



Amended CORPORATE PLAN SUMMARY

FOR THE PLANNING PERIOD
2018-2019 to 2022-2023

August 2018

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1. Executive Summary

Under its governing legislation, the 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 nine-member Board of Directors (the WDBA Board). The Government of Canada increased the size of the WDBA Board from five (5) members 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 Gordie Howe International Bridge project (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 with a similar scale to the Canadian POE; it 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.

WDBA successfully completed its P3 procurement process and announced its Preferred Proponent, Bridging North America, on July 5, 2018. This is a significant milestone in the Project.

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) and 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 Project, through one or more P3 agreements. Specifically, WDBA's mandate is to:

- Design, construct, finance, operate and maintain a new six (6)-lane cable-stayed or suspension bridge between Windsor, Ontario and Detroit, Michigan
- Design, construct and finance the Michigan Interchange, which will subsequently be transferred to the Michigan Department of Transportation (MDOT) to operate and maintain
- Design, construct, finance and maintain the U.S. Port of Entry, with the agreement of U.S. Federal Agencies (the General Services Administration (GSA) and Customs and Border Protection (CBP)), and
- Design, construct, 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 (5) directors, including the Chair of the Board and the Chief Executive Officer (the CEO). The Chair, directors and CEO are appointed by the Governor-in-Council on the recommendation of the Minister.

In 2017, the Government of Canada increased the size of the WDBA Board from five (5) to nine (9) 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, the Governor-in-Council appointed four new members to the WDBA Board.

The WDBA Board is accountable for the stewardship and oversight of the corporation.

2.3.2 Organizational Structure

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. The Government of Canada appointed Bryce Phillips as WDBA's CEO on July 16, 2018.

2.3.3 Construction Governance

WDBA has developed a P3 construction governance to ensure construction activities are coordinated and properly managed, stakeholders are appropriately engaged and decisions are made on a timely basis to ensure minimal delays to the construction and delay costs.

WDBA and its Board of Directors will continue to review and refine its construction governance structure as it progresses through construction.

3. Update on WDBA's 2018-19 Strategic Priorities

Two key activities are updated as part of this amended corporate plan:

- Finalization of the P3 procurement process, and
- Construction of the Gordie Howe International Bridge.

3.1 Finalization of the P3 Procurement Process

During the P3 procurement process, WDBA received the three (3) proponents' bid submissions on May 8, 2018.

An evaluation process was put in place to ensure fair, open and transparent evaluations. The process was overseen by an independent Fairness Monitor, P1 Consulting. Following an open, transparent and fair evaluation, the Preferred Proponent, Bridging North America, was announced on July 5, 2018.

3.1.1 P3 Early Work contract

To take advantage of the summer 2018 construction season, a separate contract has been signed between Bridging North America and WDBA. On July 17, 2018, WDBA and Bridging North America, along with the State of Michigan and the Government of Canada, held a ground-breaking event to mark the start of Michigan advance construction.

3.1.2 Financial Close and Contract Award

WDBA is now working actively with Bridging North America towards financial close, which is planned to occur in September 2018.

The financial close process will be led by WDBA, supported by its Legal and Financial Transaction Advisors and Capital Market Advisors.

3.2 Construction of the Gordie Howe International Bridge

3.2.1 Construction Timeline

According to Bridging North America's construction timeline, major construction of the Project should begin in fall 2018.

4. Financial Planning and Analysis

4.1 Selection of the Preferred Proponent, Costs and Contingencies

In July 2018 WDBA completed its RFP phase of the P3 process and selected the Preferred Proponent, Bridging North America, to design, build, finance, operate and maintain the Project.

4.2 Projected Results 2018/2019 to 2022/2023

The following provides a revised summary of 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	\$27,707	\$27,260	\$26,440	\$33,284

Total Salary and Operating costs over the planning period have increased by \$54.2M compared to the original 2018-19 Corporate Plan, this is largely due to requirements for MDOT oversight during construction. WDBA has also developed a better understanding of the necessary capacity in order to properly oversee and administer both the Project Agreement, as well as the necessary site preparation activities. There is no increase in 2018-19.

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

Total costs related to Michigan Properties (Operating and Capital) remain unchanged over the planning period.

Project Costs

('000s)	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Project Costs	\$233,134	\$80,641	\$44,930	\$34,484	\$32,168

Total Project Costs (Operating and Capital) over the planning period have increased by \$8.8M compared to the original 2018-19 Corporate Plan, with WDBA making payments earlier during Construction. This is reflected in the total increase over the five (5) year planning period showing in 2018-19.

5. Financial Information 2018/19 to 2022/23

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	\$27,707	\$27,260	\$26,440	\$33,284
Michigan Properties	\$20,279	\$17,271	\$12,958	\$10,816	\$1,744
Project Costs	\$115,389	\$25,556	\$20,714	\$15,516	\$14,927
Total	\$163,261	\$70,534	\$60,932	\$52,772	\$49,955

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