

20 Annual Review 16



NIAGARA FALLS BRIDGE COMMISSION

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This publication is produced to comply with the reporting requirements of the Niagara Falls Bridge Commission's enabling legislation which states, "An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested." The financial data contained herein has been taken from the NFBC's 2016 audited financial statements.

About the NFBC

Entering its 79th year, the Niagara Falls Bridge Commission (NFBC) is the bi-national entity that owns, maintains and operates the Lewiston-Queenston, Rainbow and Whirlpool Rapids (Lower Arch) Bridges. The NFBC was established through a joint resolution of the 1938 U.S. Congressional Third Session and subsequent amendments, and it is licensed to operate by the Extra Provincial Corporations Act of the Province of Ontario, Canada.

The Commission's eight-member board consists of four American and four Canadian representatives. The American Commissioners serve at the pleasure of the Governor of the State of New York, and the Canadian Commissioners serve at the pleasure of the Premier of the Province of Ontario. All officers hold respective office for one year, until the next annual meeting.

Originally created to finance, construct and operate the Rainbow Bridge, the Commission's efficient and effective management of that bridge led to an extension of responsibilities over the Whirlpool Rapids (Lower Arch) and Lewiston-Queenston Bridges.

On both sides of the international border, the NFBC builds and maintains all facilities for Customs and Immigration services, but it does not use taxpayer dollars. It operates through the collection of tolls and private and public sector tenant leases, with the exception of one-time capital contributions from Canada and Ontario for the fifth lane on the Lewiston-Queenston Bridge and from Canada for the new Canada Border Services Agency facilities at Queenston.

The NFBC is fully committed to fostering the ongoing growth of trade and tourism between Canada and the United States. To facilitate this activity, the Commission aims to enhance and invest in the three international crossings it oversees to ensure the safe, reliable and most efficient flow of goods, services and people.

Our mission

To build, maintain and operate lower Niagara River border crossings to facilitate commerce and the movement of goods and people in a safe and efficient manner.

Our vision

The Niagara Falls Bridge Commission is a unique self-financing, bi-national, public benefit organization, which delivers superior cross border value to its stakeholders.

2016 Board of Commissioners



Linda L. McAusland
Chairperson



Russell G. Quarantello
Vice Chairperson



John A. Lopinski



Harry R. Palladino



Marcia T. Heit



Francis A. Soda



Ernest K. Smith



Kathleen L. Neville



BACK ROW (L-R): Ernest K. Smith, John A. Lopinski, Vice Chairperson
Russell G. Quarantello, Francis A. Soda, Harry R. Palladino
FRONT ROW (L-R): Chairperson Linda L. McAusland, Kathleen L. Neville,
NFBC General Manager Llewellyn J. Holloway, Marcia T. Heit

Niagara Crossings

The Niagara Falls Bridge Commission owns, maintains and operates three bridge spans stretching between the U.S. and Canada. Niagara Falls' crossings rank second only to John F. Kennedy International Airport as the busiest port of entry between the U.S. and Canada, and more than 7 million passengers travel annually by way of these monumental linkages of concrete and steel.



Lewiston-Queenston Bridge

WHAT'S NEW: In 2016, the first phase of the Lewiston Plaza expansion and renovation project was completed. As a result, a Duty Free store was constructed, the old Duty Free store was demolished, a new Information Technology utility ring was installed around the exterior of the plaza, the plaza's electrical supply was upgraded and the Interstate 190 extension to the north was relocated. Overhaul of the plaza was designed to revitalize aging priority infrastructure, advance efforts to facilitate international travel and trade and ensure border security. Following productive meetings with key stakeholders throughout 2016, the next phases of the project are now being designed and reviewed. The Queenston Plaza has benefited from its own reconstruction project, completed in 2014, which enhanced its functionality and traveler accessibility. CBSA officials have been especially pleased with the new facilities, encouraging other ports-of-entry to visit and experience how the design facilitates efficiency and security.

HISTORY OF THE SPAN: The Lewiston-Queenston Bridge, which commemorated its 53rd Anniversary in 2016, has the fifth highest volume of commercial traffic between Canada and the United States. Every hour of every day, millions of dollars in trade value cross over the bridge, supporting thousands of jobs for both countries. Hundreds of thousands of tourists choose the span each year when visiting destinations like Niagara-on-the-Lake and various Niagara Falls, N.Y. shopping and entertainment locations.



Rainbow Bridge

WHAT'S NEW: The NFBC completed several repairs and improvements to asphalt, concrete and catch basins along the Rainbow Bridge throughout 2016. 2016 marked the first full year of use for the newly renovated Rainbow Bridge Canada plaza bus processing facility. The \$4.5 million renovation, which was completed in 2015, enhances bridge capacity and increases efficiency, shortens wait times and strengthens the Rainbow Bridge's positive economic impact on Niagara Falls tourism. A first floor addition expanded CBSA's space for bus processing, a new basement space houses relocated equipment, and exterior canopy modifications and road realignment now allow for additional bus parking.

HISTORY OF THE SPAN: The Rainbow Bridge, opened in 1941, serves as an important tourism gateway between Canada and the United States. It is just 1,000 feet downriver from the American Falls, and it drives tens of millions of dollars in economic activity on both sides of the border. Offering 18 Customs inspection booths in New York and 16 in Ontario, the Rainbow Bridge is open 24 hours a day to passenger vehicles, buses and pedestrians. To accelerate the travel of tourists, no commercial vehicles are allowed on the Rainbow Bridge.



Whirlpool Rapids (Lower Arch) Bridge

WHAT'S NEW: The NFBC continues to pursue strategic plans to modernize and enhance the Whirlpool Rapids Bridge's U.S. Plaza. Progress was made, and discussions continued throughout 2016. New York State agencies and authorities have worked with NFBC to advance the project with land transfers and funding agreements. Still, additional work remains before plaza expansion can be pursued. To enhance the aesthetics of the span, the NFBC removed rust and repainted the bridge support pins.

HISTORY OF THE SPAN: Opened 120 years ago, the Whirlpool Rapids Bridge is the oldest of the three spans under the NFBC's auspices. The Commission purchased the bridge in 1959. The two-deck steel arch bridge soars 225 feet above the Niagara Rapids and stretches across 1069 feet in length and 550 feet in width. The lower roadway is dedicated to NEXUS passenger vehicles only, while the upper deck is used solely for rail crossings.

2016 Year in Review Highlights

TRAFFIC VOLUME

At the three NFBC bridges, westbound/toll-paying automobile traffic declined by 6.2% during the 2016 fiscal year, while commercial truck traffic rose by 2.8%. This compares to a decrease of 13.9% in automobile traffic and an increase of 1.7% for commercial truck traffic in 2015.

LEWISTON-QUEENSTON BRIDGE TOWER PAINTING AND ELECTRICAL UPGRADES

A \$2.9 million project to enhance the Queenston steel towers was completed in 2016. It included the removal and containment of lead paint and replacement of electrical lighting inside the towers, as well as the installation of an air venting system. Similar work has also begun on the Lewiston steel towers.

LEWISTON MAINTENANCE BUILDING AND UPPER MOUNTAIN ROAD PROPERTY

The construction of a new, off-site maintenance and equipment storage building is now complete, and the facility is in full operation. The \$11.6 million project, finished in 2016, replaced a 1960s-era facility that was outdated and inefficient. The new building is located on NFBC-owned property on Upper Mountain Road. This opens up space on Lewiston Plaza to house future Food and Drug Administration and U.S. Customs and Border Protection commercial operations.

NIAGARA RIVER GORGE ROCK REMEDIATION

The Commission spearheaded a \$2.3 million project to remediate and stabilize the rocks within sections of the Niagara Gorge. The project focuses on the U.S. gorge rock north of the Whirlpool Bridge, along the Canadian side adjacent to the Whirlpool CBSA building and north to the edge of the NFBC's properties. Substantial work has

been completed on the U.S. side of the gorge at the Rainbow and Whirlpool Bridges, and work continues on the Canadian side.

NEW ENTERPRISE MANAGEMENT SYSTEM

The NFBC improved its internal efficiencies by selecting a program for electronic filing and archives. The previous system had resulted in the use of excess data storage space, and a solution became necessary. To streamline processes and integrate departments, the Commission selected SharePoint by Microsoft to implement the Enterprise Management System. SharePoint allows for efficient storage, retrieval, searching, archiving, tracking and reporting of electronic documents and records.

BRIDGE STRUCTURE INVENTORY SURVEY

At each of the spans under the auspices of the NFBC, a comprehensive element level inventory is being conducted in accordance with new United States Federal legislation. This in-depth inspection and review process, which had a budget of just over \$120,000, is nearly complete, and it will help ensure efficient operations in the years ahead.

INFORMATION TECHNOLOGY

The Commission successfully implemented a number of information technology upgrades and system improvements in 2016 to streamline operations and make border travel more efficient for motorists and commercial carriers, by most notably:

- 25 cameras and 26 access control doors were added to the security system, and nine existing analog cameras were retrofitted to accommodate upgraded systems.

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- New computers and Digital Input-Output Boards were installed at Rainbow Bridge toll lanes.
- The Mobile Device Management platform was consolidated into one system to enhance usability.
- Eleven Microsoft Surface Pros were purchased and deployed to enhance mobility requirements, and back-end systems were upgraded to support Windows 10 workstations.
- Toll antennas at the U.S. Whirlpool Bridge Plaza were lowered and moved to address E-ZPass cross-lane reads.
- Automated tele-message recordings were implemented based on border wait-time data and Operations Center input, and remote reboot ability was integrated into border wait-time sensors located offsite.
- The Uninterrupted Power Supply from Canadian Rainbow Bridge Plaza and the data rack from the Lewiston Plaza were repurposed for the Lewiston Maintenance Facility.
- A new Computer Programmer and Systems Analyst was hired and trained to streamline and facilitate future technological upgrades.

AGENCY RELATIONS

Several agency relations and security related items and activities were also addressed in 2016, including:

- Support and limited traffic disruption for Special Olympic Law Enforcement Torch Run, Indian Defense League of America Crossing, Annual Tug of War and Ride for Roswell.
- Chaired the NITTEC Border Crossing Committee to enhance international travel and protect border security and examine issues such as Corridor Incident Management Plans, the Border Wait Time Initiative and the Canadian Motor Speedway and its potential impact.
- Jointly and successfully submitted with NITTEC a grant application to the Federal Highway Administration, for the installation of an automated border wait time system at the Rainbow Bridge, which is expected to be installed in 2017.

NEXUS NIAGARA

NEXUS is the bi-national trusted traveler program that seeks to expedite crossings and protect border security. NFBC continued its efforts to expand NEXUS usage in order to reduce wait times for travelers. It promoted the benefits of NEXUS by distributing flyers, supporting advertising campaigns and staffing information booths at key locations. NFBC also worked with other bridge officials in the Buffalo Niagara region to develop a new strategy to encourage greater NEXUS enrollment in Western New York and Southern Ontario. The strategy aims to enhance the program through several key upgrades and changes, which require bi-national approval, while also ramping up efforts to promote its benefits.

BORDER SECURITY

To ensure full compliance with the International Bridges and Tunnels Act, Transport Canada conducted a comprehensive audit of the Commission's security programs. NFBC successfully passed both stages one and two of the audit, a clear indication that the Commission continues to place a high priority on border security for all travelers.

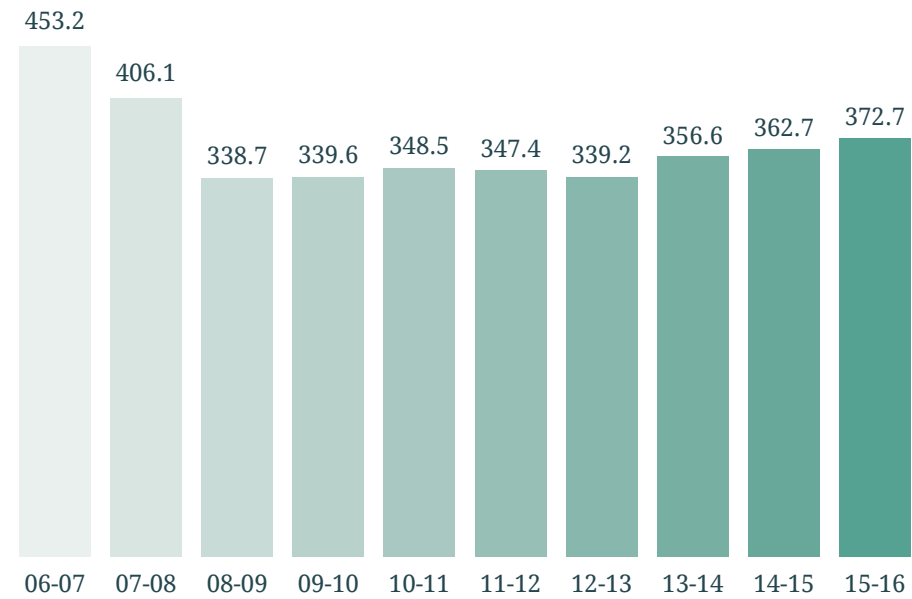
Additionally, the NFBC continues to hold regular meetings with senior officials of both U.S. Customs and Border Protection and Canada Border Services Agency to address issues of mutual concern. This strong working relationship ensures all parties remain responsive to travelers' needs for strong border security and streamlined crossings.

BEYOND THE BORDER

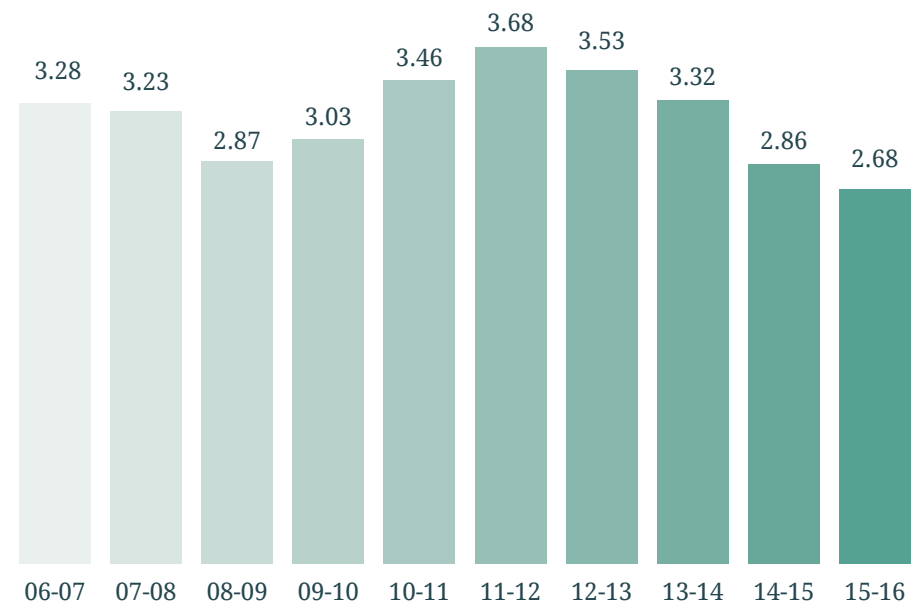
To advance the mission of facilitating commerce and the movement of goods and people, NFBC continues to participate in efforts to fully achieve the vision set forth in the 2011 Beyond the Border Accord and subsequent Perimeter Security and Economic Competitive Action Plan.

NFBC has worked to provide input and updates to encourage the ongoing implementation of the Canada-U.S. Border Infrastructure Investment Plan (BIIP), which was developed by Transport Canada, Canada Border Services Agency, U.S. Department of Transportation and U.S. Customs and Border Protection. The BIIP aims to enhance security by developing new infrastructure and cybersecurity capabilities and improving cross-border law enforcement. While leadership in the governments of both countries have changed since the accord was signed in 2011, NFBC remains optimistic the shared vision for prosperity and security will still be pursued and achieved.

Traffic Statistics



10 YEAR WEST-BOUND TRUCK TRAFFIC IN THOUSANDS



10 YEAR WEST-BOUND AUTO TRAFFIC IN MILLIONS

Community Sponsorships

In 2016, the NFBC supported a number of local not-for-profit organizations and cultural attractions, using funds generated by tenant leases through the donation of **\$59,500 (USD) and \$59,500 (CDN)**.

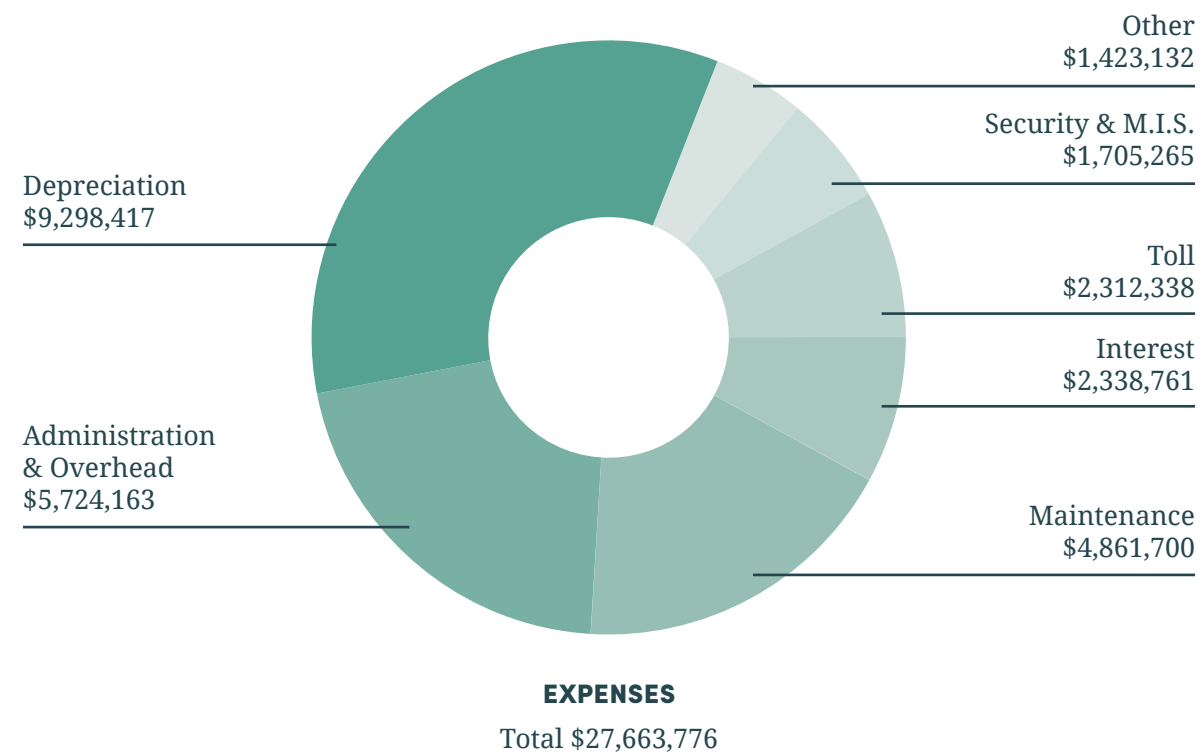
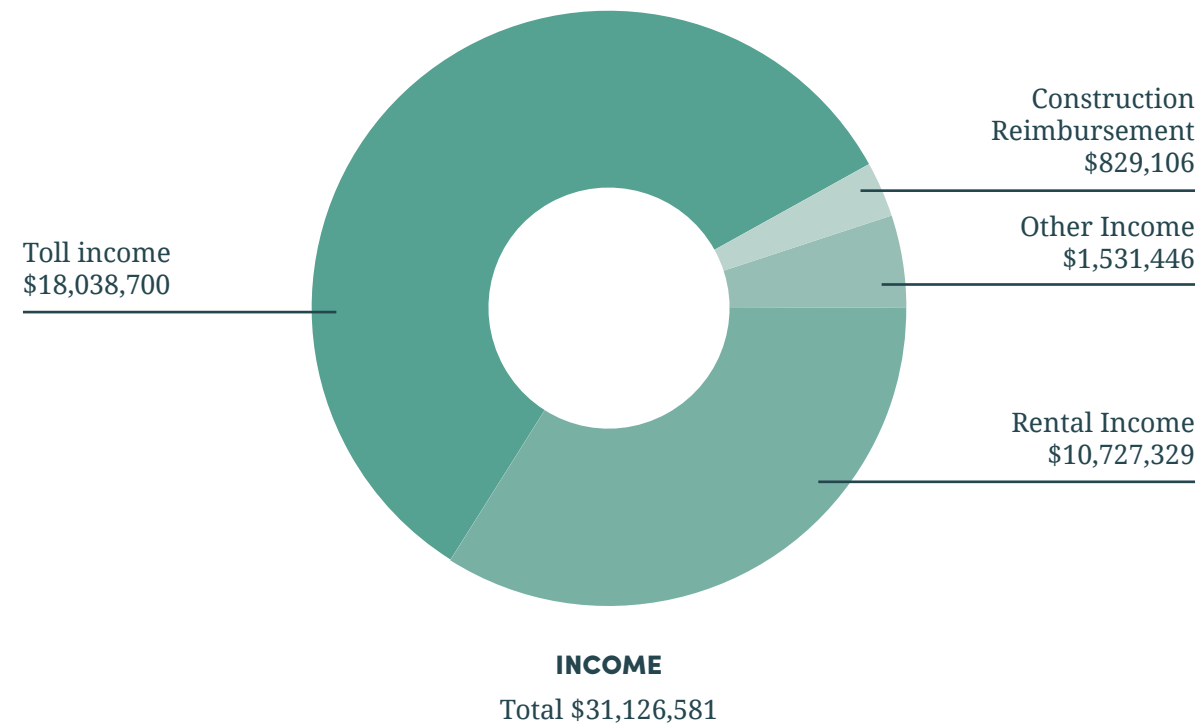
RECIPIENTS INCLUDE:

Aquarium of Niagara	Niagara Falls National Heritage Area, Inc.
Artpark	Niagara Festival & Entertainment Group
Crossborder Blues	Niagara Police Athletic League
Downtown Niagara Falls Business Association	Niagara University
Historic Lewiston Jazz Festival Inc.	Sanborn Area Business & Professional Association
Lewiston Garden Club	Sanborn Area Historical Society
Lewiston Council on the Arts	Friends of Fort George
Niagara County Historical Society	Shaw Festival Theatre
Old Fort Niagara Association	Wineries of Niagara-on-the-Lake
Blues Society of Western New York	Canal Bank Shuffle Blues Festival Inc.
Niagara Beautification Commission	Music Niagara



Special Olympics ceremony at the center of the Rainbow Bridge

Income & Expenses



Scholarship Winner

Each year, the NFBC opens a competitive application process to award scholarships to dependents of current Commission employees. The criteria of scholastic standing, individual achievement and participation in extracurricular activities drives the selection process for scholarship recipients. Candidates must be entering their freshman year of an accredited post-secondary educational institution or program.

THE 2016 SCHOLARSHIP AWARDEE WAS KEVIN BOVANIZER.



Kevin Bovanizer (center) receives his scholarship from Chairperson Linda McAusland and NFBC General Manager Lew Holloway.

Financials

ASSETS	2016	2015
Current Assets		
Cash & Cash Equivalents	\$ 9,683,377	13,508,177
Accounts Receivable	2,427,667	2,981,140
Prepaid Expenses	424,951	450,648
Investments	14,347,404	27,656,598
TOTAL CURRENT ASSETS	\$ 26,883,399	44,596,563
Noncurrent Assets		
Investments	\$ 55,311,010	51,367,080
Land, Bridges, Buildings & Equipment, Net	270,663,244	274,459,452
Construction In Progress - 30 Year Plan	30,975,535	15,821,275
Construction In Progress - Other	14,763,545	16,314,103
TOTAL ASSETS	\$ 398,596,733	402,558,473

LIABILITIES & UNRESTRICTED NET ASSETS

Current Liabilities		
Current Portion of Bonds Payable	\$ 6,100,000	5,800,000
Current Portion of Postretirement Benefit Obligation	532,740	500,993
Accounts Payable	5,989,764	4,619,614
Accrued Wages & Related Withholdings	1,169,980	1,125,130
Other Accrued Expenses	271,116	195,467
Bond Interest Payable	177,175	196,508
Deferred Income	1,004,849	1,020,693
TOTAL CURRENT LIABILITIES	\$ 15,245,625	13,458,405
Noncurrent Liabilities		
Postretirement Benefit Obligation	\$ 20,928,119	19,684,698
Bonds Payable, Net	47,246,769	53,199,651
TOTAL LIABILITIES	\$ 83,420,512	86,342,754
Unrestricted Net Assets		
Revenue	\$ 898,180	813,548
Operation	(23,284,389)	(21,465,413)
General	43,957,393	41,689,318
Renewal & Replacement	(2,652,324)	(1,073,363)
Debt Sinking	3,922,453	3,861,744
Construction	301,271,118	296,436,914
SUBTOTAL	324,112,431	320,262,748
Cumulative Effect of Currency Translation	(8,936,210)	(4,047,029)
TOTAL UNRESTRICTED NET ASSETS	\$ 315,176,221	316,215,719
TOTAL LIABILITIES & UNRESTRICTED NET ASSETS	\$ 398,596,733	402,558,473

	2016	2015
Revenues		
Toll Income	\$ 18,038,700	18,054,132
Rental Income	10,727,329	11,076,138
Construction Reimbursement	829,106	5,587,538
Investment Income, Net	1,350,720	1,729,712
Misc.	180,726	145,125
TOTAL REVENUES	\$ 31,126,581	36,592,645

Expenses		
Administration & Overhead	\$ 5,724,163	5,747,799
Maintenance	4,861,700	4,910,843
Toll	2,312,338	2,453,054
Management Information Systems	917,062	845,222
Security	788,203	751,677
Postretirement	1,376,007	1,097,899
Depreciation	9,298,417	9,211,308
Interest on Indebtedness	2,338,761	2,619,917
Amortization on Bond Financing Expenses	147,119	186,695
Loss (Gain) on Disposal of Bridge Related Assets	(99,994)	21,114
TOTAL EXPENSES	\$ 27,663,776	27,845,528

Change In Unrestricted Net Assets Before Unrealized Gain (Loss) On Investments & Change In Foreign Currency Translation	\$ 3,462,805	8,747,117
Unrealized Loss On Investments	\$ 386,878	(257,031)
Change In Foreign Currency Translation	\$ (4,889,181)	(31,692,991)
Change In Unrestricted Net Assets	\$ (1,039,498)	(23,202,905)
Unrestricted Net Assets - Beginning Of Year	\$ 316,215,719	339,418,624
Unrestricted Net Assets - End Of Year	\$ 315,176,221	316,215,719



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