Route 90 Reality Check

What Every Councillor (and Taxpayer and the Media) Should Know (But Probably Doesn't)

Executive Policy Committee – Special Budget Meeting
December 12, 2025

Ken Klassen, C.E.T.

2026 Preliminary Budget

- Comments, concerns and recommendations for **Route 90 Improvements Project**
  (Taylor to Ness including St. James Bridge)



2026 Preliminary Budget

- **Land Acquisition** for Trade Corridors (2026)
  - Route 90 Improvements; and
  - Chief Peguis Trail Extension West

Project Name:	**Land Acquisition for Trade Corridors**
Standing Policy Committee:	Public Works
Department:	Public Works
Project:	1803000126
Service:	Transportation Planning and Traffic Management
OurWinnipeg:	Economic Prosperity

AUTHORIZATION	Previous Budgets	2026 Estimate	FORECAST 2027	2028	2029	2030	2031	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	N/A *	5,200	-	-	-	-	-	-	5,200
Financed by:									
Regional Street Renewal Reserve		5,200						-	5,200

Source: Supplement to the 2026 Preliminary Budget.

2026 Preliminary Budget

- **Planning for bridge rehabilitation** portion of Route 90 Improvements – Taylor to Ness (2027-28)

Project Name: **Route 90 Improvements - Taylor to Ness**

Standing Policy Committee: Public Works

Department: Public Works
Project: 1803000127

Service: Transportation Planning and Traffic Management
OurWinnipeg: Economic Prosperity

AUTHORIZATION	Previous Budgets	2026 Estimate	FORECAST 2027	2028	2029	2030	2031	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	-	-	5,000	8,000	-	-	-	13,000	13,000
Financed by:									
Frontage Levy			5,000	8,000				13,000	13,000

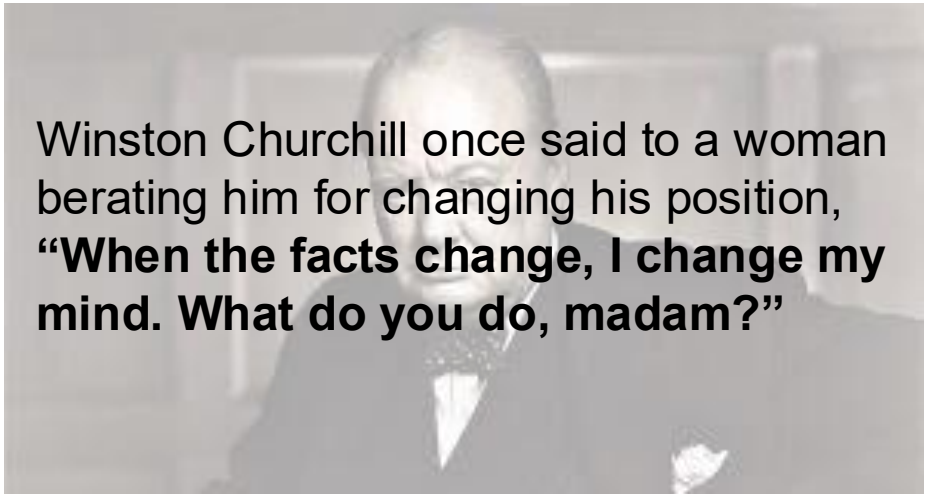
Source: Supplement to the 2026 Preliminary Budget.

Refute these concerns…

1. **Massive cost-escalation** with a high probability of further increases make the current project unaffordable and too risky.
2. **Very poor value for money** given the scale of investment.
3. **Fails to solve congestion** or address underlying causes.
4. **Misaligned with national trade diversification priorities** and unlikely to attract federal funding.
5. **Undermines climate commitments** at the city, provincial and national level.

… and these concerns:

6. **Major negative community impacts** remain unaddressed.
7. **Weak engagement with directly affected residents** has undermined trust and may result in legal challenges.
8. **Persistent lack of transparency** has forced residents and media to rely upon repeated FIPPA requests.
9. **More affordable and effective alternatives exist** but have not been seriously explored.
10. **Elected official (and lobbyists) who refuse to adapt** when facts change and new evidence emerges.



There has been a massive increase in the estimated cost for Route 90 Improvements

Capital Cost – Escalation Far Outpaces Inflation

- Route 90 capital cost estimates over time
  - 2009: $129-million[1].
  - 2015: $375-million[2]., +290%
  - 2018: $450-million[3]., +348%
  - 2020: $500-million[4]., +388%
  - 2024: $586-million[5]., +454%
  - **2025: $614-million[6]., 476% higher**
- **CPI increase** (2009 to present[7].): **+44%**
- **Construction Cost Escalation** (2009 Q3 – 2025 Q3[8].) **+76%**

Sources:

1. Administrative Report: Approval of the Preliminary Design for the Widening of Route 90 Between Ness and Taylor, Meeting of Standing Policy on Infrastructure Renewal and Public Works, June 29, 2011.
2. Council Seminar: Building Canada Fund Application Additional Information on the Projects, March 24, 2015.
3. Route 90 Improvement Study (2018).
4. Unfunded Major Projects Capital Projects Detail, May 2019.
5. Administrative Report to Council, June 27, 2024.
6. Supplement to the 2026 Preliminary Budget.
7. Inflation Calculator, Bank of Canada.
8. Construction Escalation Calculator, Hanscomb Quantity Surveyors.

Capital Cost Exposure

- Current Class 3 cost estimate has significant uncertainty (-20%/+30%)
  - With financing: **$614 capital + $143 debt = $757-million**
  - High risk of **cost escalat**ion, especially as federal 'Projects of National Interest' drive up construction costs
  - With a plausible +30% escalation: **Total exposure ≈ $984-million**

Source: Supplement to the 2026 Preliminary Budget, City of Winnipeg.

Incremental Cost – Widening Only

- Incremental share to widen Route 90 from Taylor to Ness and reconfiguring the St. James Bridge (including contingency and administration)
  - **$614M** (capital only) x 36% = **$221M**
  - **$757M** (capital + financing) x 36% = **$273M**
  - **$984M** (capital + financing + escalation) x 36% = **$354M**
- **Takeaway**: Just the widening portion exposes the City to an added **$221M-$354M** before further inflation or scope change

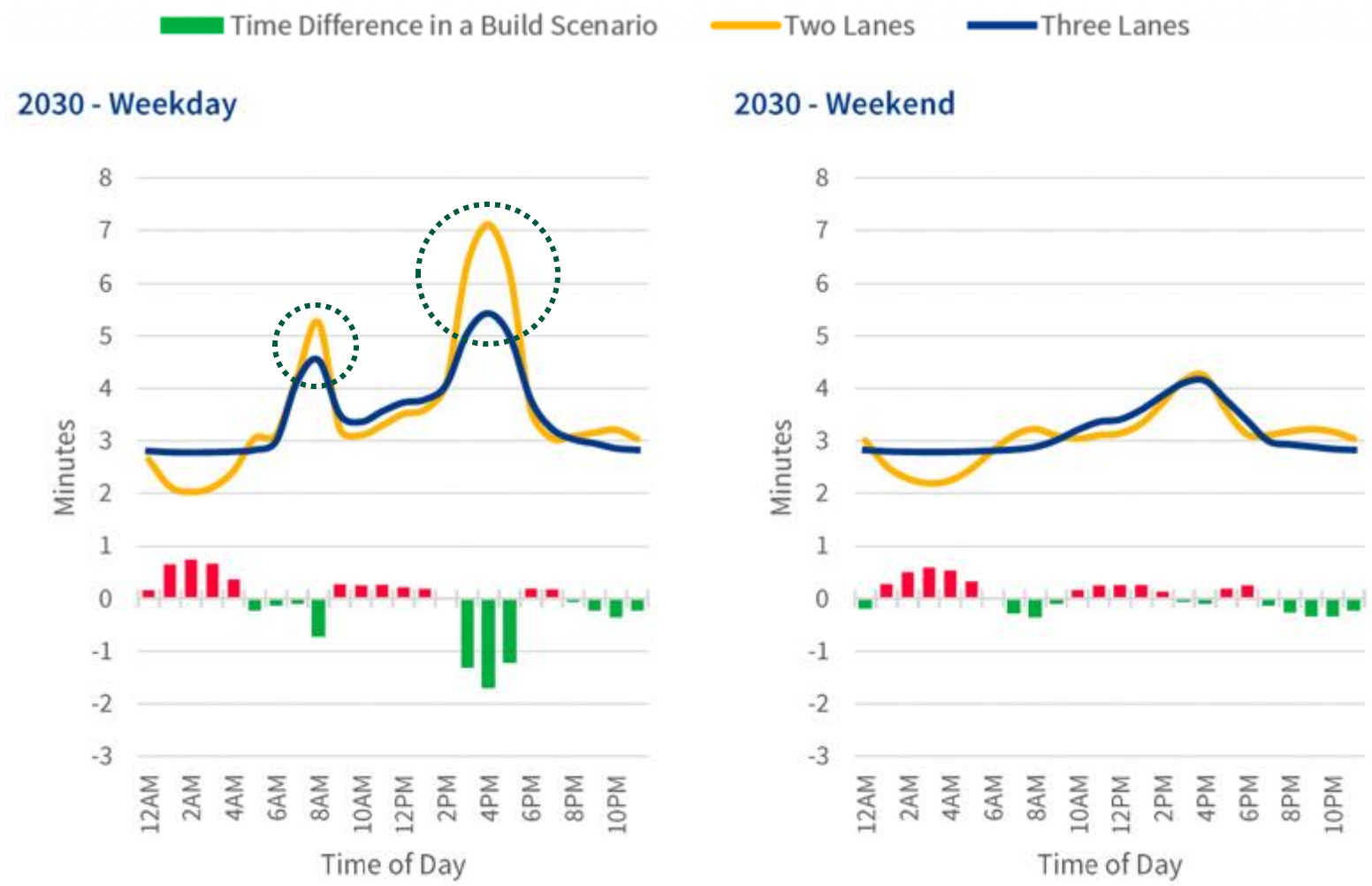
1. **Road Widening:** updated cost estimates indicate the road widening will make up **36%** of total project costs.

The cost of Route 90 widening, excluding contingency and administrative costs, is estimated to be $163.8 million (2023 dollars) or 31.4% of total project costs.

Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

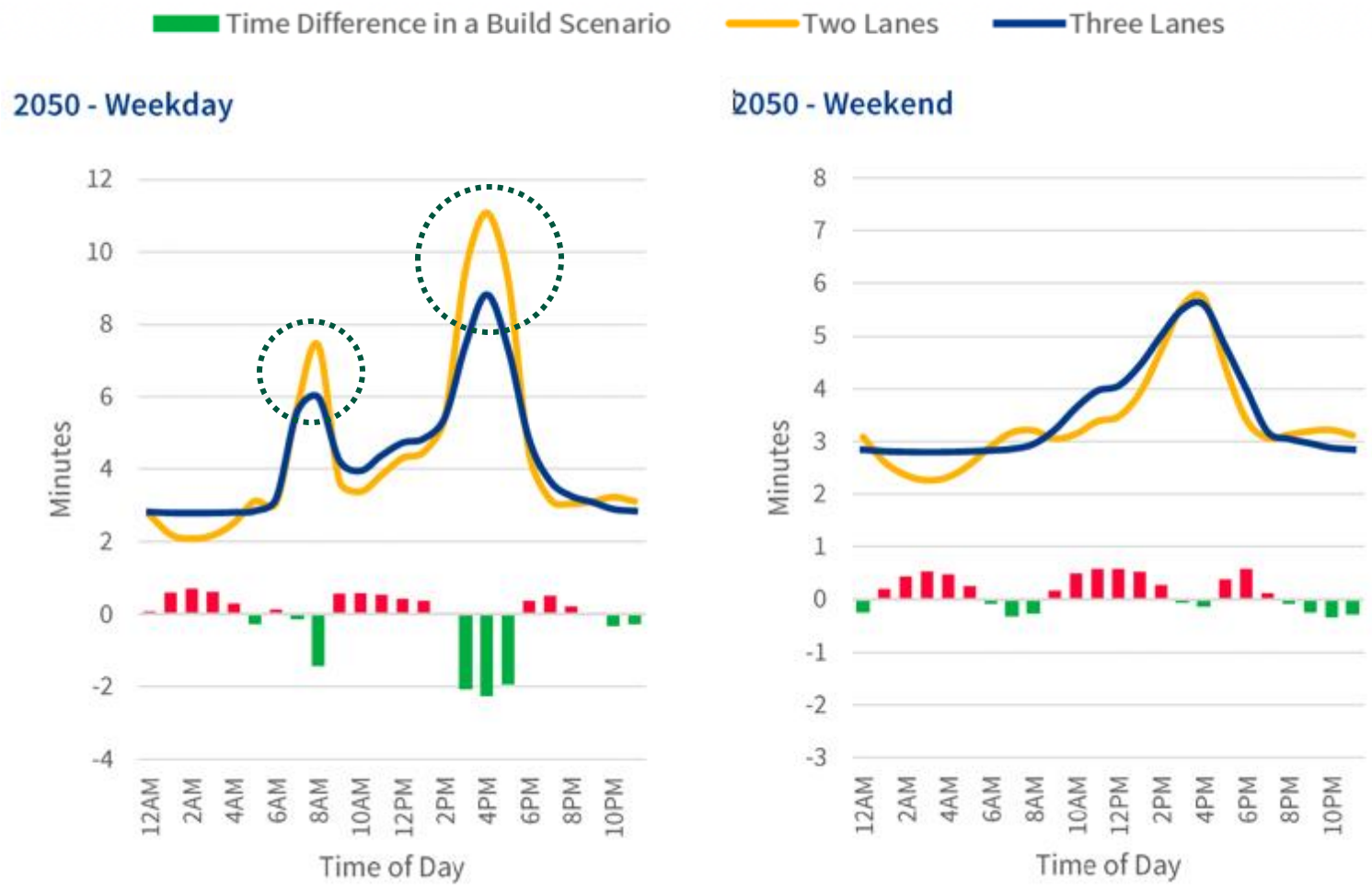
Route 90 improvements will not solve congestion or address underlying causes

Average travel time – 2030



Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

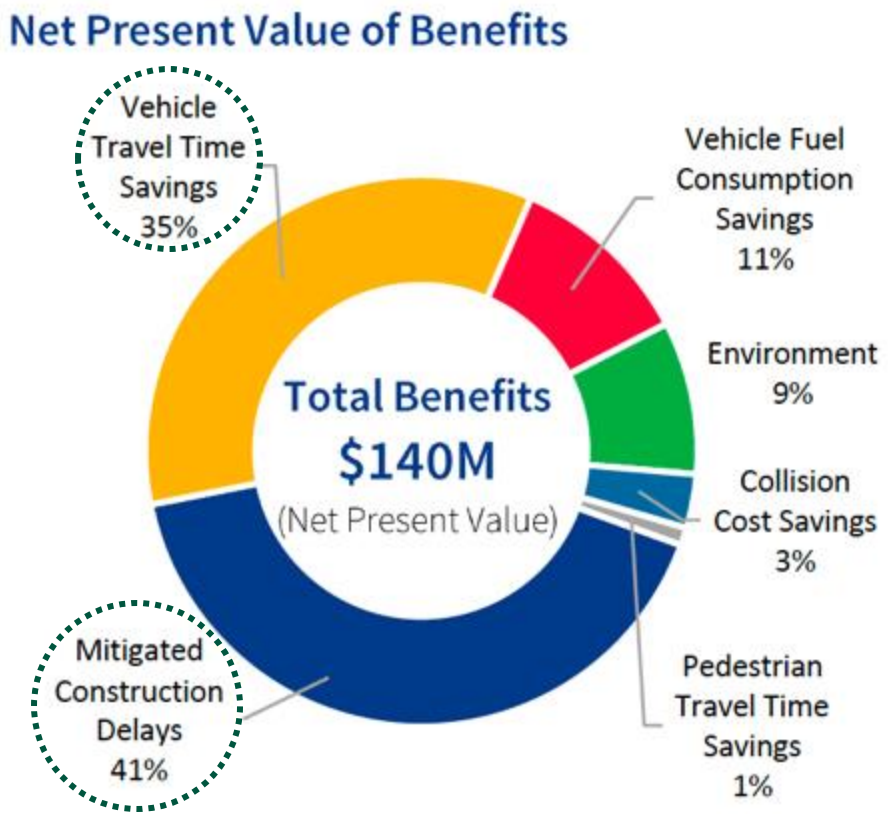
Average travel time – 2050



Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

Mitigated construction delays

- Most travel time savings are from ‘mitigated construction delays’, not post-construction



Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

Ongoing travel time savings – ‘marginal’

1. **Ongoing time savings are marginal:** estimated reductions in average travel times for users once the improved facility is operational means minor time savings benefits which are generally the primary driver behind transportation improvements. If the benefits of mitigated construction delay are excluded, the BCA ratio falls to 0.69. **Average travel time savings per user would need to rise by 77% to justify the investment and bring the ratio to at least 1 if the benefits of mitigated construction delays are ignored.**

Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

Widening Route 90 is a very poor investment of public resources

Net benefits are meagre

- Additional cost attributable to widening Route 90 offers very weak and uncertain return on investment
  - **Only $10M net benefit** over **50 years** (average $200K per year) for an investment of **$221M-$354M**

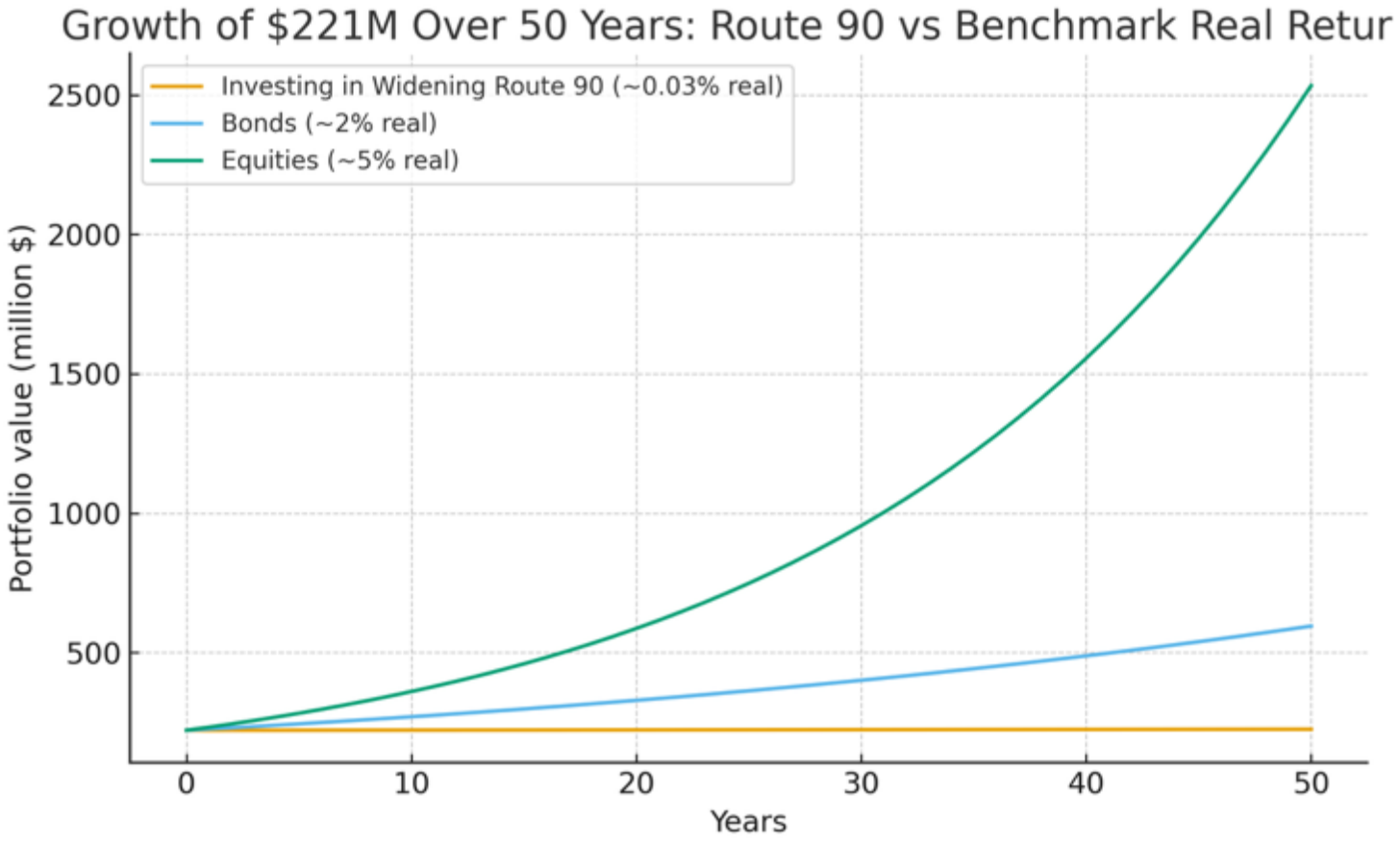
"Sometimes, you have to make an investment to get the return on that investment."
Scott Gillingham, September 12

Sources:

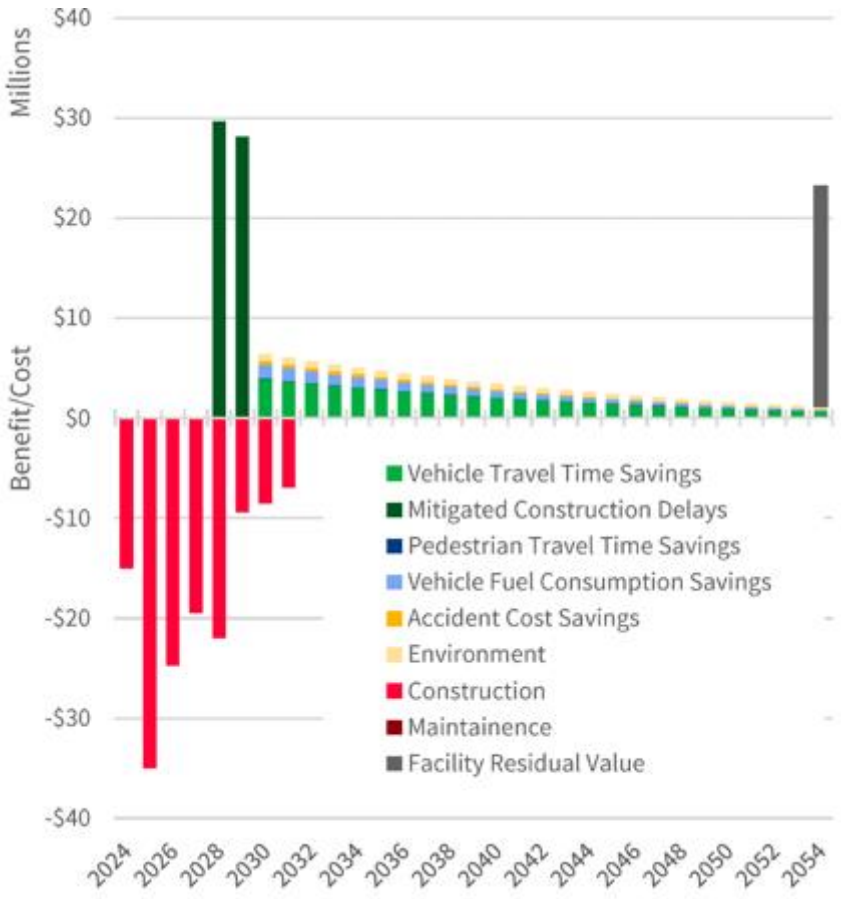
1. Administrative Report – Budget Review Item No. 7 Route 90 Improvements.
2. Building a Stronger Winnipeg- Scott Gillingham for Winnipeg Mayor, October 2022.

Net benefits are meagre

- A similar investment in **equities** or **even low-risk bonds** would **far exceed** financial benefits generated by widening Route 90



It will take decades to just breakeven

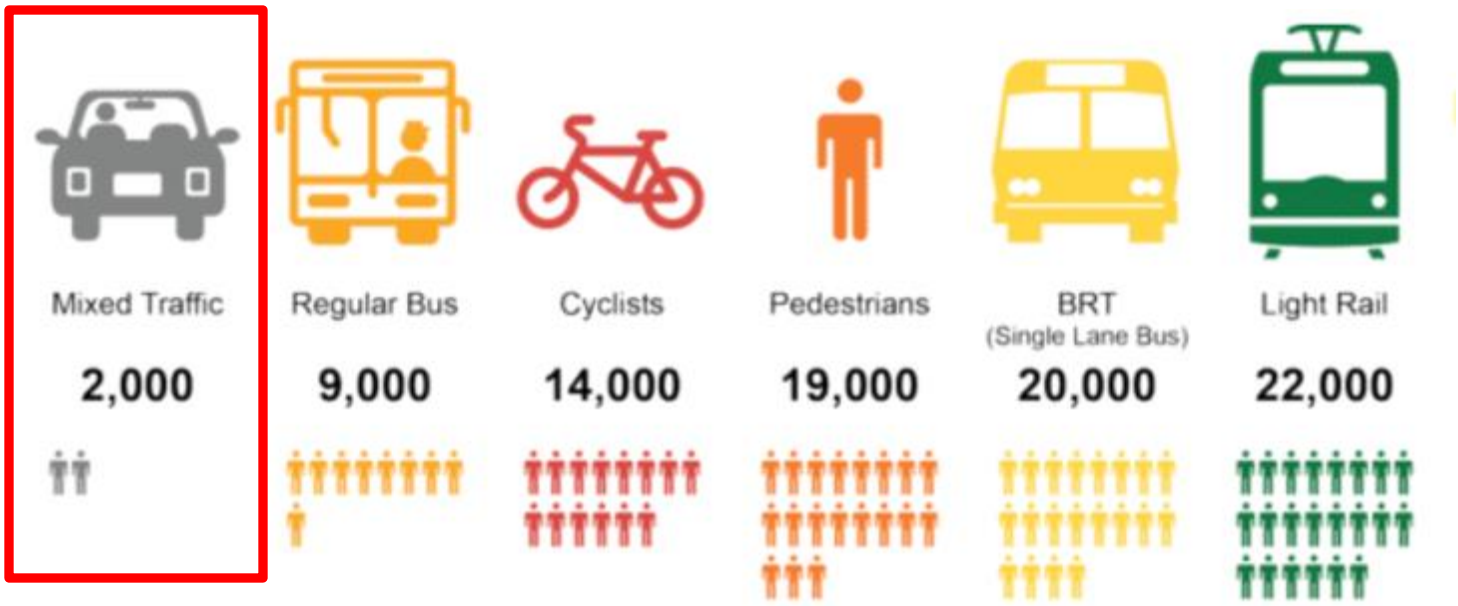


Benefits and Costs
(Net Present Value)

Source: Route 90 Improvements Benefit-Cost Analysis, March 2024.

Adding Lanes is Most Expensive Approach

- Widening roads is **the most expensive way** to address congestion
  - Evidence from across North America shows that its is the **least effective approach** as added lanes quickly fill due to '**induced demand**'



Capacity of 3.5 m wide road, different modes

No extra development revenue

- Widening Kenaston will **not** pay for itself by triggering new development or intensification projects

Municipal Revenue: Currently there are no known land development or intensification projects that are entirely contingent on adding a third lane to Route 90 in the study area. As such, there is no additional municipal revenue associated with this project.

https://www.winnipegfreepress.com/breakingnews/2018/07/12/citys-kenaston-plan-wont-work-outside-consultant-told-crown-land-authority-in-october

City's Kenaston plan won't work, outside consultant told Crown land authority in October – Winnipeg Free Press

7:00 PM CDT Thursday, Jul. 12, 2018

The consulting firm hired to redesign the former Kapyong Barracks property agrees with area residents who believe the plan to widen Kenaston Boulevard is flawed and will negatively impact surrounding neighbourhoods.

A letter sent from B.C.-based Urban Systems to Canada Lands Company says the City of Winnipeg is intent on turning Kenaston into an "urban freeway" — an approach that fails to mesh with CLC's proposed development of the Kapyong property.

The letter was obtained by the *Winnipeg Free Press* through an Access to Information request. The letter-writer's identity had been blacked-out.

The letter states the city's plans for Kenaston would "create an urban freeway that doesn't respond to the character and scale of the existing area that would conflict with the intended future redevelopment of the Kapyong lands."

Sources:

1. Route 90 Improvements Benefit-Cost Analysis, March 2024.
2. Winnipeg Free Press, July 12, 2018.

Does Not Support Trade Diversification Goals

- Route 90 expansion **rejected twice** for federal funding:
  - Building Canada Fund (2015); and
  - National Trades Corridor Fund (2018)
    - Application argued that expanding Route 90 from Taylor to St. James Bridge was essential to **'increase U.S. trade'**
    - That framing is now **politically toxic** under the new $5-billion, seven-year **Trade Diversification Fund** which prioritizes **reduced reliance on U.S. markets**, not increased dependence
- **Bottom Line**: Project is **misaligned with current federal priorities** making cost-sharing unlikely



Trade Corridor Importance Has Diminished

- Rationale that expanding Route 90 is essential for success of CentrePort is **no longer credible**
  - **CN's Intermodal Terminal has moved** to Symington Yards significantly reducing large truck traffic on Kenaston
  - Upgraded Perimeter Highway and CentrePort Canada Way are **further diverting truck traffic away from Route 90** between Taylor and St. James Bridge

CENTREPORT CANADA

CN marks opening of Winnipeg intermodal terminal

CN yesterday held a ceremony to mark the opening of a new $16 million Winnipeg intermodal terminal at Symington Yard on the eastern side of the city.

The new terminal, which has been handling traffic since the end of July, was completed in less than one year from the date CN announced plans to relocate its Winnipeg intermodal facilities from south Winnipeg.

Source: CN marks opening of Winnipeg intermodal terminal, September 11, Canadian Shipper.

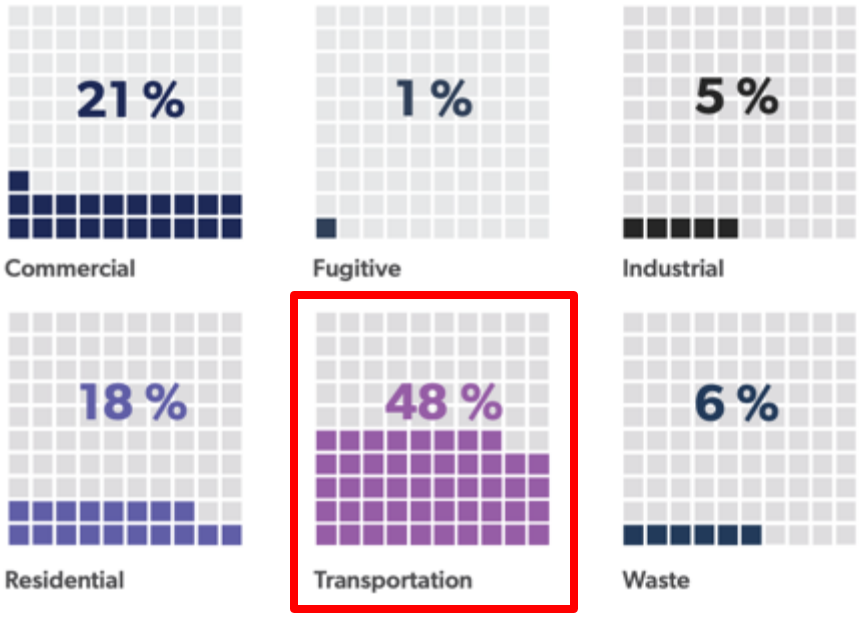
Faulty Traffic Growth Predictions

- Administration has **record of overestimating traffic increases** on this section of Route 90
  - **Fall 2017 Forecast:** Traffic expected to **rise by 75%** by **2030** from background traffic growth and corridor development
  - **Actual Daily Traffic on St. James Bridge** (busiest segment):
    - **1994**: 77,997 vehicles/day
    - **2018**: 81,200 vehicles/day
    - **2024**: 77,800 vehicles/day
- **Reality:** Over three decades, peak traffic volumes on this segment have been essentially **flat**, not surging

Sources:
1. National Trades Corridor Fund Application, November 6, 2017.
2. St. James Bridge Traffic Count Summary.
3. 2018 Traffic Flow Map.
4. 2024 Traffic Flow Map.

GHG Emissions

- Transportation produces nearly **half** of Winnipeg's GHG emissions



Source: City of Winnipeg Community Energy Investment Roadmap.

Will Not Meaningfully Reduce Emissions

- Cuts only **23,000 tonnes over 25 years**, **less than two days** of Winnipeg's annual emissions
  - Directly at odds with Manitoba's **Path to Net-Zero** strategy and undermines targets and goals in the City's own:
    - Climate Action Plan;
    - Community Investment Roadmap; and
    - Transportation Master Plan 2025



Source: Transportation 2050 Reimagining Mobility – City of Winnipeg Transportation Master Plan.

Better options exist but have not been seriously explored

Hit the Reset Button

- The City has revisited major projects before when costs or impacts became unacceptable
  - It is both reasonable and responsible to explore more affordable, lower-impact alternatives now

Council told to ditch $566-M Marion Street project



By: Kevin Rollason
Posted: 4:21 PM CDT Thursday, Sep. 15, 2016

Civic bureaucrats are recommending that a half billion dollar plan to reconfigure part of Marion Street be scrapped because it is too expensive.

St. Boniface city councillor Matt Allard, who last year joined area residents in condemning the proposal, said that he's pleased by the recommendation, coming up at next week's Infrastructure Renewal and Public Works Committee.

"I feel vindicated," Allard said on Thursday as he stood at Marion Street where it crosses Archibald Street.



"We're over our heads with the roads we have."

— *Councillor Janice Lukes, chair of the Public Works committee*

End the secrecy, engage the community

- Require meaningful transparency for the Administration
  - Residents have had to file **FIPPA requests** for information that should be publicly available
  - **Project Advisory Committee** excludes directly impacted residents and has met only **twice since 2018**
  - Process has left the community **inadequately informed**, **frustrated** and **distrustful**, a preventable outcome

OurWinnipeg Goals:		Transportation Outcomes:
	**Leadership & Good Governance**	A transportation system that is developed and operated collaboratively with the community in a transparent and accountable manner.

Source: Transportation 2050 Reimagining Mobility – City of Winnipeg Transportation Master Plan.

Explore smart congestion solutions
Victoria Transport Policy Institute



www.vtpi.org
Info@vtpi.org
250-508-5150

Smart Congestion Relief

Comprehensive Evaluation of Traffic Congestion Costs and Congestion Reduction Strategies

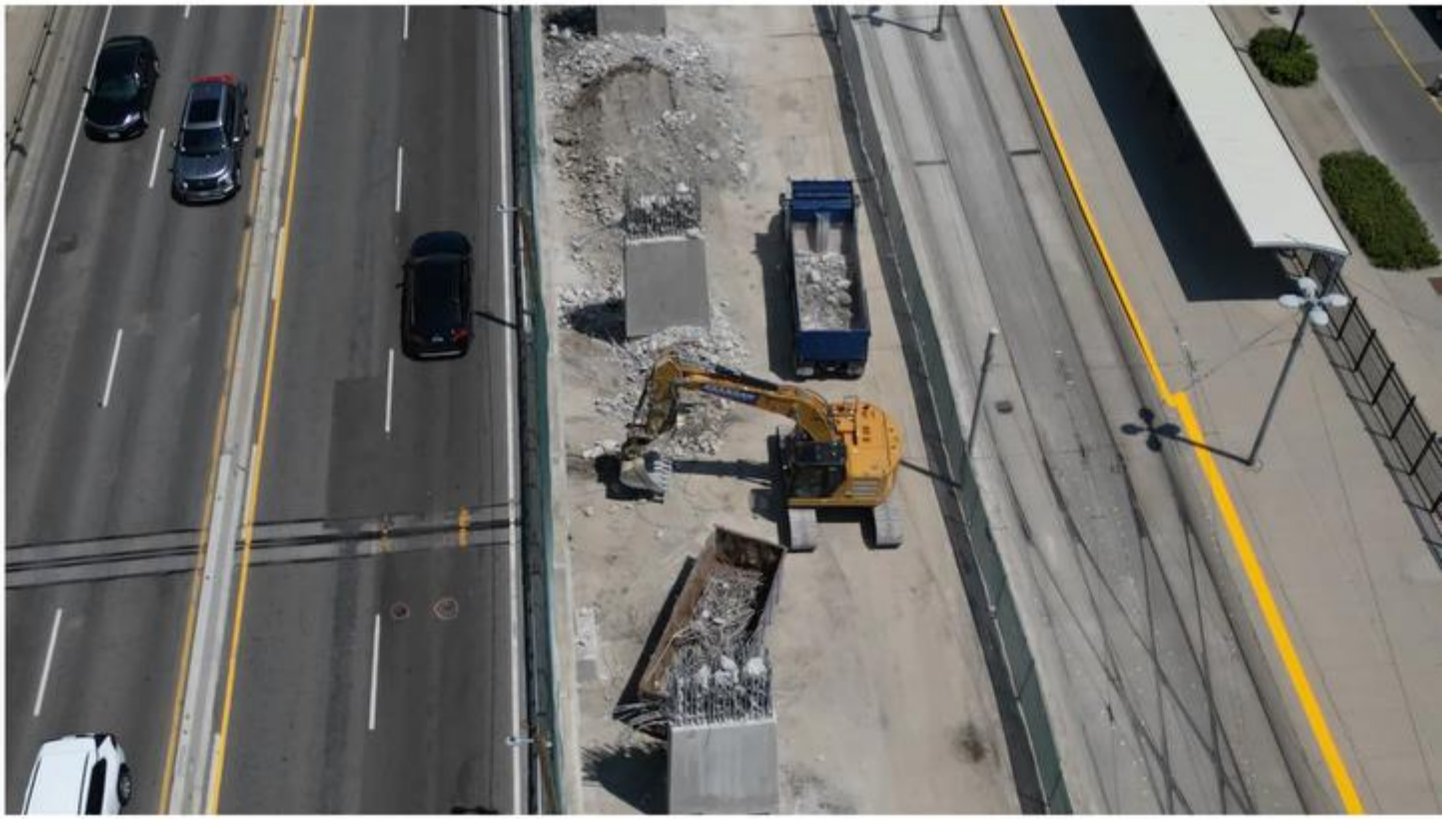
10 November 2022

Todd Litman
Victoria Transport Policy Institute

Look to what's worked elsewhere

Gardiner Expressway construction time 'halved' but completion date uncertain, says mayor

Details such as who will patrol the highway are still being finalized: Chow



Aerial (drone) images of the Gardiner undergoing demolition and re-construction, east of Dufferin. Almost 140,000 drivers use the Gardiner Expressway daily. Travel times are expected to drop by approximately 22 minutes for each trip after the construction is complete. (Patrick Morrell/CBC)

Tap expertise of North America's leader

Texas Transport Institute

