



CORPORATE PLAN SUMMARY

FOR THE PLANNING PERIOD
2018-2019 to 2022-2023

April 2018

Contents

- 1. Executive Summary 1
- 2. Corporate Overview 3
 - 2.1 Governing Legislation..... 3
 - 2.2 Mandate..... 3
 - 2.3 Governance Framework..... 3
- 3. The Gordie Howe International Bridge 5
 - 3.1 Project Overview and History 5
 - 3.2 Project Rationale..... 5
 - 3.3 Project Components 6
 - 3.4 Project Delivery..... 8
 - 3.5 Project Governance..... 8
 - 3.6 P3 Procurement Project Management Team 11
- 4. Review of 2017/2018 Strategic Priorities 11
 - 4.1 Finalize P3 Procurement Process 11
 - 4.2 U.S. Property Acquisition 11
 - 4.3 Early Works and Utility Relocation on the Canadian POE..... 13
 - 4.4 Utility Relocation in the U.S. 14
 - 4.5 Construction of the Gordie Howe International Bridge..... 15
- 5. Strategic Priorities for the Planning Period..... 16
 - 5.1 What Success Looks Like 16
 - 5.2 Aspirational Vision 17
- 6. Construction of the New International Crossing 17
 - 6.1 Finalize P3 Procurement Process 17
 - 6.2 U.S. Property Acquisition 17
 - 6.3 Early Works and Utility Relocation on the Canadian POE..... 17
 - 6.4 Utility Relocation in the U.S. 19
 - 6.5 Construction of the Gordie Howe International Bridge..... 20
- 7. Financial Planning and Analysis 21
 - 7.1 Forecast Results: 2017/2018..... 21
 - 7.2 Projected Results 2018/2019 to 2022/2023 21
- 8. Financial Information 2018-19 to 2022-2023 23
- WDBA Financial Information 23**

1. Executive Summary

Under its governing legislation, Windsor Detroit Bridge Authority (WDBA) is a non-agent parent Crown corporation established by Letters Patent pursuant to s.29 (1) of the *International Bridges and Tunnels Act*. Under the terms of the Letters Patent and the Canada-Michigan Crossing Agreement (the Crossing Agreement), WDBA is responsible for constructing and/or operating the Gordie Howe International Bridge, through one or more Public-Private Partnership (P3) agreements. It received its name in May, 2015 when the Prime Minister of Canada and the Governor of the State of Michigan named the crossing, and the project, the Gordie Howe International Bridge (the Project).

WDBA is governed by a Board of Directors (the WDBA Board), comprised of up to nine (9) members. The Government of Canada increased the size of the WDBA's Board from five (5) to nine (9) in 2017 to allow for a greater mix of skills and experience in recognition of the level of complexity of the Project.

The Project consists of four major components:

1. **The Bridge:** a six-lane cabled-stayed or suspension bridge with a span of 853 metres across the Detroit River, with no piers in the water
2. **The Canadian Port of Entry (POE):** a 53-hectare site that will house customs and border processing, tolling, and maintenance facilities and will be Canada's largest port of entry
3. **U.S. POE:** a 68-hectare site that will house customs and border processing facilities but no tolling, and
4. **Michigan Interchange with Interstate 75 (I-75):** comprises the primary connecting overpasses and ramps to and from the U.S. POE and Interstate 75.

Three (3) levels of governments, seven (7) government agencies in two (2) countries, one (1) Crown corporation, and one (1) international approval body (the International Authority) have a direct stake in the ownership, design, construction and operations of the crossing. Given the unique and complex nature of the Project, WDBA has developed a robust governance structure that is consistent with obligations imposed on federal Crown corporations by the Government of Canada—through various Acts of Parliament and Treasury Board policies and directives—and the requirements of the Crossing Agreement and the U.S. Federal Plaza Arrangement.

This governance structure follows best practices in the procurement of federal infrastructure projects and for major P3 projects. Where appropriate, WDBA is also applying lessons learned from the recent procurements of other federal P3 projects, specifically the New Bridge for the St. Lawrence project (NBSL).

WDBA has continued to make significant progress over the past year in advancing various aspects of the Project. It is currently in the open period for the Public-Private Partnership (P3) procurement process, with final submissions due from the three proponents in May, 2018. WDBA has also made significant progress on the Canadian site—both on the Early Works and the utility relocation—and has continued to advance the Project on the site of the U.S. components through ongoing property acquisition and the relocation of utilities. It also continues to build and strengthen its relationships with key stakeholders.

The immediate priorities that WDBA has been focussing on since 2012 will continue to be priorities during the planning period; each is well underway and the associated risks and risk mitigation strategies are closely and continuously monitored:

- Finalizing the P3 procurement process
- U.S. property acquisition
- Canadian Early Works and utility relocation
- U.S. utility relocations, and
- Preparing for the construction of the Project.

At the same time, WDBA has begun planning for the Gordie Howe International Bridge to launch operations and WDBA's role will need to evolve throughout the construction and operations phases.

In 2016, WDBA completed two strategic planning workshops that resulted in a definition of success through three key themes: economic stimulus; maximized mandate; and the successful construction of the Project. Supporting these themes are three (3) aspirational visions:

- To be the model land border crossing between Canada and the U.S.
- For WDBA to be integrated with the community, and
- For the Gordie Howe International Bridge to be a symbol of opportunity for the region (south-western Ontario and southern Michigan).

During the strategic planning workshops, WDBA initially identified four strategic priorities that it has now refined to two. These will drive the priority-setting and activities of WDBA throughout the planning period, leading up to the completion of construction and the launch of operations:

- Construction and Operation of the Gordie Howe International Bridge and
- Stakeholder Engagement/Deepening the Understanding of the Macro-environment.

2. Corporate Overview

2.1 Governing Legislation

WDBA is a non-agent parent Crown corporation established by Letters Patent pursuant to s.29 (1) of the *International Bridges and Tunnels Act*. It is a Schedule III, Part I parent Crown corporation under Part X of the *Financial Administration Act* (the FAA). It is accountable to Parliament through the Minister of Infrastructure and Communities (the Minister). As a Crown corporation, WDBA is subject to the Crown corporation governance regime established under Part X of the FAA and a range of other applicable statutes.

2.2 Mandate

Under the terms of its Letters Patent and the Canada-Michigan Crossing Agreement (the Crossing Agreement), WDBA is responsible for constructing and/or operating the Detroit River International Crossing (the DRIC/the crossing), through one or more P3 agreements. In May, 2015, the Prime Minister of Canada and the Governor of the State of Michigan named the crossing and the project the Gordie Howe International Bridge. Specifically, WDBA's mandate is to:

- Design, build, finance, operate and maintain a new six-lane cable-stayed or suspension bridge between Windsor, Ontario and Detroit, Michigan
- Design, build and finance the Michigan Interchange, which will subsequently be transferred to the Michigan Department of Transportation (MDOT) to operate and maintain
- Design, build, finance and maintain the U.S. Port of Entry, with the agreement of U.S. Federal Agencies (the General Services Administration (the GSA) and Customs and Border Protection (CBP), and
- Design, build, finance and maintain the Canadian Port of Entry, with the agreement of the Canada Border Services Agency (CBSA) and the Canadian Food Inspection Agency (CFIA).

2.3 Governance Framework

2.3.1 WDBA's Board of Directors

The initial Letters Patent establishing WDBA provided for a Board of Directors (the WDBA Board) comprised of five directors, including the Chair of the Board and the Chief Executive Officer (CEO).

In 2017, the Government of Canada increased the size of the WDBA Board from five to nine members to allow for a greater mix of skills and experience in recognition of the level of complexity of the crossing project. In October, 2017, four new members were appointed to the WDBA Board. The WDBA Board are:

- Dwight Duncan, Chairperson
- André Juneau, Director and Interim Chief Executive Officer
- Karla Avis, Director
- Marie Campagna, Director and Chairperson of the Audit Committee
- Judi Cohen, Director
- Shelly Cunningham, Director

- Rishabh Malhotra, Director,
- Craig Rix, Director and Chairperson of the Governance and Human Resources Committee (term ended March 31, 2018)

The WDBA Board is accountable for the stewardship and oversight of the corporation. Part X of the FAA establishes that the duties and responsibilities of the WDBA Board are to:

- Set corporate objectives and direction
- Ensure good governance
- Monitor financial performance
- Approve budgets and financial statements
- Approve policies and by-laws, and
- Ensure that risks are identified and managed.

Directors are required to act honestly, diligently, carefully and in good faith, in accordance with the FAA. They operate under the terms of corporate by-laws designed, among other things, to prevent conflict of interest; for example, they are required to recuse themselves from deliberations on issues where they are potentially in a conflict of interest.

The WDBA Board has built a strong foundation for sound corporate governance. It has established two committees that report to the Board and support the fulfillment of the Board's duties and responsibilities: The Audit Committee (as required by Section 148 of the FAA) and a Governance and Human Resources Committee.

As required by the Crossing Agreement, an International Authority (IA) has been created. The IA has six (6) members with equal representation from Canada (two [2] appointed by Canada and one [1] by WDBA) and three (3) members from Michigan. The IA has an ongoing oversight function of WDBA's compliance with the Crossing Agreement and the P3 Partner's compliance with the concession agreement. The IA's role is also to approve Michigan land acquisition; approve the Michigan Lands Leases; approve the selection of a Fairness Monitor to oversee the P3 procurement process; approve the key P3 procurement documents (Request for Qualifications [RFQ], Request for Proposal [RFP], Project Agreement); and approval of the winning proposal resulting from the P3 procurement process. The members of the IA are:

- Kristine Burr (Chairperson; appointed by Canada)
- Eddie Francis (appointed by WDBA)
- Geneviève Gagnon (appointed by Canada)
- Michael D. Hayes (appointed by Michigan)
- Birgit M. Klohs (appointed by Michigan),
- Matt Rizik (appointed by Michigan)

2.3.2 [CEO Accountability](#)

The CEO is accountable to the WDBA Board for the day-to-day management and performance of the corporation, in accordance with the Board's direction, and supports the Board in its oversight role. As of

April 1, 2018, an open, transparent and merit-based selection process is being held to fill the position permanently.

3. The Gordie Howe International Bridge

3.1 Project Overview and History

The Windsor-Detroit crossing is the busiest commercial land crossing in Canada. There are currently four crossings at this location: The Ambassador Bridge, the Windsor-Detroit Tunnel, the Detroit-Windsor Truck Ferry and the Michigan Central Railway Tunnel. The Windsor-Detroit Tunnel can only handle limited commercial traffic and the Detroit-Windsor Truck Ferry handles only oversized and hazardous loads; most commercial traffic uses the Ambassador Bridge. The Windsor-Detroit crossing sees close to 7,000 trucks cross every day and therefore has a significant economic impact on both Canada and the United States.

The Project resulted from increasing demand on the aging infrastructure in the Windsor-Detroit region. In 2001, Transport Canada formed a bi-national partnership with the U.S. Federal Highway Administration (FHWA), MDOT and the Ministry of Transportation of Ontario (MTO) to determine the need for and to plan and develop new crossing capacity for the Windsor-Detroit corridor.

The bi-national partnership oversaw a Planning/Need and Feasibility Study, which was completed in 2004. This study arrived at four key conclusions for traffic needs over a 30-year time horizon:

1. That the existing crossings would not provide adequate service over the planning horizon, even with capital and operational improvements
2. That road freight would not sufficiently shift to rail and/or marine modes to reduce demand for a new crossing
3. That additional road vehicle border crossing capacity would be needed, and
4. That a new crossing should be built in the Windsor-Detroit corridor.

As a result, the bi-national partnership launched a bi-national environmental study in 2005 to meet legislative requirements in Ontario, Canada and in the U.S. In 2009, the U.S. Record of Decision was issued and approvals by both Ontario and Canada determined that—with the implementation of appropriate mitigation measures—the Project could proceed without causing significant environmental impacts.

3.2 Project Rationale

The Project will address a number of key issues and constraints with regard to border crossing capacity in the region:

- **Redundancy in the Windsor-Detroit corridor in the event of a disruption on the Ambassador Bridge:** the barge ferry for oversized trucks and trucks carrying hazardous materials has limited capacity and the two-lane, 87-year old Windsor-Detroit tunnel cannot accommodate most modern trucks or dangerous goods. Other Ontario-U.S. crossings carrying fewer trucks and less trade have more capacity and redundancy. Given that Canada's total exports shipped to the U.S. are greater than the total amount of Canada's trade with all of its other trading partners

combined, and that the Windsor-Detroit trade corridor is Canada's busiest commercial land border crossing, there is a significant need for new, modern infrastructure to ensure the continued flow of people and goods across the border. Figure 1 displays the existing international crossings in Ontario.

- **Greater efficiency:** at the time the Planning/Need and Feasibility Study was undertaken, all cross-border traffic using the Ambassador Bridge traveled through an urban area with 17 signalized road intersections to access Highway 401. The Province of Ontario has built and placed in operation the Rt. Hon. Herb Gray Parkway (the Herb Gray Parkway) eliminating eight traffic signals. The Herb Gray Parkway will directly connect Highway 401 to the Gordie Howe International Bridge.
- **A secure alternative crossing to accommodate capacity:** to accommodate future traffic projections and provide sufficient surplus capacity in the event of unplanned incidents, major maintenance, unexpected congestion, or other disruptions at the existing Windsor-Detroit crossings.
- **Improved border processing:** the Ports of Entry to be implemented as part of the Gordie Howe International Bridge project will be designed to improve border processing. To move commercial traffic safely and efficiently through a modern crossing, border processing capabilities must include the physical facilities needed to carry out primary and secondary inspection, with sufficient inspection lanes, booths and queuing areas to meet travel demand. As well, the infrastructure that allows for the increased use of systems that minimize processing time (such as FAST and NEXUS dedicated lanes) must be provided for.

Figure 1: Major International Crossings in Ontario (Windsor to Cornwall)



3.3 Project Components

The Project consists of four major components:

1. **Bridge:** a six-lane cabled-stayed or suspension bridge with a span of 853 metres across the Detroit River with no piers in the water. It will be a high-level bridge to allow for navigation

clearance. If built as a cable-stayed bridge, the main span length will be among the top ten in the world for this type of design. A suspension bridge construction would make it a medium-length bridge for this type of design.

2. **Canadian Port of Entry (POE):** a 53-hectare site that will house customs and border processing, tolling, and maintenance facilities. It will ultimately be Canada’s largest port of entry with:

- 24 primary inbound inspection lanes (15 passenger, including 10 hybrid (truck/commercial/passenger vehicles); eight truck/commercial; and one bus)
- Eight outbound inspection lanes (used when necessary), and
- 20 toll collection lanes (10 inbound and 10 outbound).

Commercial secondary parking will be designed to accommodate 31 trucks and four oversized trucks. The POE will meet the design guidelines established by the CBSA and the CFIA.

3. **U.S. POE:** a 68-hectare site with a similar scale to the Canadian POE, but without tolling. It will house customs and border processing facilities including 36 inbound inspection lanes (20 for passengers; one for buses; and 15 commercial). Commercial secondary inspection will provide space for two Non-Intrusive Inspection (NII) buildings and queuing space for 10 trucks, 24 inspection dock spaces and 60 staging spaces. The POE will meet the design requirements as established by the GSA and CBP.

4. **Michigan Interchange with Interstate 75 (I-75):** comprises the primary connecting overpasses and ramps to and from the U.S. POE and I-75. This component has two purposes: first, it will provide a direct connection to the I-75; and second, it will involve reconstructing several local road connections that will be disrupted by locating a POE in a mixed-use urban industrial/residential area, as seen in Figure 2.

Figure 2: Gordie Howe International Bridge Location and Other Crossings in Windsor-Detroit Region



3.4 Project Delivery

In Budget 2007, the Government of Canada announced plans to create a new public entity to manage and operate this key piece of federally-owned transportation infrastructure. In June, 2012, the Governments of Canada and Michigan signed the Crossing Agreement, which provided a framework for Canada to establish a Crossing Authority to design, build, finance, operate and maintain the crossing under one or more P3 Agreements. Through Letters Patent, the Government established WDBA as a Crown corporation on October 9, 2012.

A Business Case for the P3 procurement of the Project indicated that one competitively-chosen, private-sector concessionaire should be responsible for the detailed design, partial financing, construction, operation and regular and major lifecycle maintenance of the Project components over a 30-year concession term. It was determined that one concessionaire would best be able to coordinate construction, minimize costs, maximize risk transfer to the private sector and assure on-time delivery. Michigan is to be responsible for the operations and maintenance (O&M) of the I-75 interchange.

Once all four components of the Project are completed, WDBA will make capital, O&M and life cycle payments to Project Co over the concession term. The capital component is the repayment of the private sector financing, with interest. The O&M and lifecycle component is for operations and to fund minor and major maintenance to meet pre-established performance standards, ensuring efficient operations of the crossing. Since repayment of the capital is based on a fully-functioning crossing, the concessionaire will have a strong incentive to ensure its long-term quality.

3.5 Project Governance

Three levels of governments, seven government agencies in two countries, one Crown corporation, and one international approval body—the IA —have a direct stake in the ownership, design, construction and operations of the Project. The roles and responsibilities of each of these organizations are governed by one or more of the following: legislation; inter-governmental agreements; working groups; and committees. The most important of these frameworks are:

- The *Bridge to Strengthen Trade Act* and the *International Bridges and Tunnels Act (BSTA)*
- The *Financial Administration Act (FAA)*
- The 2012 Canada-Michigan Crossing Agreement and its Acknowledgements
- The 2015 U.S. Federal Plaza Arrangement (between Canada and the U.S.)
- *Canada's Customs Act*
- *Canada's Health of Animals Act*, and
- The 2013 U.S. Presidential Permit for the New International Trade Crossing.

Given the unique and complex nature of the Project, WDBA has developed a robust governance structure that is consistent with those obligations imposed on federal Crown corporations by the Government of Canada—through various Acts of Parliament and Treasury Board policies and directives—and the requirements of the Crossing Agreement and the U.S. Federal Plaza Arrangement. This governance structure follows best practices in the procurement of federal infrastructure projects and for major P3 projects. Where applicable, WDBA is also applying lessons learned from the recent procurements of other federal P3 projects, specifically the New Bridge for the St. Lawrence project..

3.5.1 Windsor-Detroit Bridge Authority

In accordance with the Crossing Agreement, the Government of Canada established a Crossing Authority (WDBA) as an independent, arms-length Crown corporation to design, construct and manage the new international crossing. WDBA is the Project Authority, meaning it must manage and approve all activities related to the procurement of the concessionaire and the delivery of the Project. WDBA has the responsibility for funding all such activities, with funds provided by Canada as per the flow-of-funds schedule previously approved.

WDBA directs all project activities, hires advisors and flows money to MDOT for property acquisition in Michigan (the Government of Canada is responsible for the acquisition of property in Canada). WDBA will also have the contractual relationship with Project Co, which will be responsible for design, financing, construction, operations and maintenance of all project components. While the I-75 interchange will be designed and built by Project Co, it will be handed over to MDOT once built, at which point MDOT will be responsible for its operations and maintenance as part of its interstate highway system.

3.5.2 Approval Responsibility

3.5.2.1 The WDBA Board of Directors

As detailed above, the WDBA Board is accountable for the stewardship and oversight of the corporation. In addition to its governance responsibilities, the WDBA Board is responsible for overseeing and approving key steps throughout the various phases of the Project—where they are within its control—and for making recommendations to those other bodies that hold responsibility for specific decisions, such as the IA and the Treasury Board.

3.5.2.2 The IA

As required by the Crossing Agreement, WDBA regularly briefs and seeks certain specific approvals throughout the P3 procurement process from the IA. The IA has six members with equal representation from Canada and the U.S. (two members appointed by Canada, one by WDBA, and three by Michigan). The IA will have an ongoing oversight function of WDBA's compliance with the Crossing Agreement and the P3 Partner's compliance with the concession agreement.

3.5.2.3 Infrastructure Canada

Under the Crossing Agreement, the Government of Canada is specifically responsible for land acquisition in Canada. Transport Canada acquired most of the properties required for the Canadian component of the Project before the transfer to Infrastructure Canada. It has since finalized agreements to purchase the remaining land required for the Project. WDBA is leasing all acquired Canadian property from the Government of Canada in accordance with the Crossing Agreement.

3.5.2.4 The Deputy Ministers' and Ministerial Governance Committees

Given the level of funding, scale and complexity of this priority project for the Government of Canada, the Treasury Board has established a Ministerial Governance Committee (the Ministerial Committee) to provide overall direction and oversight on WDBA's key project issues. The Ministerial Committee is also intended to help streamline the required approvals throughout the procurement process. It is comprised of the Minister of Infrastructure and Communities (who chairs the Committee); the President of the Treasury Board; the Minister of Finance; the Minister of Public Services and Procurement Canada

(PSPC); the Minister of Public Safety; the Minister of International Trade; and the Minister of Innovation, Science and Economic Development.

The Ministerial Governance Committee is supported by a Deputy Ministers' Committee (the DM Committee) which, among other roles, monitors the progress of the Project and the status of key project risks. The DM Committee is chaired by the Deputy Minister of Infrastructure and Communities and its members are: The Deputy Secretary to Cabinet (Privy Council Office); the Deputy Minister of Finance Canada; the Secretary to the Treasury Board; and the Deputy Minister of PSPC.

3.5.3 Input Responsibilities

3.5.3.1 The State of Michigan

The Crossing Agreement provides that, subject to the approval of the IA, and with approval and funding from WDBA, the State of Michigan—through MDOT—is responsible for the acquisition of property required for the Project in Michigan. The properties will be leased or licensed to WDBA for the Project.

3.5.3.2 The U.S. Federal Highway Administration (FHWA)

The Crossing Agreement stipulates that up to U.S. \$550 million of Canadian funding towards Michigan project components (e.g. land acquisition and construction of the I-75 interchange) can be used to leverage U.S. Federal Aid for other highway projects in Michigan. Projects that leverage federal aid are subject to Federal Aid Eligibility Requirements, most notably oversight requirements of the FHWA on MDOT.

3.5.3.3 Other Agencies

WDBA also works with the Canada Border Services Agency, the Canadian Food Inspection Agency and the US Customs Border Protection and US GSA.

3.6 P3 Procurement Project Management Team

WDBA is now in the open period phase of the procurement process and the project management team, governance and decision-making processes required to meet the requirements of this phase are firmly established. WDBA's multi-disciplinary Project Management Team, led by the Vice-President, P3 Procurement and overseen by WDBA's CEO and the WDBA Board, remains consistent with that of the previous phases.

The approach taken for the entire procurement process is based on best practices and lessons learned from various federal and provincial projects. The multi-disciplinary task forces supporting the overall implementation of the procurement process include a Technical Team (made up of multiple task forces); a Financial Task Force; a Community Benefits/Policy/Communications Task Force; and a Procurement Task Force.

4. Review of 2017/2018 Strategic Priorities

Prior to developing its Corporate Plan for 2017/2018, WDBA established a set of strategic priorities that are both important and urgent in moving WDBA towards the achievement of its vision of success. Within that context, the 2017/2018 Corporate Plan included a 'strategic priorities roadmap' with key activities designed to make progress against these priorities.

The strategic priorities set in 2017/2018 were as follows:

- Engagement strategies
- Understanding the macro-environment
- Innovation, and
- Construction of the new international crossing, including:
 - Finalizing the P3 procurement process
 - U.S property acquisition
 - Early Works on the Canadian POE and Canadian utilities, and
 - Utility relocation in the U.S.

4.1 Finalize P3 Procurement Process

Priorities set for 2017/2018:

With the RFQ evaluation completed, the three proponent teams selected and the RFP open period launched on November 2016, WDBA planned to complete the procurement process and award the contract to the Preferred Proponent.

Accomplishments in 2017/2018:

WDBA has continued to manage the procurement process in a fair, open and transparent manner in accordance with best practices, using the approved project management teams, governance and decision-making processes.

4.2 U.S. Property Acquisition

MDOT is responsible for the acquisition of all Michigan properties required for the Project (with oversight by WDBA); this is consistent with the Canada-Michigan Crossing Agreement, and as approved

by the IA. In acquiring the necessary parcels, MDOT utilizes staff and consultants for the real estate, environmental, and demolition components of property acquisitions and for other services that may be required.

Property acquisition in Michigan—and the related relocation of tenants, residents, and businesses— involves a series of activities as required by U.S. federal and state laws:

- **Appraisal Report and Appraisal Review:** Appraisers with proven track records provide MDOT with an Appraisal Report identifying a value for specified properties. The Appraisal Report establishes a professional opinion of fair market value. MDOT’s Appraisal Review certifies that the appraisal contains the necessary information and data and is properly applied and presented to support an estimate of Fair Market Value.
- **Resident and Business Relocation:** If a property is eligible, the Replacement Housing/Rental/Business Determination includes real estate listings of comparable sales, the maximum relocation eligibility, estimated moving costs, and the details of the preliminary interview with the owner(s) and/or tenant(s).
- **Voluntary Settlement Negotiations:** MDOT and its consultants engage in negotiations with a property owner to determine mutually-agreeable sales prices based on Fair Market Value. A property owner has the right to make a counter proposal to a Good Faith Offer (GFO). The counter proposal must be supported by documentation or other satisfactory evidence.
- **Acquisition through Tax-Reversion:** Properties which have been foreclosed resulting from the property owner’s failure to pay tax liabilities, including property taxes and/or federal and state income taxes, WDBA entered into an agreement with the Michigan Land Bank (MLB) for the purchase of properties within the Project footprint.
- **Condemnation:** If a property cannot otherwise be acquired through voluntary means, the State of Michigan may exercise its power of condemnation to acquire the property. MDOT staff and the Michigan Attorney General, utilizing Special Assistant Attorneys General (SAAG), are assigned to all parcels that are being acquired through the condemnation process.
- **Environmental Assessment:** MDOT, through its consultants, completes a Preliminary Site Investigation Report and Due Care Plan, if required, following the purchase of a property or upon receipt of a Right of Access Agreement for purposes of the environmental assessment.
- **Clearance:** MDOT, through its consultants, is also responsible for the clearing, deconstruction, and/or demolition of the properties, and for work such as inspections, asbestos testing, abatement, building security, and utility shut-offs.

WDBA and MDOT have analyzed the parcels required in the Project footprint against construction-staging timelines and have identified dates—referred to as Need-by Dates—by which each parcel is required for construction. WDBA continues to work with MDOT to refine the planning and timing around acquiring all properties required for the Project

Table 1: Key Performance Indicators for 2017/2018: U.S. Property Acquisition

| Key Performance Indicator | Status |
|---|--|
| MDOT to file Condemnation actions against owners of 107 | MDOT has successfully filed condemnation actions where required. |

| Key Performance Indicator | Status |
|--|---|
| parcels | |
| MDOT to obtain possession of 234 Parcels | Ongoing. It is not anticipated that this will result in issues with meeting Need-by Dates (NBD). |
| 282 parcels to be made available as Project-Ready | Ongoing. It is not anticipated that this will result in issues with meeting NBDs. |
| MDOT to obtain possession of all tax-reverted properties through a transfer of title from the Michigan Land Bank (MLB) | Completed. In 2017-18, MLB transferred title of all tax-reverted properties in the Project footprint to MDOT. |
| MDOT to obtain possession of all City of Detroit and Detroit Land Bank (DLB) properties through a transfer of title from the City of Detroit | Completed. In 2017-18, the City of Detroit transferred title of all City of Detroit and DLB properties in the Project footprint to MDOT. |
| WDBA to employ a dedicated Director to support U.S. property acquisition activities for WDBA | Completed. In 2017-18, WDBA employed a Senior Director. |
| MDOT to ensure properties are project ready by their respective Need-by Dates | Ongoing. A detailed schedule has been developed to track the progress of all US properties required for the Project. The targets are tracked on a weekly basis. |

4.3 Early Works and Utility Relocation on the Canadian POE

Priorities set for 2017/2018:

Priorities for 2017/2018 included completing the relocation of Hydro One Transmission and Distribution systems, completing the West Windsor Power relocation and building a new sanitary pump station.

Accomplishments in 2017/2018:

In 2017/2018, WDBA advanced the relocation of the electrical utilities along the Perimeter Access Road (PAR) and in the vicinity of Keith Transformer Station. Progress was also made on the relocation of electrical utilities in anticipation of completion of the Early Works. Some of the Amico Infrastructures Inc. (Amico) Early Works activities scheduled for 2018 were brought forward and completed in 2017. The Hydro One Distribution Relocation was completed in October, 2017 and handed over to Hydro One, with energization taking place in December, 2017.

4.3.1 Early Works

In 2017/2018, the landscaping of Phase 1 of the PAR south of the Hydro One corridor was completed and the road was opened to local traffic at the end of 2017. In early 2018, the sanitary pump station will be completed and construction started on the sanitary forcemain under the future Canada Approach Bridge. The joint electrical and communication utility trench was completed along McKee Street, allowing the Bell connection to the Keith Transformer Station to occur.

Bridge B1, the connecting link between Highway 401 and the Canada Port of Entry, is being delivered by the Ministry of Transportation Ontario (MTO). However, to shorten the construction schedule for this

link bridge, the MTO requested that WDBA undertake advance fill work. This work was completed in December, 2017, and WDBA's costs will be fully reimbursed by MTO.

With the completion of the design for the remediation work on the TC 15 and TC 16 properties (part of the Hydro One land acquisition agreement with Infrastructure Canada), the work was tendered in June, 2017. Site preparation activities, including tree clearing, were completed in May, 2017. Remediation construction started in December, 2017 and is expected to be complete by May, 2018.

4.3.2 Hydro One

Hydro One completed the design for work inside Keith Transformer Station, erected new hydro transmission towers and completed ductwork inside Keith Transformer Station, in 2017/2018, in preparation for the connections of new cabling to the existing transmission lines in 2018.

WDBA is also responsible for the civil infrastructure and cabling work related to the transmission system, outside the Keith Transformer Station.

4.3.3 Minor Utilities

West Windsor Power provides gas-powered electrical generation for the power grid. The existing overhead power lines connecting the power plant to Keith Transformer Station will be removed and replaced with underground connections, because the overhead lines would conflict with the proposed approach bridge. This work is being undertaken in conjunction with the Hydro One transmission work.

A significant portion of the EnWin work along the PAR was completed in 2016. However, the remainder of the work within the north area of the site will be completed in 2018, following the Hydro One relocation. The underground EnWin work outside Keith Transformer Station is being completed by Amico under the Early Works contract and the EnWin work inside Keith Transformer Station is being completed by Hydro One. EnWin will undertake all of the electrical cabling work under contract with WDBA.

4.4 Utility Relocation in the U.S.

The objectives for the U.S. utility relocation program in 2017/2018 included:

- Contributing to the discussions with MDOT and the various affected public and private utility companies to advance utility relocation activities and/or related planning activities
- Negotiating cost sharing agreements with DTE Energy (DTE) and International Transmission Corporation (ITC)
- Continuing to provide oversight to the activities of MDOT around utility relocation activities to ensure costs are well understood and budget/timeline controls are in place, and
- Completing the ITC underground relocation.

4.4.1 Accomplishments in 2017/2018

4.4.1.1 Planning and Scheduling Activities

A task force—including utility experts from MDOT, the General Engineering Consultant and representatives from WDBA's engineering, policy, financial and legal departments—scheduled a series

of regular meetings and workshops with the utilities to facilitate planning and scheduling the relocation activities. A U.S. Utility Baseline Schedule has been developed, which provides a timeframe for third-party utility relocations, that Project Co will be able to incorporate into its construction schedule.

4.4.1.2 DTE Energy (DTE):

In March, 2017, WDBA, MDOT and DTE finalized a cost-sharing agreement for the relocation of DTE electric and gas utilities. MDOT and WDBA have worked with DTE to reduce the cost of relocation by leaving circuits in place and consolidating others within the POE. There are some outstanding technical issues (geotechnical) to be resolved regarding the DTE electric corridors within the U.S. POE. DTE has provided a schedule for its gas and electric relocations, which will be undertaken in various locations throughout 2018 and 2019. DTE gas and electric began utility relocations within the I-75 corridor in conjunction with the 'MDOT Inlay Project' in August, 2017. MDOT is reconstructing the main lanes of the I-75 and closing one direction of I-75 in each of the years 2017 and 2018. These lane closures have provided an opportunity for WDBA and DTE to undertake some of the Project related work at the same time, reducing traffic impacts and construction costs.

4.4.1.3 International Transmission Corporation (ITC):

Relocation of two underground circuits was completed in 2016 and work on a third circuit on Military Street under the I-75 was completed in July, 2017. ITC is also relocating a fourth underground line on the northbound Service Drive.

4.4.1.4 City of Detroit: DWSD Sewer and Water

Studies and analyses of sewerage and water usage and flows have been completed with recommendations for improvements to the existing trunk sewers in the U.S. POE. Watermain construction to support future U.S. POE service requirements was finished in 2016. Cleaning of the trunk-combined sewers and supplementary analysis was completed in 2017 and recommendations for sewer rehabilitation and lining have been finalized. WDBA has incorporated watermain relocations and work on 11 syphon under-crossings of I-75 in the MDOT Inlay Project—as with the U.S. utility relocation work by DTE electric and gas—and construction on three (3) combined sewer crossings started in August, 2017.

4.5 Construction of the Gordie Howe International Bridge

Priorities set for 2017/2018:

Once the P3 contract is awarded, WDBA will work with the Preferred Proponent to develop the final construction schedule for all components of the Project.

5. Strategic Priorities for the Planning Period

WDBA continues to focus significant attention on its four immediate tactical priorities: P3 procurement; property acquisition; Early Works; and utility relocation in Canada and the U.S. These tactical priorities are well underway and WDBA is now able to place a greater emphasis on future planning – three to five years down the road. This is increasingly important as the transition from construction to operations will occur immediately following the planning period.

5.1 What Success Looks Like

WDBA has defined future success through three key themes of success: economic stimulus, maximized mandate, and the successful construction of the Project:

5.1.1 Economic Stimulus:

The success of the Project will be determined in part by its ability to enable productivity through infrastructure. In other words, the goal is to stimulate economic growth by providing an effective link between Canada and the United States. Ultimately, the Project should serve to enhance economic activity in the region by increasing throughput and making the border as transparent as possible from a trade point of view. Canadian economic growth is a priority outcome for this project.

5.1.2 Maximize Mandate:

The second success factor will be the way in which WDBA positions itself to maximize its effectiveness not only during construction, but also once the Gordie Howe International Bridge is operational. In other words, success is not limited to building the bridge and meeting toll revenue forecasts. It also involves engaging stakeholders and users to understand how to serve their needs better, to increase the volume of commercial traffic across the Gordie Howe International Bridge and to decrease crossing times. The intent is to take a macro view of how the crossing fits into the economic environment within which it is a vital component.

5.1.3 Successful Construction:

The third theme is the critical establishment of a successful partnership with Project Co, resulting in near-term construction success and efficient and effective operations of the assets.

5.1.4 Construction/Operation of the New International Crossing:/Leveraging Opportunities for Innovation

WDBA needs to complete all aspects related to the construction of the new crossing including:

- Finalizing the P3 procurement process
- Acquiring the U.S. properties
- Utility relocation in the U.S.
- Completing the Early Works and utility relocation in Canada, and
- Construction of the new crossing.

Throughout the construction phase, WDBA will be preparing for the operational phase, in part with strategies to challenge the status quo and create opportunities for economic stimulus and efficiencies once the crossing is operational.

5.2 Aspirational Vision

Supporting the above strategic priorities are three aspirational visions, respectively:

- To be the model land border crossing in North America
- To be integrated with the community, and
- To be a symbol of Opportunity.

6. Construction of the New International Crossing

Five key activities are identified for the construction of the new international crossing:

- Finalization of the P3 procurement process
- U.S. property acquisition
- Canadian Early Works and utility relocations
- U.S. utility relocations, and
- Construction.

WDBA has developed detailed timelines and Key Performance Indicators to track the progress of all activities related to the construction.

6.1 Finalize P3 Procurement Process

As indicated above, WDBA expects to reach financial close by the end of September, 2018

The open period is extremely time- and resource- intensive. As with the RFQ and RFP development processes, WDBA continues to work closely with project partners and key stakeholders. It has developed governance frameworks for each stage and process within the open period and during the proposal evaluation stage. A Fairness Monitor, retained by WDBA at the beginning of the RFQ stage, will be involved throughout the open period and through financial close.

6.2 U.S. Property Acquisition

WDBA and MDOT have analyzed the parcels and construction-staging timelines and have identified dates by which each parcel is required for construction, known as Need-by Dates. Using this information, WDBA and MDOT are able to strategically plan and prioritize the acquisition activities to ensure risks are managed.

6.3 Early Works and Utility Relocation on the Canadian POE

6.3.1 Early Works

The Early Works consist of these separate elements:

- The construction of a new 4km PAR surrounding the future Canadian POE

- The relocation of major (Hydro One) and minor utilities located inside the Canadian POE to the PAR right of way
- Fill and grading, including the installation of wick drains and placement of fill to facilitate ground settlement, and
- Environmental remediation of TC 15 and TC 16 lands on behalf of Infrastructure Canada.

6.3.1.1 Environmental Remediation – TC 15 and TC 16

As part of the Hydro One land acquisition agreement, Infrastructure Canada will provide space on the former OPG lands (TC 16) for an expanded Keith Transformer Station (approximately 4 hectares) north of the Canadian bridge approach. TC 16 was used to store fly-ash from previous power generation and is determined to be contaminated. The land provided to Hydro One will be rehabilitated by removing the contaminated material and replacing it with acceptable backfill material.

6.3.1.2 Bridge B-1

The MTO is undertaking work on Bridge B1, which acts as a connection point between the Canadian POE and the Rt. Hon. Herb Gray Parkway. Work is expected to commence in the spring of 2018 with completion in late 2019. On behalf of the MTO and at its expense, WDBA has completed advance grading/pre-loading to facilitate the overall construction schedule for Bridge B1.

As the turnover of the Early Works lands to Project Co will be phased—based on the completion of the work for the remediation construction (by WDBA), Early Works (by WDBA) and Bridge B1 (by MTO)—there will be some overlap between the Early Works and the P3 contract term.

6.3.2 Canadian Utilities

The utility work to be undertaken on the Canadian side of the Project can be categorized into major utility relocation and minor utility relocations.

6.3.2.1 Major Utility Relocation – Hydro One

Hydro One relocation work is being performed by both WDBA and Hydro One. Hydro One is responsible for design and construction work inside Keith Transformer Station and for the connections of new cabling to the existing transmission lines. The latter work started in 2016 and will be completed by September, 2018. This work can only be done during scheduled outages affecting the electricity supply system, and such outages are dependent on the time of year and prevailing weather conditions.

WDBA is responsible for the civil infrastructure and cabling work related to the transmission and distribution systems outside the Keith Transformer Station.

6.3.2.2 Minor Utilities Relocation

In addition to the relocation of the Hydro One utility, WDBA will continue its work to relocate other utilities on the Canadian POE site (see below). The coordination of the relocation of these utilities and the construction costs (except for Union Gas) are included in the Early Works contract with Amico Infrastructures Inc.

- Union Gas – Transmission and Distribution

- West Windsor Power
- EnWin
- Bell Canada
- Cogeco
- Windsor Utilities Commission.

6.4 Utility Relocation in the U.S.

Utility relocations are required for the U.S. POE and the Michigan Interchange. In advancing the Project, a number of pre-procurement activities have been planned that will result, to the greatest extent possible, in relocating utilities from the U.S. POE site. Within the U.S. POE and project footprint, both private and public utilities will require relocation. Unlike the Canadian POE site where there are relatively few utilities within the footprint, the U.S. POE site has substantially more.

The major utility companies on the U.S. site include:

- Detroit Water and Sewerage Department (DWSD)
- Great Lakes Water Authority (GWLA)
- International Transmission Corporation (ITC), and
- DTE Energy.

6.4.1 Public and Private Utilities

Within the Project footprint, public utilities include DWSD, Detroit Power and Lighting Department and the Public Lighting Authority. By Michigan statute, relocation of public utilities is the responsibility of Project Co. Therefore, costs to the Project will include planning, engineering and relocation of these utilities.

By Michigan statute, the cost of relocating private utilities located in public rights-of-way is the responsibility of the utility company. In general, most private utilities within the U.S. POE and Michigan Interchange are located in public rights-of-way and are not eligible for reimbursement. Within the project footprint, major private utilities include ITC, DTE, AT&T and various telecommunications companies.

6.4.2 Utility Relocation Procedures

MDOT is managing the relocation of utilities under its statutory authorities. A task force—that includes the General Engineering Consultant, utility experts from MDOT and representatives from WDBA’s engineering, policy, financial and legal departments—meets regularly. There are also regular meetings and workshops held with the utilities to facilitate planning and scheduling the relocation activities. MDOT and WDBA are in continuing discussions with the private utility companies and public utility agencies within the POE site to coordinate their relocation.

6.5 Construction of the Gordie Howe International Bridge

6.5.1 Construction Staging

The overall construction staging was developed based on the scope of work for each of the four key elements: The Main Bridge and Approaches; the U.S. and Canada Ports of Entry (POEs); and the Michigan Interchange. It includes a number of Early Works elements, which represent 'preconstruction activities' for the main P3 contract. Some of these 'Project Co Early Works' are also expected to occur in July, 2018

Once the P3 contract is awarded WDBA will work with the Preferred Proponent to finalize the construction schedule for all components of the Gordie Howe International Bridge project. Construction will start shortly after.

7. Financial Planning and Analysis

7.1 Forecast Results: 2017/2018

Appropriations

WDBA is forecasting to drawdown \$198.3 million in appropriations in 2017/2018, compared to a budget of \$297.6 million. WDBA forecasts a surplus of \$99.3 million on a cash basis for 2017/2018. Forecasted expenditures are lower than budgeted mostly due to Canadian and U.S. utility relocations and the timing of the acquisition of comprehensive project insurance prior to construction by Project Co.

7.2 Projected Results 2018/2019 to 2022/2023

The following tables provide a summary of the WDBA's projected financial results for the planning period 2018/2019 to 2022/2023.

WDBA Salary and Operation Costs

| WDBA Operating Costs ('000s) | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| WDBA Salary and Op Costs | \$27,593 | \$17,401 | \$14,136 | \$14,316 | \$14,610 |

WDBA has reviewed its Staffing Strategy and is planning to add four additional term positions to the organization. It has also reviewed the length of some of its existing term positions to ensure it has appropriate resources to deliver its objectives.

Michigan Properties

| ('000s) | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---------------------|------------------|------------------|------------------|------------------|------------------|
| Michigan Properties | \$50,697 | \$43,178 | \$32,395 | \$27,040 | \$4,360 |

Funding in 2017-2018 and beyond relates to: activities required to prepare the parcels for construction; MDOT staff costs for management and oversight of the acquisition process; and legal costs related to parcels that must go through the condemnation process. Major remaining expenditures relate to property demolition and environmental remediation work to prepare the site for construction.

Project Costs

| ('000s) | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---------------|------------------|------------------|------------------|------------------|------------------|
| Project Costs | \$224,348 | \$80,641 | \$44,930 | \$34,484 | \$32,168 |

Project Costs include the following costs:

- Utility relocation (Canadian and US)
- Legal costs
- Project Management costs
- Design and Construction oversight
- Design and Bid fee,
- Procurement and Pre-procurement Costs.

7.2.1 Travel, Hospitality and Conferences

On July 16, 2015, Crown corporations were directed by the Governor-in-Council to align their policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with their legal obligations. The WDBA has fulfilled these requirements.

In addition, Crown corporations were required to indicate the total annual expenditures for each of travel, hospitality, and conference fees over the last fiscal year and forecasted expenditures for each of these categories over the planning period, following the implementation of the travel directive.

Travel, Hospitality and Conference Fees

| (\$CDN '000) | 2016/17 Actuals | 2017/18 Forecast | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|-----------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Travel | \$76 | \$191 | \$211 | \$196 | \$196 | \$196 | \$196 |
| Hospitality | \$1 | \$12 | \$17 | \$14 | \$14 | \$14 | \$14 |
| Conference Fees | \$4 | \$5 | \$5 | \$5 | \$5 | \$5 | \$5 |

7.2.2 Government of Canada Pension Directive

As announced in Budget 2013, the Government of Canada issued a directive for the implementation of pension plan reforms for Crown corporations. The purpose of the directive is to align Crown corporation pension plans with key features of the Public Service Pension Plan. The WDBA has been directed to implement the following effective December 31, 2017:

1. A pension plan that has a 50:50 cost-sharing ratio for employee and employer pension contributions by December 31, 2017; and
2. For new hires from January 1, 2015, the normal age of retirement is to be 65 years, and other retirement thresholds are to be raised by five years, with such other adjustments as are required to align thresholds with the changes announced in Economic action Plan 2012 for post-2012 hires under the Public Service Pension Plan.

WDBA received the WDBA's Board approval to comply with the Directive.

8. Financial Information 2018-19 to 2022-2023

WDBA Financial Information

(in thousands of dollars)

| WDBA Financial information Operating | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| WDBA Salary and Op Costs | \$27,593 | \$17,401 | \$14,136 | \$14,316 | \$14,610 |
| Michigan Properties | \$20,279 | \$17,271 | \$12,958 | \$10,816 | \$1,744 |
| Project Costs | \$106,603 | \$25,556 | \$20,714 | \$15,516 | \$14,927 |
| Total | \$154,475 | \$60,228 | \$47,808 | \$40,648 | \$31,281 |

| WDBA Financial information Capital | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Michigan Properties | \$30,418 | \$25,907 | \$19,437 | \$16,224 | \$2,616 |
| Project Costs | \$117,745 | \$55,085 | \$24,216 | \$18,968 | \$17,241 |
| Total | \$148,163 | \$80,992 | \$43,653 | \$35,192 | \$19,857 |