Minute No. 545
Minutes – Council – October 30, 2025

Report – Standing Policy Committee on Public Works – October 7, 2025

Item No. 2 Route 90 Improvements – Taylor Avenue to Ness Avenue Value for Money Study Findings and Next Steps – Purchasing Ref No. 783-2025

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Public Works and adopted the following:

1. That the project Delivery Model Assessment be received as information.

2. That the updated Benefit Cost Analysis results be received as information.

3. That the following be referred to the 2026 Budget Process:

   A. the Route 90 Improvements – Taylor Avenue to Ness Avenue project, for commencement no later than 2027.

   B. a funding request in the amount of $5,000,000.00, to begin property acquisitions related to the Route 90 Improvement Project.

4. That, subject to Recommendation 3.A., if the entire Route 90 Improvements – Taylor Avenue to Ness Avenue project is not authorized by Q1 2027, that the Public Service report back within 60 days with a recommended project delivery and funding request for stand-alone bridge rehabilitation of the St. James Street Bridges, beginning with Preliminary Design work commencing no later than 2027.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Public Works – October 7, 2025

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Standing Policy Committee on Public Works be adopted.

Carried

Councillor Wyatt called for the yeas and nays, which were as follows:

Yea: His Worship Mayor Gillingham, Councillors Chambers, Dobson, Duncan, Eadie, Lukes, Mayes, Orlikow, Santos, Wyatt and Sharma 11

Nay: Councillors Allard and Durand-Wood 2

Mel Marginet submitted a communication with respect to the matter.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 21, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the matter to Council.

Steve West submitted a communication in opposition to the matter.

STANDING COMMITTEE RECOMMENDATION:

On October 7, 2025, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

The following persons submitted communications:

- Chris Lorenc, Manitoba Heavy Construction Association, in support of the matter
- Cyril Li, in opposition to the matter
- Mel Marginet, Green Action Centre, in opposition to the matter

ADMINISTRATIVE REPORT

Title: Route 90 Improvements – Taylor Avenue to Ness Avenue Value for Money Study Findings and Next Steps – Purchasing Ref No. 783-2025

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
A. Condon, P.Eng	J. Berezowsky	T. Graham	J. Dunford

EXECUTIVE SUMMARY

On June 27, 2024, Council accepted the Preliminary Design for the Route 90 Improvements – Taylor Avenue to Ness Avenue project. They also directed the Public Service to proceed with an independent value for money assessment for evaluating business case and alternative project delivery methods. The findings of the value for money study as well as next steps are outlined in this report.

Findings – Delivery Model Assessment

The study looked at a variety of delivery models. The study consulted both local and national contractors to assess delivery options. It was found that a series of traditional design-bid-build (DBB) contracts would provide the best value for money, each having a distinct scope, location, and schedule. Reasons included:

- The market sounding findings;
- The importance of managing traffic during construction; and,
- Managing risk associated with the existing bridge structures.

The report recommends the work be divided into three main components:

- Land Drainage Sewer (one contract);
- Roadway improvements south of Academy Road (three contracts); and,
- Bridge and roadworks between Academy Road and Ness Avenue (four contracts).

Neither Public-Private-Partnerships or Design-Build project delivery methods are advantageous for the project. These methods were generally discounted because they don't offer room for design innovation and the inability to transfer risk related to rehabilitation of the existing bridges. Outsourcing project financing, operations, and maintenance were also determined to have no advantage for the City.

The Deloitte study also reviewed the City's previous Benefit Cost Analysis (BCA). It provided comments and recommendations to align the BCA with best practices. The Public Service has updated the Benefit-Cost Analysis. The BCA now shows a slightly smaller net benefit, but the result remains positive.

Next steps

The Class 3 Estimate has been updated to $613.9 million plus an additional $143.4 million in construction period interest assuming the project is authorized by Q1 2027. Previously reported cost estimates assumed the project would start in 2024. This estimate assumes the project is solely funded by the City using debt. External funding will reduce financing costs. The study recommends work should start no later than Q1 2027

The St. James Bridges carry 77,800 vehicles per day (2023 average weekday traffic), making it the busiest segment of roadway in the City, and a critical goods movement corridor. The bridges are deteriorating and require rehabilitation to extend their lifespan and avoid unplanned closures. If the project is not authorized by 2027, the existing St. James Street bridges would require major rehabilitation as stand-alone projects, and planning for these stand-alone projects would need to start in 2027, at which time a Class 3 estimate for the stand-alone bridge rehabilitation projects would be produced. Initial estimates for stand-alone bridge rehabilitation works is $221 million.

Importantly, stand-alone rehabilitation of each bridge would require full closures for one to two years. Without a new southbound bridge between the existing bridges (as proposed by the Route 90 Improvements Project), two-way traffic would be accommodated on a single remaining bridge. This would result in severe traffic congestion and delay for the travelling public and commercial goods movement that will be widespread both on Route 90 and the Regional Street network in the area.

Property acquisitions would be required for both stand-alone bridge projects and the project in its entirety. The project requires certain lands that cannot be expropriated and advancing to design and/or construction without securing all land represents a significant project risk.

The project website is *winnipeg.ca/route90*. The preliminary design is shown in Appendix D.

RECOMMENDATIONS

1. That the project Delivery Model Assessment be received as information.

2. That the updated Benefit Cost Analysis results be received as information.

3. That the following be referred to the 2026 Budget Process:

   A. the Route 90 Improvements – Taylor Avenue to Ness Avenue project, for commencement no later than 2027.

   B. a funding request in the amount of $5,000,000.00, to begin property acquisitions related to the Route 90 Improvement Project.

4. That, subject to Recommendation 3.A., if the entire Route 90 Improvements – Taylor Avenue to Ness Avenue project is not authorized by Q1 2027, that the Public Service report back within 60 days with a recommended project delivery and funding request for stand-alone bridge rehabilitation of the St. James Street Bridges, beginning with Preliminary Design work commencing no later than 2027.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On June 27, 2024, Council concurred in the recommendation of the Standing Policy Committee on Public Works and adopted the following:

1. That the Preliminary Design as presented be accepted and that the project be referred to the 2025 Investment Planning process.

2. That, subject to Recommendation 1, the Public Service proceed with an independent value for money assessment for evaluating business case and alternative project delivery methods.

This report is a follow-up to the previous report including information and recommendations regarding next steps. This report will inform Council of the implications of deferring authorization of the Route 90 Improvements – Taylor Avenue to Ness Avenue project beyond Q1 2027 with respect to planning for northbound and southbound St. James Street bridge rehabilitation.

The June 27, 2024, Report to Council stated, "*this report is recommending that the decision on when to refer the Route 90 Improvements Project to the Capital Budget Process, be determined after the Transportation Master Plan has been updated and adopted by Council"*. On June 26, 2025, the Transportation Master Plan was adopted by Council which identified Route 90 Improvements – Taylor Avenue to Ness Avenue as a short-term (2024-2033) priority – See Appendix A. Thus, this report is referring the project to the 2026 Budget Process.

IMPLICATIONS OF THE RECOMMENDATIONS

The Public Service will deliver the project utilizing the Design-Bid-Build Delivery Model if funding is approved within a future budget review.

Using Deloitte's recommendations, the following have changed with respect to the Benefit Cost Analysis since the last report:

- The present value of benefits has increased from $139.9 million to $188.3 million
- The present value of costs has increased from $119.5 million to $178.4 million
- The net present value of the project has decreased from $20.4 million to $10.0 million
- The benefit-cost ratio has decreased from 1.17 to 1.06
- The internal rate of return has decreased from 6.6 percent to 5.9 percent

While the benefit-cost study now shows a slightly smaller benefit, the results still remain positive and the internal rate of return is above the City's nominal discount rate of 5.5 percent and the 30-year external debt issuance rate of 5.5 percent.

In the event that the Route 90 Improvements – Taylor Avenue to Ness Avenue project is not authorized by Q1 2027, the Public Service will report back with a recommended modified delivery plan for stand-alone rehabilitation of the existing St. James Street bridges, including a funding request for preliminary design work which must begin in 2027. The Class 5 estimate of

these works is currently $221 million. A Class 3 Estimate for will be prepared upon completion of a preliminary design study, which will be the basis for subsequent funding authorizations. Rehabilitation of the northbound bridge needs to be completed by 2029, with the southbound bridge occurring shortly thereafter.

Funding for property acquisition must be approved prior to funding for construction. Due to the scope of the project and potential need for expropriation, funding two years in advance of planned construction is necessary. Preliminary/detailed design and acquisitions can occur concurrently. Allocating 5 million for property acquisitions will allow the Public Service to begin to proactively purchase property as properties are listed for sale.

Combined Sewer Overflow (CSO) upgrades are funded by the Environmental Projects Reserve (EPR) and not utility retained earnings. The Water and Waste department currently does not have any funds set aside in the EPR for the CSO portion of the Route 90 Improvements project.

The Route 90 Improvements – Taylor Avenue to Ness Avenue project will be presented in the proposed 2026 Capital Budget, subject to Council authorization of the recommendations presented in this report.

HISTORY/DISCUSSION

On June 27, 2024, Council accepted the Preliminary Design for the Route 90 Improvements – Taylor Avenue to Ness Avenue project. Council also directed the Public Service to proceed with an independent value for money assessment for evaluating business case and alternative project delivery methods. The findings of the value for money study as well as next steps are outlined in this report. The preliminary design is shown in Appendix D.

1.0 Value for Money Study

On December 9, 2024, the Acting Director of Public Works awarded RFP No. 671-2024 to Deloitte LLP in the amount of $300,000.00, G.S.T. and M.R.S.T. extra as applicable, for Route 90 Improvements Alternative Project Delivery Value for Money Study. The scope of work included an assessment of traditional and alternative delivery models.

1.1 Study Methodology

The study used the following methodology:

- A traditional design-bid-build (DBB) delivery strategy was developed for the project. Individual construction packages were defined for the major items of work, and defined in scope, space and time within the overall project delivery schedule.
- Qualitative assessment criteria and weightings were developed to evaluate alternative delivery models.
- Previous and current alternative delivery models used by the City were reviewed with the City personnel responsible to gauge organizational familiarity with alternative delivery, lessons learned, etc.

- An initial listing of 14 possible alternative delivery models was developed and then further screened down to seven models, which could be considered for whole-of-project delivery, or delivery of individual construction packages defined within the DBB strategy.
- A market sounding was conducted to gather input from the construction market to gauge their interest in pursuing the Project under the initial shortlist of models and on the various construction scope packages. Twelve contractors were interviewed (including local contractors and large national constructors).
- Construction packages were then assessed through Deloitte-facilitated workshop discussions and screening of delivery models, considering the detailed understanding of the project developed through the DBB delivery strategy, the market sounding feedback, and consideration of qualitative factors.
- The new southbound bridge was the only major construction package with potential benefits for alternative delivery, namely the Design-Build (DB) delivery method. A value for money (VFM) assessment was completed for this component of the Project. A VFM assessment is the comparison of the risk-adjusted costs of an alternative delivery model to the traditional DBB delivery strategy.

1.2 Study Recommendations

In summary, a screening approach to quantitative assessment of delivery models and bundling options for the major project components considered many dimensions, including:

- Delivery model benefits and disbenefits
- Delivery model applicability to specific scopes/types of work
- Market views, preferences, and capacity
- Bundling and un-bundling of major project construction packages

Through this process, alternative delivery models were successively screened out and it was determined that DBB is the preferred delivery model for the Project, as set out in the DBB Strategy and as summarized in Table 1 below.

Table 1: Recommended delivery model and contract structuring

Construction (Prime Contract) Package	**Assessment Result**
Land Drainage Sewer	• DBB for the microtunnelled section and river outfall/gate chamber, and associated catch basin installation work • DBB for the cut/cover section, include in the *Prime Contract Package Road C1 (Contract 1)*
Pump Station Relocation	• DBB • Can be completed prior to Bridge Contract 1
Bridge Contract 1 – New Southbound Bridge	• DBB • Consider DB at time of project approval and validation of competition through market sounding • If DBB selected, assess potential for sequential-opportunity contracting for Bridge Contract 2 and Bridge Contract 3 packages when design begins
Bridge Contract 2 – Northbound Bridge Rehabilitation	• DBB • Assess potential for sequential-opportunity contracting for Bridge Contract 3 when design begins

Bridge Contract 3 – Southbound Bridge Rehabilitation	• DBB
Roadway Improvements – Contract 1	• DBB • Include cut/cover LDS section • Consider sequential-opportunity contracting in tender documents
Roadway Improvements – Contract 2	• DBB • May be awarded to Roadway Improvements Contract 1 contractor through sequential-opportunity contracting
Roadway Improvements – Contract 3	• DBB • May be awarded through sequential-opportunity contracting from Contract 1 or 2.

Deloitte's Executive Summary of their Delivery Model Assessment report is included in Appendix B, attached.

2.0 Updated Cost Estimate

At the time of the previous report to Council on June 27, 2024, the Class 3 Estimate for the Route 90 Improvements Project was $586.1 million plus an additional $150.6 million in construction period interest assuming the project was to be solely funded by the City using debt. That estimate reflected 2023 construction market conditions and assumed project commencement in 2024 and expected completion by 2031.

An updated Class 3 Estimate for the project has been prepared reflecting the recommended delivery strategy, and assuming project authorization will occur in Q1 of 2027. The updated Class 3 Estimate for Route 90 Improvements – Taylor Avenue to Ness Avenue is $613.9 million (current dollars), plus an additional $143.4 million in construction period interest assuming the project is solely funded by the City using debt. The identification of alternate funding sources will reduce these financing amounts.

The increase in the estimated base cost from $586.1 million to $613.9 million (an increase of $27.8 million or 4.7 percent), is primarily due to the previous estimate assuming a project delivery period of 2024 through 2031. The current estimate assumes a project delivery period of 2027 through 2033, resulting in increased costs due to escalation.

The decrease in the estimated borrowing cost, down to $143.4 million from $150.6 million (a decrease of $7.2 million or 4.8 percent) is due to the recommended contracting sequence having a projected cashflow that is more back-loaded in time compared to the previous estimate. Cashflows that defer capital expenditure later in time reduce the associated borrowing costs.

The allocation of project cost by expenditure group is summarized in Table 2.

Table 2: allocation of project cost by expenditure group (excludes interest charges)

Expenditure Group	**Estimated Cost* (000's)**
Roadworks	$163,455
Structures	$282,722

Sewer works – Route 90 LDS Oversize Costs	$34,594
Sewer works – Route 90 LDS Base Costs	$84,607
Property	$48,522
Total	**$613,900**

** Class 3 Estimate includes estimated costs for engineering, planning, project management, contingency, and administrative charges*

3.0 Benefit Cost Analysis Update

The Deloitte LLP peer review made several recommendations *to align the City's initial benefit cost analysis* with national best practices. In total, Deloitte LLP provided seven major recommendations as follows:

1. Include the monetary value associated with improved active transportation facilities for pedestrians and cyclists, including economic value of improved health outcomes for induced trips and willingness to pay for improved infrastructure.
2. Include project contingency costs.
3. Appropriately align discount rate with inflationary assumptions.
4. Extend analysis from 25 to 50 years and include appropriate lifecycle costs and benefits.
5. Decrease the social cost of collisions or the annual number of collisions over time to account for the continuous improvement of road safety.
6. Exclude provincial and federal taxes from the price for a litre of fuel.
7. Account for the anticipated electrification of light-duty vehicles over time in Manitoba.

All except one of these recommendations were implemented to recalculate an updated benefit-cost analysis. The only recommendation not implemented was recommendation 5, regarding reducing the social cost or number of collisions over time. This recommendation was not implemented because the collision modification factors (CMFs) used in the initial analysis already represents long-term safety performance expectations and it is not best practice to assume additional safety benefits over time.

Further, projected benefits in years 26 to 50 are reduced by 5 percent and projected costs in the same period are increased by 10 percent to account for additional uncertainty over the extended analysis period. These recommendations have resulted in a positive but slightly lower benefit-cost ratio.

Using Deloitte's recommendations, the following have changed:

- The present value of benefits has increased from $139.9 million to $188.3 million
- The present value of costs has increased from $119.5 million to $178.4 million
- The net present value of the project has decreased from $20.4 million to $10.0 million
- The benefit-cost ratio has decreased from 1.17 to 1.06
- The internal rate of return has decreased from 6.6 percent to 5.9 percent

While the benefit-cost study now shows a slightly smaller benefit, the results still remain positive and the internal rate of return is above the City's nominal discount rate of 5.5 percent and the 30-year external debt issuance rate of 5.5 percent.

4.0 Next Steps

4.1 Project Authorization and Delivery

To deliver the Route 90 Improvement Project as a cohesive “single project” encompassing project planning, design and construction procurement, and land acquisition, project authorization should occur on or before Q1 2027.

The recommended delivery model is described in Table 1, above. Appendix C, attached, presents the recommended project delivery schedule and construction sequencing, assuming project authorization occurs in Q1 2027.

If Council authorizes the entire project, the following delegation of authority is recommended, to be requested in the future:

1. That the Chief Administrative Officer be delegated the authority to award construction contracts exceeding $10,000,000 for award of contracts within the overall project.

4.2 Modified Project Delivery: St. James Street Northbound and Southbound Bridge Rehabilitation

If the Route 90 Improvement Project is not authorized by Q1 2027, rehabilitation of the existing St. James Street bridges will need to be separated and pursued as stand-alone projects, starting with the northbound bridge and followed shortly thereafter by the southbound bridge.

Given the worsening condition of the existing bridges, it is imperative that planning work for these bridge rehabilitations begin in 2027 for these major rehabilitations, starting with the northbound structure. This would require capital funding for preliminary design work starting in 2027, to determine: modified traffic staging plans; modified property acquisitions; make design changes to amended work plan and obtain updated cost estimates. Due to age-related deterioration, rehabilitation of the northbound bridge should be completed by 2029 at the latest, with rehabilitation of the southbound bridge completed soon thereafter.

Rehabilitation of the existing bridges as stand-alone projects means the new southbound bridge structure (a new three-lane bridge structure located between the existing bridges, as proposed by the Route 90 Improvements Project) will not exist during these works. Without a new three-lane southbound bridge in place, two-way traffic will need to be accommodated on the lone remaining bridge. This will result in severe traffic congestion and delay for the travelling public and commercial goods movement that will be widespread both on Route 90 and the Regional Street network in the area. This segment of Route 90 carries an average of 77,800 vehicles per weekday, making it the busiest segment of road in the City, and a critical goods movement corridor.

In the event the existing bridge rehabilitations are completed as stand-alone projects, they should be rehabilitated and modified in a manner that is compatible with the ultimate Route 90 Improvements. However, there is risk that portions of rehabilitation works will not be entirely compatible, such as prework and staging, that will add additional costs to the overall project. These costs cannot be assessed until subsequent design work is completed for the rehabilitations. Property acquisitions will be required for stand-alone bridge rehabilitation projects, or the Route 90 Improvements project in its entirety.

The forecasted funding for rehabilitation of the existing bridges as stand-alone projects is summarized in Table 3.

Table 3: Estimated funding required for modified delivery of bridge rehabilitations only (Class 5)

Component	Forecasted Funding ($ thousands) Class 5 Estimate (-50% to +100% accuracy)					
	2027	**2028**	**2029**	**2030**	**2031**	**Totals**
Preliminary Design of Modified Works	$5,000	$0	$0	$0	$0	**$5,000**
Northbound Bridge Rehabilitation*	$0	$8,000	$110,000	$0	$0	**$118,000**
Southbound Bridge Rehabilitation*	$0	$0	$0	$8,000	$90,000	**$98,000**
Totals	**$5,000**	**$8,000**	**$110,000**	**$8,000**	**$90,000**	**$221,000**

** Excludes property acquisition costs which are currently unknown.*

The total Class 5 Estimate (-50 percent to +100 percent accuracy) for rehabilitation of the existing bridges is $221.0 million. This excludes property acquisition costs to accommodate this work, as the extents of modified acquisitions are currently unknown. During Preliminary Design of Modified Works, a new Class 3 Estimate (-20 percent to +30 percent accuracy) for the stand-alone rehabilitation projects would be developed, including property requirements.

4.3 Property Assembly

The Route 90 Improvements – Taylor Avenue to Ness Avenue project requires a significant amount of non-City owned land to facilitate construction. Even if the overall project is not authorized in full, stand-alone projects for rehabilitation of the existing northbound and southbound St. James Street bridges will still require property assembly to accommodate the ultimate alignment improvements.
Presently, the Project does not have dedicated funding for property acquisitions. Approving a property budget well in advance of construction will ease the burden of attempting to relocate dozens of property owners in the small window between project authorization and construction. The City achieves the best return for its money where property can be acquired with the owners' consent and has the property put into productive interim use (i.e. rented prior to the Project)

Historically, the City funded an acquisition budget for major corridors and that allowed the Public Service to acquire homes along Kenaston Boulevard. Establishing a $5 million budget could secure most of the property required for the stand-alone northbound and southbound bridge rehabilitation project or allow other properties to be secured as they become available.

Financial Summary of Budget Referrals

The Route 90 Improvements project is currently unfunded and will only proceed if sufficient funding is approved by Council. The total project includes bridge replacement and budget for property acquisitions. If the total project is not authorized by Q1 2027, this report is recommending that alternative authorizations for the bridge rehabilitation and property acquisition be approved. A summary of the financial recommendations of this report are included in Table 4, below.

Table 4 – Financial Summary of Recommendations

Financial Summary of Recommendations

in $ millions

#	Recommendation	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
3A	**Route 90 Improvements - Taylor Avene to Ness Avenue***	9.974	69.967	157.989	137.475	110.970	105.954	82.883	82.126	**757.338**
3B	**Property Acquisitions *****	5.000	-	-	-	-	-	-	-	**5.000**
4	**Design Work - Northbound & Southbound St. James Bridges ****	-	5.000	8.000	-	-	-	-	-	**13.000**

* Includes the allocation of $5.0 million of property acquisition in 2026

** Bridge Design Work budget referral includes the 2027 and 2028 amounts from Table 2 in the report. Total Class 5 estimate (-50% to +100%) for the rehabilitation of the existing bridges is $221.0M. Per recommendation 4 of this report; the remaining bridge rehabilitation project deliverables are to be referred to a future budget process. The total cost estimate of the bridge rehabilitation project would need to be refined prior to the future budget process submission.

*** Initial property acquisition costs are included in recommendation #3, in the event the total project is not referred to the 2026 Budget Process the Public Service is still requesting that the $5.0 million for property be referred to the budget process as described in section 4.3 of the history discussion section of this report.

Impact of the Participation of Other Levels of Government

At an estimated construction cost of $613.9 million (without construction period interest), the project would be a significant burden if funded solely by property tax owners. For the project to proceed, funding from other levels of government will likely be required. Traditionally, projects of this importance and order of magnitude are cost shared between the three levels of government based on each level of government funding 1/3 each of eligible expenditures, noting that the City share of costs can be expected to exceed the other two levels of government due to ineligible expenditures such as land acquisition costs.

Based on the current Class 3 estimate of $613.9 million and considering ineligible expenditures, it is estimated that funding from the other two levels of government under a typical tri-party cost sharing agreement would be approximately $175 million each, leaving the remaining $263.9 million to be funded by the City. Construction period interest would need to be revised based on the timing and amount of the City's share of the funding.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 25, 2025

Project Name: **First Year of Program** **2026**

Route 90 Improvements – Taylor Avenue to Ness Avenue Value for Money Study Findings and Next Steps – Purchasing Ref No. 783-2025

	2026	2027	2028	2029	2030-2033
Capital					
Capital Expenditures Required	$ 9,974,000	$ 69,967,000	$ 157,989,000	$ 137,475,000	$ 381,933,000
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 9,974,000	$ 69,967,000	$ 157,989,000	$ 137,475,000	$ 381,933,000
Funding Sources:					
Debt - Internal & External	$ 9,974,000	$ 69,967,000	$ 157,989,000	$ 137,475,000	$ 381,933,000
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Provincial/Federal	-	-	-	-	-
Total Funding	$ 9,974,000	$ 69,967,000	$ 157,989,000	$ 137,475,000	$ 381,933,000
Total Additional Capital Budget Required	$ 757,338,000				
Total Additional Debt Required	$ 757,338,000				
Current Expenditures/Revenues					
Direct Costs	$ 191,000	$ 3,136,000	$ 10,128,000	$ 17,159,000	$ 112,796,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 191,000	$ 3,136,000	$ 10,128,000	$ 17,159,000	$ 112,796,000
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 191,000	$ 3,136,000	$ 10,128,000	$ 17,159,000	$ 112,796,000

Additional Comments: This project remains subject to Council authorization and a funding review. Based on the findings from the study, the procurement model that will provide the best value for money is a series of traditional design-bid-build contracts.
Recommendations #1 and #2 - As these recommendations are for information purposes, there are no financial impacts.
Recommendation #3 - This Financial Impact Statement represents recommendation #3 - the referral of the total project to the 2026 Budget Process. The Class 3 estimate of the project is $613.9 M plus an additional $143.4M in construction period interest assuming the project is funded using debt as there is no identified funding source at this time.
Recommendations #4 and #5 - These are alternative recommendations to recommendation #3 that would support design work for the bridge rehabilitations and to begin required property acquisitions. The financial impact of recommendations 4 and 5 are identified in Table 3 to this report. Direct costs are attributed to the estimated debt and finance charges on internal financing and external debt assuming the project utilizes this funding structure.

J. Ruby, CPA, CA September 25, 2025

J. Ruby, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

- Corporate Finance - Purchasing
- Legal Services (as to procurement and delivery model issues)
- Planning, Property, and Development (as to Real Estate issues)
- Chief Administrative Office - Economic Development and Policy (as to the Benefit Cost Analysis)
- Water and Waste Department

OURWINNIPEG POLICY ALIGNMENT

This report aligns with the vision and goals of OurWinnipeg 2045 and Complete Communities Direction Strategy 2.0 (CCDS 2.0). The project's progression, informed by detailed analysis, directly implements key policies related to responsible governance, strategic infrastructure investment, and sustainable city building.

- OurWinnipeg 2045
    - *Policy 1.5 Evidence-Informed Decisions.* Council's direction to conduct an independent Value for Money (VFM) study embodies the principle of investing in objective analysis to inform major public decisions. The study findings provide the critical evidence needed to select the most advantageous project delivery method for the City.
    - *Policy 1.21 Strategic Procurem*ent. The recommendation to structure the project into distinct contracts is a direct application of a coordinated procurement strategy. This approach was chosen after evaluating 14 different delivery models and consulting with the construction market to ensure the strategy aligns with industry capacity and provides the best value.
- CCDS 2.0 - Urban Structure Supports, *G2 Strategic Infrastructure and Resources – Major Roadways Goal 6 – limit potential impact on neighbourhoods from major roadways while allowing major roadways to function efficiently for their intended use*. The recommended delivery method minimizes the impact on neighborhoods to the extent possible while improving the ability for Route 90 to function for its intended use.

The Transportation Master Plan: 2050 (TMP) adopted by Council on June 26, 2025, identified Route 90 Improvements – Taylor Avenue to Ness Avenue as a short-term (2024-2033) priority, refer to Map 9 in Appendix A. The TMP also identifies this segment of Route 90 being part of the Strategic Road Network.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Winnipeg Climate Action Plan policy alignment is not applicable to the present report, which concerns the recommended delivery strategy for the project. However, in general, the project aligns with the following policies from Winnipeg Climate Action Plan:

- *Policy #3.1, Increase Use and Efficiency of Public Transit Systems.* New Transit stops will accommodate articulating buses and enhance connections for riders.

- *Policy #3.4, Increase Active Transportation Rates*. New active transportation paths will fill gaps in the pedestrian and cycling network, and support sustainable transportation options.
- *Policy #3.5, Reduce Traffic Congestion*. Synchronizing traffic signals and efficient intersection design will reduce congestion and stop-and-go traffic.
- Benefit-cost analysis modelling estimates that adding an additional lane to the facility in both directions within the study area will generate 28,067 tonnes of GHG emissions from construction activities. However, more efficient travel speeds resulting in reduced fuel consumption along the facility are expected to reduce GHG emissions by 50,537 tonnes over a 25-year benefiting period. Taken together, widening the facility is estimated to result in a net reduction of GHG emissions in the amount of 22,470 tons over a 25-year analysis window.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Winnipeg Poverty Reduction Strategy policy alignment is not applicable to the present report, which concerns the recommended delivery strategy for the project. However, in general, the project aligns with the following policies from Winnipeg Poverty Reduction Strategy:

- *Goal 5 – Transportation System Equity is Enhanced*. People living in poverty often travel daily to various locations to access services that help meet their basic needs. The proposed design features significant improvements for low-cost alternative modes of travel, including walking, biking and Transit.

SUBMITTED BY

Department: Public Works
Division: Engineering
Prepared by: Cam Ward
Date: September 25, 2025
File No: 17-G-04

Attachments:

Appendix A – Map 9: Transportation 2050 Road Network Projects to 2050 and Beyond

Appendix B – Deloitte LLP Executive Summary

Appendix C – Recommended Project Schedule and Construction Sequencing

Appendix D – Preliminary Design