30, 2017		91%
471-2014	P1 Consulting Limited	Fairness Monitor	\$67,500	\$0	August 29, 2014	Jun-16	100%
N/A	Manitoba Hydro	Environmental Act License	\$200,000	\$0	October 15, 2014	Dec-15	100%
N/A	Manitoba Hydro	Hydro Early Works Geotechnical Studies & Design Work	\$300,000	\$0	January 29, 2015	Jun-16	100%
N/A	Manitoba Hydro	Hydro Early Works Construction	\$6,750,000	\$0	February 13, 2015	Jun-16	100%
413-2016	JCRA Financial LLC	Capital Markets Advisor	\$314,799	\$23,507	August 24, 2015	Jun-16	100%
38-2016	Green Drop Ltd.	Tree Removal at University of Manitoba	\$30,916	\$4,084	February 26, 2015	Mar-16	100%
601-2014	Blakes, Cassels, Graydon LLP	Legal Advisor	\$301,784	\$488,840	October 21, 2014	Dec-17	100%
N/A	Aikins, MacAulay & Thordvaldson LLP	Legal Opinion	\$20,000	\$0	November 24, 2015	Jan-16	100%
460-2016	WTP Property Consultants	Independent Certifier	\$121,420	\$0	June 15, 2016		93%
N/A	Canadian National Railway	Purchase of Land	\$300,000	\$0	July 13, 2016	Jul-16	100%
N/A	Canadian National Railway	Relocation of CN Buildings	\$1,945,000	\$0	July 13, 2016	Dec-17	100%
N/A	Canadian National Railway	Temporary relocation of CN CTC Cabinet	\$300,000	\$0	September 28, 2017	Dec-17	100%
N/A	Canadian National Railway	Consulting and Management Services	\$150,000	\$350,000	July 5, 2017		67%
N/A	Revay and Associates Ltd.	Schedule and Cost Consultant	\$250,000	\$0	October 19, 2018		34%
N/A	Solari Di Udine Spa	Message boards	\$1,351,995	\$32,300	July 10, 2019	Jun-20	100%
		Total	\$21,440,914	\$2,620,227			
201-2014B	Plenary Roads Winnipeg	Construction & OMR Contract	Per P3 Financial Model		June 24, 2016		99%

Upcoming Procurements:

Description	Anticipated Award Date
Bid Opp 58-2020 Installaion of Fencing between Plaza Station and Chancellor Drive	Jun-20

Schedule (Update from last report)

No update since last report.

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		2019 Q4	100
3	Total Completion	2019 Q4	2021 Q3		80
4					
5					

Risk (Update from last report)

No update since last report.

Audit

No update since last report.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<u>New:</u>	
No new updates.	
<u>Ongoing:</u>	
Impacts to the project contractor and schedule for Final Completion due to COVID-19.	The project contractor is attempting to mitigate impacts. Project work delayed by COVID-19 will be completed later in the summer or fall of 2020 if required. Final Completion schedule may be adjusted.
Lands values for the expropriated properties continue 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. There are two items that could impact the provincial contribution. They are; <ul style="list-style-type: none"> • Changes to the period for filing claims • Interpretation of the funding formula. 	The City has ongoing communications with the Province. The Province has proposed a second amendment to the final contribution payment that the City is reviewing.
<u>Mitigated:</u>	

Financial (Update from last report)

These project costs have been subsequently updated, see Subsequent Events and Appendix B- Financial Forecast for further details.

Funding (Update from last report)

No update since last report.

For additional information, refer to Appendix C – Key Project Events for historical details.

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 3		
City of Winnipeg			
Public Private Partnership (City)	220.80	137.15	137.15
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
Subtotal City of Winnipeg	225.00	187.00	187.00
Federal Government			
P3 Canada *	137.30	93.30	93.30
Province of Manitoba			
Provincial Grant	225.00	187.00	187.00
Total	\$ 587.30	\$ 467.30	\$ 467.30

*On December 14, 2017, P3 Canada and the City of Winnipeg executed an amendment to the existing P3 Canada/City of Winnipeg Southwest Rapid Transit Stage 2 & Pembina Hwy Underpass Project - Financial Agreement. The amendment was the result of a review of P3 Canada's eligible cost criteria and resulted in P3 Canada increasing their financial commitment by \$2.1 million up to \$93.3 million.

Table 5 – Anticipated Funding Breakdown

Funding Source	Funding Breakdown (in millions)
City of Winnipeg	162.65
Federal Government	93.10
Province of Manitoba	162.65
Total	\$ 418.40

Property Acquisition (Update from last report)

Easements, Licenses and Acquisitions

- The permanent easement agreement for Dafoe Road is on-going.
- The permanent license for the active transportation pathway with Hydro is on-going.

Expropriations

	Total Properties	Complete	Ongoing
Full Takings	2	2	0
Partial Takings	28	7	21

Acquisitions

Total	Complete	Ongoing
9	9	0

Stakeholder Engagements/Communications (Update from last report)

No update since last report.

Subsequent Events after Report Period End Date

- Public art installations have been completed.
- On August 18, 2020, the Province proposed an amendment to the Provincial project contribution payment that would, if approved, ensure the City receives a cost sharing payment for both ineligible and eligible project costs. This proposal would eliminate the misunderstanding the two parties had concerning the funding for ineligible costs.

Financial Impact Statement **Date:** [October 22, 2020](#)

Project Name:

**SOUTHWEST RAPID TRANSITWAY (STAGE 2) AND PEMBINA HIGHWAY
UNDERPASS – QUARTERLY PROJECT STATUS REPORT,
Project ID: 4230010514,
Quarterly Project Status Report No. 22
For the Period Ended May 31, 2020**

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.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with the Winnipeg Climate Action Plan (WCAP) as per Directions 3.1 *Increase Use and Efficiency of Public Transit Systems* (p.46).

Relevant actions include: Deliver continuous improvement in transit service with a focus on customer service, reliability, and route connectivity, and public education found on page 46 of the WCAP.

SUBMITTED BY

Department: Transit

Division: Asset Management Office

Prepared by: Scott Payne, Manager of Asset Management Office

Date: October 22, 2020

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Appendix A – Key Project Facts	
Project Name	Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass
Business Owner (Department)	Transit
Project ID	4230010514
Project Sponsor	Greg Ewankiw
Department Responsible for Project Delivery	Transit
Consultant Engineer (Company Name)	Dillon Consulting Limited
Adopted Budget	\$587.3 M
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	-20% to +30%, \$469.8M to \$763.5M
Amended Budget	\$467.3 M
Class of Estimate (Amended)	3
Range of Estimate (Amended)	-20% to +30%, \$373.8M to \$607.5M
Project Scope	
Southwest Transitway Stage 2 - Project Overview	
<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"> · an overpass of Pembina Highway · an underpass of the CN Letellier Subdivision rail lines near Jubilee Avenue · an overpass of McGillivray Boulevard · a grade separation at the CN Letellier Subdivision south of Chevrier Boulevard · an overpass of Bishop Grandin Boulevard 	
<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.

Major Capital Projects Advisory Committee Membership:

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:

Michael Ruta, Interim Chief Administrative Officer

Paul Olafson, Interim Chief Financial Officer

Michael Jack, Deputy Chief Administrative Officer

Georges Chartier, Director Assets & Project Management, Office of the CAO

Jim Berezowsky, Director of Public Works

John Kiernan, Director of Planning, Property and Development

Greg Ewankiw, 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 May 31, 2020

Project Component Deliverables	Budget (in 000's)			Actual Costs To May 31, 2020**4	Expenditure Forecast (in 000's)				Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget	Council Approved Change**	Amended Budget*		Projected Costs							
					2020	2021	2022	2023 and Beyond				
Engineering, Design and Other	\$ 13,000	\$ (1,694)	\$ 11,306	\$ 11,953	\$ 1,048	\$ -	\$ -	\$ -	\$ 13,001	\$ (1,695)	\$ (1,695)	\$ -
Construction ¹	\$ 476,750	\$ (130,000)	\$ 346,750	\$ 213,522	\$ 5,568	\$ 8,350	\$ 8,350	\$ 111,962	\$ 347,752	\$ (1,002)	\$ (1,002)	\$ -
Land Acquisition	\$ 23,000	\$ 10,000	\$ 33,000	\$ 29,151	\$ 3,849	\$ -	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ -
Internal Financing/Overhead Costs	\$ 5,550	\$ 1,694	\$ 7,244	\$ 4,569	\$ 980	\$ -	\$ -	\$ -	\$ 5,549	\$ 1,695	\$ 1,695	\$ -
Contingency ²	\$ 69,000	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ 9,733	\$ 9,733	\$ 59,267	\$ 54,256	\$ 5,011
Change Order	\$ -	\$ -	\$ -	\$ 9,366	\$ -	\$ -	\$ -	\$ -	\$ 9,366	\$ (9,366)	\$ (6,855)	\$ (2,511)
Total Project Budget ³	\$ 587,300	\$ (120,000)	\$ 467,300	\$ 268,561	\$ 11,445	\$ 8,350	\$ 8,350	\$ 121,695	\$ 418,401	\$ 48,899		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	46%		57%									

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

** Amended Budget as reflected in Transit's 2020 Adopted Capital Budget.

1) Construction projection represents the payment at substantial completion (60%) and the repayment of the remaining capital portion (40%) stated in nominal dollars over the 30 year maintenance period.

2) Change Orders in the amount of \$9.537 million (capital) and \$322k in credits (operating & maintenance) have been approved with Plenary Roads Winnipeg of which \$9.366 million has been processed and reflected above.

3) The 30-year Annual Service Payments (ASP) are not included in Total Project Budget with the exception of the capital portion of 40% nominal construction amount (Note 1). The City no longer anticipates cost sharing with the Province of Manitoba related to operations and maintenance. The forecasted amount for the total ASP in 2020 is \$14.46 million for debt service, operation and maintenance and other annual expenditures. Operation and maintenance payments increase with inflation.

Of the total forecast for ASP 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.

4) The actual costs to May 31st shown above in the amount of \$268.6 million differ from the Capital Expenditures Monthly Report (CEMR) total of \$402.8 million. The variance of \$134.2 million represents the remaining construction costs of the project which have not yet been incurred but have been included in the CEMR to reflect accrual accounting principles. The difference is represented in the projected construction forecast for each year reflecting the timing of the cash flow payments.

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.

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

On December 14, 2017, P3 Canada and the City of Winnipeg executed an amendment to the existing P3 Canada/ City of Winnipeg Southwest Rapid Transit Stage 2 & Pembina Hwy Underpass project- Financial Agreement. P3 Canada increased its funding contribution to \$93.3 m.

On December 31, 2017, P3 Canada was dissolved by the Federal Government.

On March 23, 2018, the City of Winnipeg and the Federal Government signed off on a Novation Agreement that transferred the Federal Governments funding obligations and oversight from P3 Canada to Infrastructure Canada.

The 30-year, Operation Maintenance and Rehabilitation (OMR) phase of the project began on October 1, 2019.

On October 3, 2019, the City and the Province executed an Amending Agreement which updated the terms to reflect updated project cost estimates and dates.

On August 18, 2020, the Province submitted a contribution amendment proposal to the City that would, if agreed upon, ensure the final Provincial contribution payment would cost share both eligible and in-eligible costs. The City is reviewing this proposal.