Agenda – Executive Policy Committee – February 17, 2026

Report – Standing Policy Committee on Public Works – February 4, 2026

Item No. 2 Council Update for the Preliminary Design Study - Chief Peguis Trail Extension West – Main Street to Brookside Boulevard – February 2026

STANDING COMMITTEE RECOMMENDATION:

On February 4, 2026, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

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 Chief Peguis Trail extension be referred to the 2026-2027 Strategic Priorities Action Plan process.

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

Agenda – Executive Policy Committee – February 17, 2026

Report – Standing Policy Committee on Public Works – February 4, 2026

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 4, 2026, 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.

COUNCIL DECISION:

On December 18, 2025, Council concurred in the recommendation of the Standing Policy Committee on Public Works and adopted the following:

1. That an extension of up to 60 days be granted for the Winnipeg Public Service to report back on the Council Update for Preliminary Design Study - Chief Peguis Trail Extension West – Main Street to Brookside Boulevard.

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

On March 27, 2025, Council concurred in the recommendation of the Standing Policy Committee on Public Works, as amended by the Executive Policy Committee, and adopted the following:

1. That the Public Service proceed with an independent value for money assessment for evaluating business case and alternative project delivery methods, and report back by December 2025.

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

ADMINISTRATIVE REPORT

Title: Council Update for the Preliminary Design Study - Chief Peguis Trail Extension West – Main Street to Brookside Boulevard – February 2026

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 March 27, 2025, Council authorized the Public Service to do an independent value for money assessment on the Chief Peguis Trail extension. The assessment evaluated business cases and alternative project delivery methods. This report advises Council of these results.

On June 26, 2025, the Transportation Master Plan was passed by Council. The Chief Peguis Trail Extension West – Main Street to Brookside Boulevard is listed as a short-term priority (2024-2033) – see Appendix A.

This project is needed to build about 15,000 housing units, for 38,000 people in northwest Winnipeg. It will also help develop an area next to CentrePort Canada to accommodate significant employment development. This development could bring a combined 5,600 jobs once completed. The 5,600 jobs could add $731 million annually to Manitoba's GDP (2019 dollars).

When the lands adjacent to this project are fully developed, they are anticipated to bring in $59 million yearly in tax revenue for the City and $65 million each for both the federal and provincial governments (2019 dollars).

The project's benefits go beyond improving the transportation network. It will also create new homes and job opportunities in northwest Winnipeg.

Delivery Model Assessment

The study looked at a variety of delivery models and found that a series of alternate delivery style Design-Build (DB) contracts would provide the best value for money. It noted each contract should have a distinct scope, location, and schedule, which could be procured through a single, large contract or multiple smaller contracts.

Benefit-Cost Analysis (BCA)

An updated Benefit-cost Analysis (BCA) for Chief Peguis Trail Extension West – Main to Brookside project has been calculated. This updated benefit-cost analysis is based on

recommendations as a part of the Value for Money study and information from updated traffic modeling and growth projections for the study area.

These updates have resulted in a revised benefit-cost ratio of 1.43, an increase from the previous 1.18 benefit-cost ratio published in 2025 prior to the Value for Money study.

Next steps

The Class 3 Estimate was updated to $758.8 million (from $755 million) plus an additional $140.3 million in construction period interest (from $147 million) and will have to be updated when the budget is approved.

The estimate assumes the project would be solely funded by the City using debt. As the cost of the project does not currently fit within the City's self-imposed debt ceiling, external funding will likely be required to advance this project to Construction. External funding would reduce financing costs.

This estimate excludes costs for oversized land drainage infrastructure and wastewater interceptor extensions or upgrades within the corridor, which may be needed to support development within northwest Winnipeg.

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 Chief Peguis Trail extension be referred to the 2026-2027 Strategic Priorities Action Plan process.

4. 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 December 18, 2025, Council granted an extension of up to 60 days for the Winnipeg Public Service to report back on the Council Update for Preliminary Design Study - Chief Peguis Trail Extension West – Main Street to Brookside Boulevard.

On March 27, 2025, Council adopted the recommendation of the Standing Policy Committee on Public Works, as amended by the Executive Policy Committee, and adopted the following:

1. That the Public Service proceed with an independent value for money assessment for evaluating business case and alternative project delivery methods, and report back by December 2025.

This report is a follow-up to the previous report including information and recommendations regarding next steps. This report will inform Council of the Value for Money assessment results for evaluating the business case and alternative project delivery (i.e. procurement) methods for this project.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no immediate financial implications as a result of the recommendations.

The Public Service will deliver the project utilizing the Design- Build (DB) Delivery Model if funding is approved within a future budget. If the budget is not approved within two years, the Public Service recommends conducting an updated Market Screening to confirm market conditions still reflect a DB as the preferred delivery model.

For the purposes of transparency, updated benefit-cost results are presented in two separate approaches: one set of updates incorporates only Deloitte's recommendations to the original study, and the second set of updates incorporates both Deloitte's recommendations and the updated traffic modelling and growth assumptions data.

Deloitte Recommendations

The Deloitte study reviewed the Benefit-cost Analysis (BCA) undertaken by the City and provided comments and recommendations to align the BCA with best practices. As a result, the City has adopted three out of the six recommendations from Deloitte into an updated Benefit-Cost Analysis. The adoption of these three recommendations does not materially change the conclusion of the city's analysis as the result is still positive, albeit with a slightly lower value. To summarize the changes:

- The present value of benefits (i.e. the value in today's dollars) has increased from $648.9 million to $686.0 million.
- The present value of costs has increased from $550.8 million to $644.2 million.
- The net present value (i.e. the benefits minus the costs) of the project has decreased from $98.2 million to $41.8 million.
- The benefit-cost ratio has decreased from 1.18 to 1.06.
- The internal rate of return has decreased from 6.6 percent to 5.8 percent.

While the benefit-cost study now shows a slightly smaller benefit, the results remain positive, and the internal rate of return is above the City's cost of borrowing for long-term debt.

Updated Traffic Modelling and Growth Projections

In addition to the above changes suggested by Deloitte, the original benefit-cost study for this project was written in 2024 and published in early 2025. Since then, there have been updates to Public Works' traffic modelling methodologies. Specifically, over the projection period, traffic originating from the area of CentrePort is now 133 percent higher than originally estimated while traffic originating from future development in precincts A, B, and D is 35 percent higher than originally projected due to updated trip generation methodologies. This increase in current and future traffic volumes has substantially increased the benefits associated with the Chief Peguis Trail Extension West project. When the new traffic projections are taken into consideration along with the recommendations made by Deloitte above, the new benefit-cost results are as follows:

- The present value of benefits has increased from $648.9 million to $923.7 million
- The present value of costs has increased from $550.8 million to $644.2 million
- The net present value of the project has increased from $98.2 million to $279.5 million

- The benefit-cost ratio has increased from 1.18 to 1.43
- The internal rate of return has increased from 6.6 percent to 7.0 percent

The Chief Peguis Trail Extension West – Main to Brookside project will be presented in a proposed future Capital Budget, subject to Council authorization of the recommendations presented in this report.

HISTORY/DISCUSSION

On March 27, 2025, Council approved the Update for the Preliminary Design Study – Chief Peguis Trail Extension West – Main Street to Brookside Boulevard. 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 June 16, 2025, the Director of Public Works awarded RFP No. 346-2025 to Deloitte LLP in the amount of $289,800.00, G.S.T. and M.R.S.T. extra as applicable for Chief Peguis Trail Extension West – Main to Brookside 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 responsible City personnel to gauge organizational familiarity with alternative delivery, lessons learned, etc.
- An initial listing of fourteen possible alternative delivery models was developed and then further screened down to five 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. Nine 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.

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, most alternative delivery models and the traditional delivery method of design-bid-build were screened out and it was determined that the Design Build alternate delivery is preferred delivery model for the Project, as it presents advantageous and cost-effective value for money.

The Deloitte study's analysis indicated that, under current market conditions, the amount of risk that can be transferred to the private sector is less than in previous assessments completed during the preliminary design stage. As a result, the lower level of risk transfer does not offset the additional financing cost associated with the Design Build Finance Maintain model. The DBB model was both less financially feasible and had a much lower risk transfer than DB.

The market standard in Canada for DB style procurements is a two-stage approach, comprising of a Request for Qualifications (RFQ) phase to short-list qualified consortiums followed by Request for Proposals (RFP) to select the preferred proponent. A two-stage procurement process is recommended for the Project.

Under a DB delivery model, the Project can be procured through a single, large DB contract, or multiple smaller DB contracts. The table below describes the rationale for the City's consideration of each approach – single large DB contract vs multiple smaller DB contracts.

Key Consideration	Discussion
Market interest to ensure competitive process	• Splitting the Project up into separate contracts may generate increased competition among local contractors. Deloitte's market sounding report supports this finding, where interest for the DB model is maximized at approximately $100M since this touches the ranges of both 'large' and 'small' participants. • The market soundings also suggested that interest in the DB contract declines once the value exceeds $500M, with ideal DB contract value range between $100M to $500M. Given that the total contract value is anticipated to be approximately $600M, there is a potential risk of lower market interest / competition for the Project under a single large DB package.
Coordination and accountability in delivery of the Project	• A single DB contract will provide the City with one contractor / consortium who would retain responsibility for delivery of the entire Project. • Splitting up the Project into multiple DB contracts would increase the interface and coordination risk for the City as the City would retain the "integrator" risk to ensure comparability and integration between the different DB contractors. • The City can mitigate this through engaging an owner's engineer to oversee the interfaces and sequencing.

Schedule coordination and construction implementation	• Multiple DB contracts can provide the City with schedule flexibility such that certain components of the Project can be progressed earlier than others. • However, the City would be required to manage multiple construction schedules. Delays in completion of one package / contract could impact other contracts, which could lead to issues on attribution of responsibility. The City will need to implement clear coordination and interface management to avoid impacts on cost and schedule (procurement and construction). • The DB schedule for the three DB contracts outlined earlier is provided in Appendix B.
City's costs to implement the procurement process	• Issuing multiple DB contracts has higher owner's costs for the City due to separate honorariums, proposal submission fees, and administrative procurement costs associated with each DB procurement process.

Deloitte recommends that the City's preferred strategy should be tested with the market through additional market soundings in the lead up to procurement. Once it is determined if it is necessary to split this Project across multiple DB contracts or not, the next step is to begin developing a procurement process for the City to progress from planning to construction.

Market sounding has identified that the larger firms are conducting future planning three years out for larger projects and appreciate updates every six months in the two years leading to the launch of procurement. An advanced notice of the City's intent (ideally several months ahead) will allow consortium teams the time required to form and constitute themselves to be ready to respond to the RFQ. Deloitte advises that at this stage the City engage an owner's engineer to oversee the interfaces and sequencing on its behalf.

Deloitte recommends that a 'Preliminary Project Summary' is provided in that RFQ that outlines the key commercial terms and risk allocations that will form the basis of the procurement process.

Deloitte recommends additional market sounding be undertaken in advance of the preparation of the reference design, development of the DB RFQ/RFP documents to confirm the DB contract structure; however, an initial DB contract structure was prepared for the City's consideration as follows:

- DB Contract 1: Land Drainage
- DB Contract 2: Roadways
- DB Contract 3: Structures

Appendix C outlines a schedule for this contract structure assuming funding is approved in Q1, 2026. With this contract structure, the project duration would take approximately 5 years once funding has been approved.

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

2.0 Updated Cost Estimate

At the time of the previous report to Council on March 27, 2025, the Class 3 Estimate for the Chief Peguis Trail Extension West – Main to Brookside Project was $755.3 million plus an

additional $147.0 million in construction period interest. This estimate assumed the project is solely funded by the City using debt. That estimate reflected 2023 construction market conditions and assumed project commencement in 2025 and expected completion by 2031.

An updated Class 3 Estimate for the project has been prepared reflecting the Class 3 Estimate for the Chief Peguis Trail Extension West – Main to Brookside Project is $758.8 million plus an additional $140.3 million in construction period interest. This estimate assumes 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 $755.3 million to $758.8 (an increase of $3.5 million or 0.45 percent), is primarily due to the capital cost adjustment for integrated Design-Build. City owned utilities (water, sewer, lighting, signals) are included as part of the Design-Build construction cost while third-party utilities (electrical, communications) were kept a City cost. The consultants' costs are now split between the contractor and the owner.

The decrease in the estimated construction period borrowing cost, down to $140.3 million from $147.0 million (a decrease of $6.7 million or 4.6 percent) is due to the optimization of the project schedule (reduction by about 6 months overall, based on the three contract Design Build structure, compared to a single contract presented in the preliminary design study.

This estimate does not account for land drainage infrastructure along Chief Peguis Trail to service development within Precincts A, B, and D. The Water and Waste Department (WWD) is currently reviewing the land drainage servicing options for these Precincts and the Public Works Department will coordinate with the WWD to determine if there are efficiencies in the delivery of the land drainage sewer infrastructure within the Chief Peguis Trail project. Costs for land drainage infrastructure exceeding the needs of the CPT corridor will be recovered in the future from benefiting developers.

This estimate also excludes costs for wastewater interceptor upgrades or extensions along CPT needed to support development within Precincts A, B, and D as well as in the RM of Rosser. The WWD will be reviewing the interceptor works needed to support development of these areas beginning in 2026. Although concurrent project delivery with CPT could prove beneficial, there may be an opportunity to complete interceptor work before or after the roadwork. Interceptor works will be funded by the WWD.

3.0 Benefit Cost Analysis Update

The benefit-cost analysis has been updated based on two factors:

1. Implementing recommendations received by Deloitte as a part of their value for money study.
2. Implementing information from updated traffic modelling and growth projections for the study area.

Updated results based on the above two factors are presented separately: one set of updates incorporates only Deloitte's recommendations to the original study, and the second set of updates incorporates both Deloitte's recommendations and the updated traffic modelling and growth assumptions data.

3.1. Deloitte's Recommendations

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 six major recommendations as follows:

1. Include project contingency costs.
2. In the absence of a detailed safety study, include a general safety benefit worth $0.09 (decaying at 5.3 percent per year to account for safety improvements over time) for every kilometer of travel distance that is reduced in a build scenario.
3. Exclude provincial and federal taxes from the price for a litre of fuel.
4. Include time savings calculations for transit users within the study area.
5. Include electricity savings for reduced travel distances experienced by electric vehicles.
6. Use a real discount rate instead of a nominal discount rate.

The first three out of the six recommendations above were implemented to recalculate an updated benefit-cost analysis. Recommendations 4, 5, and 6 were not implemented for the following reasons:

- Recommendation 4 was not implemented because the anticipated impact CPT Extension would have on Transit users is anticipated to be minimal. Currently there are no plans to alter existing transit routes if CPT Extension is built, meaning minimal changes to travel times for transit users in the area.
- Recommendation 5 was not implemented because this recommendation was not made when Deloitte reviewed the Route 90 benefit-cost study. This study aims to stay consistent with the methodology used for the Route 90 benefit-cost analysis. However, it should be noted that if this recommendation were added in, it would add an estimated $1.7 million in benefits to the project.
- Recommendation 6 was not implemented as the current model utilizes a nominal discount rate of 5.5 percent, and all other factors are inflated at their nominal rates accordingly, in keeping with the methodology used for the Route 90 benefit-cost study. Switching dollar denominations from nominal to real terms may be explored in future studies as recommended by Deloitte, but nominal rates were retained in this instance to remain consistent with previous studies. Note that if the model was switched from nominal to real dollar terms, the overall outcome of the study would remain the same, the dollar values would be smaller as they would be presented in 2023 dollars, not current dollars.

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 $648.9 million to $686.0 million
- The present value of costs has increased from $550.8 million to $644.2 million
- The net present value of the project has decreased from $98.2 million to $41.8 million
- The benefit-cost ratio has decreased from 1.18 to 1.06
- The internal rate of return has decreased from 6.6 percent to 5.8 percent

The slightly lower benefit-cost ratio is primarily due to the inclusion of project contingency costs in the overall cost of the project. This helps ensure that even if project construction costs are higher than anticipated in the class 3 estimate but still within the upper margin when including contingency, the benefit-cost ratio will remain positive.

While the benefit-cost study now shows a slightly smaller benefit, the results 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.

3.2. Updated Traffic Modelling and Growth Projections

The initial Chief Peguis Trail Extension West – Main to Brookside benefit-cost study was completed in 2024 and published in March 2025. However, since its initial writing, there have been three updates that affect the current and projected future traffic volumes and growth in northwest Winnipeg:

1. Updated trip generation assumptions used in Public Works' modeling now align with industry standard practices (ITE trip generation). The new assumption shows that the projected amount of traffic originating from or travelling to the portion of CentrePort Canada is now 133 percent higher than was estimated in the original benefit-cost study.
2. Updated growth assumptions about precincts A, B, and D now show that traffic volumes originating from or travelling to those areas will be 33 percent higher than was anticipated in the original benefit-cost study.
3. Updated the base year traffic model from 2019 to 2025 to reflect more recent transportation patterns and trends in the study area.

The results of the above three changes show significantly higher traffic volumes both now and in the future in northwest Winnipeg. This means that in the absence of CPT Extension West, travel times in the future are expected to deteriorate further, which when compared with building CPT Extension West, leads to now higher time savings associated with the project than originally estimated.

When these higher time savings are taken into consideration, along with the recommendations made by Deloitte, the updated benefit-cost results are as follows:

- The present value of benefits has increased from $648.9 million to $923.7 million
- The present value of costs has increased from $550.8 million to $644.2 million
- The net present value of the project has increased from $98.2 million to $279.5 million
- The benefit-cost ratio has increased from 1.18 to 1.43
- The internal rate of return has increased from 6.6 percent to 7.0 percent

This report presents updated benefit-cost results utilizing Deloitte's recommendations with and without implementing new information from updated traffic models and growth assumptions for the purposes of transparency. Table 3 below compares all three benefit-cost study results.

Table 3: Combined Comparison Table by Changes Implemented ($ millions)

Item (Present Values)	Initial Study	Deloitte's Recommendations Only	Deloitte + Updated Traffic Modelling
Costs	$550.8	$644.2	$644.2
Benefits	$648.9	$686.0	$923.7
Net Present Value	$98.2	$41.8	$279.5
Benefit-Cost Ratio	1.18	1.06	1.43
Internal Rate of Return	6.6%	5.8%	7.0%

For further information on the financial, economic, housing, and employment benefits associated with this project, please consult Appendix E for item 7 provided to the March 4, 2025, Standing Policy Committee on Public Works meeting. To summarize these benefits:

- Financial impacts to the municipality: the development of precincts A, B, and D is estimated to have a net present value of $167 million over a 75-year period with a break-even year of 2067 (which is 36 years after development begins) and an internal rate of return of 7.1 percent.
- Financial impacts to other levels of government: at full build out, the area is anticipated to add $65 million (2019 dollars) in annual tax revenue to both the federal and provincial government.
- Housing impacts: the area is expected to accommodate 38,000 people and 15,000 dwelling units.
- Employment impact: the area is estimated to accommodate 5,600 jobs
- Economic impacts: the area is expected to add $731 million (2019 dollars) in GDP to Manitoba's economy annually once fully built out while adding $286 million (2019 dollars) in wages earned by workers annually.

4.0 Next Steps

4.1 Project Authorization and Delivery

To deliver the Chief Peguis Trail Extension West – Main to Brookside Project as a cohesive "single project" encompassing project planning, design and construction procurement, and land acquisition, project authorization should occur within the next two years.

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 $15,000,000 for award of contracts within the overall project.

Financial Summary of Budget Referrals

The Chief Peguis Trail Extension West – Main to Brookside project is currently unfunded and will only proceed if sufficient funding is approved by Council. The recommended delivery model is described above. Appendix C presents a potential project delivery schedule and construction sequencing with future Market Sounding to occur prior to finalizing the Contract Structure.

If the total project is not authorized within the next two years, this report is recommending that the current Class 3 Estimate be updated, with additional market sounding at that time as well to ensure that the Design-Build Procurement remains the recommended procurement method for the project.

Impact of the Participation of Other Levels of Government

At an estimated construction cost of $758.8 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. It is important to note that the City's share of costs can be expected to exceed the other two levels of

government due to ineligible expenditures such as land acquisition, internal services, contingency, and overhead costs.

Based on the current Class 3 estimate of $758.8 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 $210 million each, leaving the remaining $338.8 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.

For clarity, this project value does not currently fit within the City's self-imposed debt ceiling. The City's debt model is scheduled to be updated for the 2025 Capital budget and reviewed later in 2026.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 13, 2026

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

Council Update for the Preliminary Design Study - Chief Peguis Trail Extension West – Main Street to Brookside Boulevard – February 2026

	2026	2027	2028	2029	2030-2031
Capital					
Capital Expenditures Required	$ 59,640,000	$ 70,078,000	$ 300,360,000	$ 287,952,000	$ 181,069,000
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 59,640,000	$ 70,078,000	$ 300,360,000	$ 287,952,000	$ 181,069,000
Funding Sources:					
Debt - Internal & External	$ 59,640,000	$ 70,078,000	$ 300,360,000	$ 287,952,000	$ 181,069,000
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Provincial/Federal	-	-	-	-	-
Total Funding	$ 59,640,000	$ 70,078,000	$ 300,360,000	$ 287,952,000	$ 181,069,000
Total Additional Capital Budget Required	$ 899,099,000				
Total Additional Debt Required	$ 899,099,000				
Current Expenditures/Revenues					
Direct Costs	$ 2,294,000	$ 5,728,000	$ 17,988,000	$ 32,444,000	$ 81,823,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 2,294,000	$ 5,728,000	$ 17,988,000	$ 32,444,000	$ 81,823,000
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 2,294,000	$ 5,728,000	$ 17,988,000	$ 32,444,000	$ 81,823,000

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 Design- Build Delivery Model .
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 - referral of the total project to the Budget Process at the current class 3 estimate. The Financial Impact Statement is presented with a starting date of 2026 for consistency with the current basis of estimate, as noted in the report this estimate would need to be updated when the budget referral is being considered based on timing. The current Class 3 estimate of the project is $758.8M plus an additional $140.3M in construction period interest assuming the project is funded using debt as there is no identified funding source at this time.

J. Ruby, CPA, CA January 13, 2026

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

CONSULTATION

This Report has been prepared in consultation with:

- 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, considers the Chief Peguis Trail Extension West – Main Street to Brookside Boulevard a short-term priority and future 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
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Date: January 14, 2026
File No: 14-A-02

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

Appendix B – Deloitte LLP Executive Summary

Appendix C – Potential Project Schedule and Construction Sequencing

Appendix D – Proposed CPT Extension, Preliminary Design Drawings