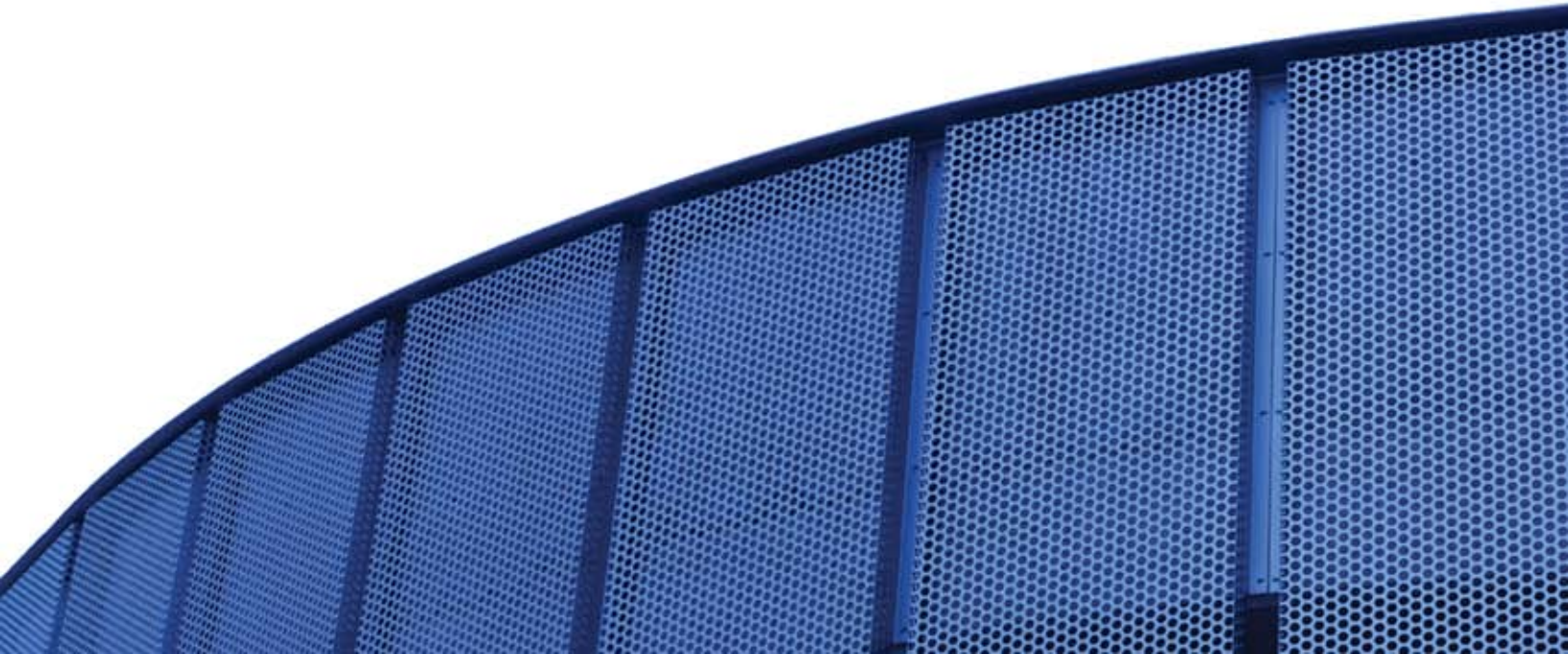




2008 Annual Review



## Phase One of the Queenston Plaza Reconstruction



Nearing the end of 2008, the parking garage/toll house and adjoining pedestrian walkway are on schedule



Janice A Thomson, Chairperson  
Niagara-on-the-Lake, ON



Norma I Higgs, Vice-Chairperson  
Niagara Falls, NY



Kenneth E Loucks, Secretary  
St Catharines, ON



Patrick D Brown, Treasurer  
Niagara Falls, NY



Linda DiPasquale  
North Tonawanda, NY



Michael Goodale  
Grimsby, ON



Thomas G Pryce  
Youngstown, NY

## 2008 Board of Commissioners



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

**OUR VISION:** We will be the recognized leader in the maximum efficient use of Canada/US border crossing facilities and be recognized as a collaborator in providing for strong cross border flow.

# Niagara Falls Bridge Commission and Its Three Niagara Crossings

2008 marked the 70th anniversary of the formation of the Niagara Falls Bridge Commission, a binational entity created by an Act of Congress in 1938 and licenced to operate by the Province of Ontario. With oversight from an eight person Board of Commissioners – four Americans appointed by the Governor of the State of New York and four Canadians appointed by the Premier of the Province of Ontario--this international entity owns, operates and maintains the three crossings over the lower Niagara River.

A self-supporting agency through collection of tolls and tenant rentals, the Niagara Falls Bridge Commission strongly encourages the growth of trade and tourism between the two countries and follows best practices to improve the flow of goods and people over its crossings.

Each of the crossings holds an important place in the history of our two nations and is unique in its role within the cross border transportation system.

## INVESTMENTS IN THE CROSSINGS

One of the major responsibilities of the Niagara Falls Bridge Commission is to maintain efficient crossings and plan well into the future to accommodate changing needs of tourism and commercial users. In order to finance capital projects, a financial reserve must be maintained – at the end of the fiscal year, October 2008, reserve balance stood at \$84 million. Reflecting the prudent manner in which the Commission's funds are managed, this reserve – as required by Commission policy – covers \$11.2 million in post-retirement liability and \$13.3 million of operating expenses for one year. The balance is available, as required, to finance capital projects that form a major part of the organization's mandated responsibilities.

During the fiscal year 2007-2008, the Commission was heavily involved in major construction projects that are contributing directly to the economies of both US and Canada. All investments made to the three bridges deliver an equal benefit to both countries in terms of efficient and safe movement of goods and people, as well as solid long-term stewardship of the major international assets represented by the three crossings.

Each of the three crossings is undergoing improvements:

- The Rainbow Bridge, the major crossing for visitors exploring the tourism attractions of Niagara Falls in both countries, will have some re-decking and other maintenance work done during 2009.
- The Whirlpool Bridge is being painted along with structural steel refurbishment to ensure its continued longevity. The portion of the costs incurred during 2009 will be \$11.4 million.
- The Lewiston-Queenston Bridge, our commercial link between the US and Canada within Niagara, is undergoing massive upgrades. The entire Queenston plaza is being completely replaced with new facilities and additional traffic lanes for commercial truck processing as well as passenger car and motorcoach facilities for Canada Border Services Agency.

Phase One of this major project, construction of the parking garage/toll house and expansion of the plaza footprint to accommodate five new commercial lanes and processing booths, is on track for completion in December 2008 at a cost of \$49 million to the Commission.

Phase Two and Three – valued at \$96 million of construction – will commence construction in 2009. The Canadian Government is contributing \$62 million towards Phase Two of this plaza re-build under the Building Canada Infrastructure Programme.

Maintaining an adequate reserve allowance is clearly essential for the Commission to maintain the safety and security of these crossings and the NFBC is pleased to report that this well-run, expertly managed entity with stringent, conservative policies in place to govern all facets of the operation is serving its responsibilities to both countries in a positive fashion, with Hardesty and Hanover reporting positive findings from the annual bridge inspections.

# Niagara Falls Bridge Commission and Its Three Niagara Crossings



## WHIRLPOOL-RAPIDS BRIDGE key facts

- A steel arch structure spanning 550 feet with a total length of 1069 feet
- Situated 1.4 miles north of the Rainbow Bridge
- Open from 7 am to 11 pm daily – NEXUS passenger vehicles only

The oldest of the spans, the Whirlpool-Rapids Bridge (formerly known as the Lower Arch Bridge), was constructed in 1897 and today serves as a dedicated passenger vehicle NEXUS crossing. With the US and Canadian Governments co-operatively offering the NEXUS "trusted traveler" programme, NEXUS card holders benefit from a quick and easy crossing on this bridge. During 2008, expanded services were offered to NEXUS holders, with the opening of a NEXUS application and renewal centre at the US Plaza of the Whirlpool Bridge. With toll processing incorporated into the NEXUS card, users enjoy the highest possible level of service and convenience. Whirlpool-Rapids Bridge also offers a passenger rail link on its upper deck.



## RAINBOW BRIDGE key facts

- A hingeless steel arch spanning 950 feet (was the longest in the world until the Lewiston-Queenston Bridge was completed in 1962)
- Bridge deck is 202 feet above the normal water level of the Niagara River and is 1,450 feet long with two, two-lane twenty-two foot roadways.
- Dedicated to passenger cars and buses only

The Rainbow Bridge, just 1,000 feet downstream of the American Falls, functions as a major tourism gateway for the US and Canada, supporting millions of dollars of economic activity in both countries.

With 18 traffic lanes in New York and 16 in Ontario to facilitate the movement of traffic for Government inspection, this facility is fulfilling the vision of Commissioners who led the NFBC to invest \$72 million US in the expansion of the Customs plazas in both countries in the year 2000.

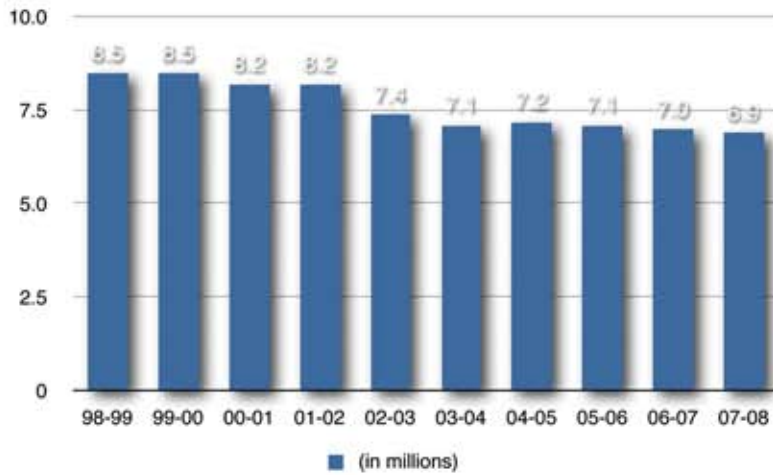


## LEWISTON-QUEENSTON BRIDGE key facts

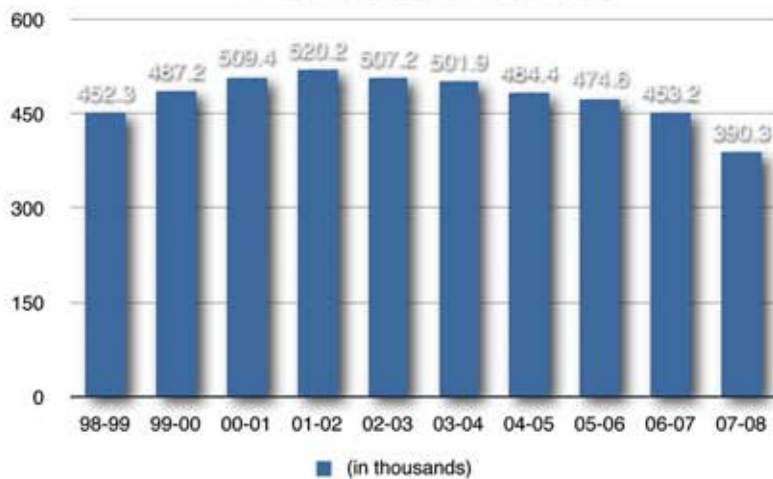
- 1,600 feet from abutment to abutment – the longest hingeless steel arch in the world
- A high level bridge with a design identical to the Rainbow Bridge
- The bridge deck is 370 feet above water, with five reversible lanes designed to accommodate commercial and tourism traffic
- Connects US Interstate 190 with Highway 405 in Canada
- Located approximately five miles north of the Whirlpool-Rapids Bridge
- 4th highest volume commercial crossing between US and Canada

# 2008 The Year in Review

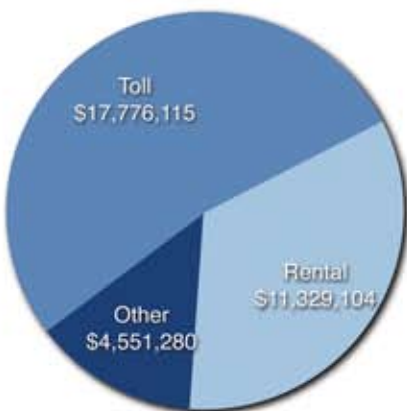
10 Year Auto Traffic



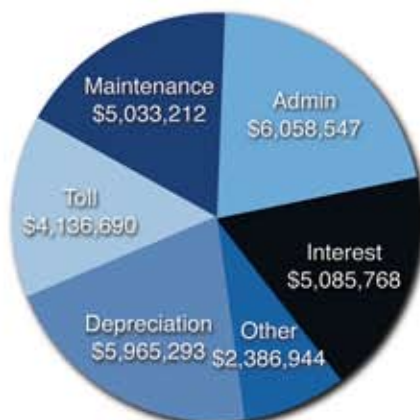
10 Year Westbound Truck Traffic



2007-2008 Income



2007-2008 Expenses



2008 was a pivotal year for the Niagara Falls Bridge Commission, with a clear focus on ensuring good governance by implementing best practices with regard to policy development and oversight. During the year, the Commissioners reviewed policies in the areas of :

- BIDDING AND CONTRACT AWARD
- COMMUNITY REQUEST PROGRAM
- REVENUE GENERATION AND PROTECTION
- US PAYMENTS IN LIEU OF PROPERTY TAXES
- COMMISSIONERS' BUSINESS ETHICS
- CODE OF ETHICS POLICY
- COMMISSIONERS' EXPENSES

New policies were developed and implemented in the areas of:

- EMERGENCY/DISASTER PLAN
- SECURITY POLICY
- SWAPS AND VARIABLE RATE DEBT POLICY

The mission, vision and values of the Commission were reviewed by Commissioners and senior staff and adjustments made to the organization's strategic plan, recognizing the changing landscape of border crossings. The Commission's committee structure was changed to reflect the objectives established in the Strategic Plan and to maintain appropriate division of responsibilities between management and Commissioners. New committees will focus on Governance, Planning & Priorities, Human Resources, Finance and Control, and Audit.

During the year, an Internal Audit function was implemented within the organization, with an independent audit firm reporting to the Commissioners. This function will assist management in implementing measures that will protect the assets of the NFBC and maximize opportunities for asset stability and growth in the future.

## 2008 The Year in Review

In September 2008, the Niagara Falls Bridge Commission announced the official transfer of the operations of a new NEXUS Enrollment Center to the United States and Canadian Customs Agencies. The center is located in a newly refurbished building that was a former trucking bay facility, alongside the Whirlpool Bridge US plaza. It is now a fully functioning NEXUS processing facility utilizing state of the art technology and systems and is the first NEXUS Enrollment Center in Western New York.

"We are pleased to do our part in helping both the U.S. and Canadian Customs in their efforts to enroll more travelers into the NEXUS Program," said Janice Thomson, (Niagara-on-the-Lake, ON), Chairperson, NFBC. "This new location and facility will provide residents on both sides of the border a convenient place to both apply for a NEXUS Card and renew existing cards. It is also appropriate to have the new Enrollment Center located at the Whirlpool Bridge because it is the only bridge in the continental United States or Canada dedicated to NEXUS only passage."



ABOVE PHOTO: L-R: Norma Higgs, Vice-Chair, NFBC; Louise M. Slaughter, United States Representative; Rob Nicholson, Minister of Justice and Attorney General of Canada; Kenneth Loucks, Commissioner and Secretary NFBC; Janice Thomson, Chair NFBC; Tom Pryce, Commissioner NFBC; Gary Burroughs, Lord Mayor of Niagara-on-the-Lake, Ontario; Ted Salci, Mayor of Niagara Falls, Ontario; Patrick Brown, Commissioner and Treasurer NFBC; Dick Soluri, Mayor of Lewiston, New York.

### Niagara's Gorge Bridges - The Architectural and Engineering Triumphs of the Niagara Gorge

July 2008 saw the release of the book, "Niagara's Gorge Bridges" by noted local author, Paul E. Lewis. Mr. Lewis joined the NFBC as its archivist a number of years ago to assist in the efforts to organize the Commission's collections in a systematic fashion. The project resulted in Mr. Lewis unearthing a marvelous cache of engineer's photographs from the building of the steel arch bridges in the late 1890s. The book takes readers back over a century and a half, tracing the development and construction of the various bridges that have spanned the river.

Mr. Lewis is the author of numerous publications that relate the rich history of the local area and the Commission is honoured that he felt compelled to document the engineering achievements of the Niagara Gorge spans.

If Paul Lewis were to write a book about the people behind the scenes who make these bridges and plazas safe, efficient processing areas for the movement of goods and people, he would surely feature **Arnie Stewart**. Arnie was recognized on his retirement by his colleagues and Chair Janice Thomson for 42 years of working in maintenance and directing traffic on the bridge plazas. We know that Arnie will stay busy, volunteering for literacy organizations and speaking to school groups about the importance of learning to read and communicate effectively.



## Queenston Plaza upgrading to meet the needs of the future



At the end of 2008, the NFBC is nearing completion of Phase One on the Master Plan developed to completely reconstruct the Queenston Plaza to modernize border management and provide physical improvements to border operations. Phase One has expanded the Plaza footprint to the north to allow for diverting commercial traffic through five new commercial lanes to the north edge of the Plaza. This phase also includes the construction of a new parking garage and toll house to make more efficient use of the Plaza for the processing of both Canada bound passenger and commercial vehicle traffic.

The cost of Queenston Plaza Phase One will be approximately \$49M which is being entirely funded by the NFBC.

A further investment of \$77M will be made in facility and processing improvements scheduled for Phase Two (to commence in 2009), including:

- Central CBSA building to process passenger vehicles, buses and commercial vehicles;
- 1 new bus processing primary lane/booth;
- 10 new passenger vehicle primary lanes/booths (includes a designated NEXUS lane);
- Passenger vehicle secondary inspection area;
- Commercial vehicle secondary inspection area;
- Commercial vehicle warehouse;
- Animal inspection facility; and,
- Commercial vehicle VACIS inspection area.





June 2008: Minister Rob Nicholson announces up to \$62 million in Federal Funding for Phase Two of Queenston Plaza reconstruction

"The Queenston-Lewiston border crossing is a priority for the Government of Canada and benefits the Niagara region, this province and Canada as a whole," said Minister Nicholson. "Our government's funding for this project will help maintain the competitive position of this important border crossing and trade gateway to the United States."



**NIAGARA FALLS BRIDGE COMMISSION**

**STATEMENT OF FINANCIAL POSITION  
OCTOBER 31, 2008**

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**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 12,191,643
Accounts receivable	1,202,667
Prepaid expenses	355,049
Investments	25,584,330
Total current assets	<u>39,333,689</u>

**NONCURRENT ASSETS:**

Investments	59,490,119
Land, bridges, buildings and equipment, net	178,274,199
Construction in progress - 30 year plan	870,255
Construction in progress - other	47,531,458
Total assets	<u>\$ 325,499,720</u>

**LIABILITIES AND UNRESTRICTED NET ASSETS**

**CURRENT LIABILITIES:**

Current portion of bonds payable	\$ 4,955,000
Current portion of postretirement benefit obligation	331,463
Accounts payable	11,026,787
Accrued wages and related withholdings	1,144,858
Other accrued expenses	1,226,321
Bond interest payable	280,594
Deposits payable	628,924
Deferred income	208,255
Total current liabilities	<u>19,802,202</u>

**NONCURRENT LIABILITIES:**

Postretirement benefit obligation	10,905,157
Interest rate swap	4,967,216
Bonds payable, net	59,245,741
Total liabilities	<u>94,920,316</u>

**UNRESTRICTED NET ASSETS:**

Revenue	1,194,142
Operation	(9,717,720)
General	68,001,458
Renewal and replacement	(11,670,619)
Debt sinking	(5,164,628)
Construction	166,208,749
	<u>208,851,382</u>
Cumulative effect of currency translation	21,728,022
Total unrestricted net assets	<u>230,579,404</u>
Total liabilities and unrestricted net assets	<u>\$ 325,499,720</u>

**NIAGARA FALLS BRIDGE COMMISSION****STATEMENT OF ACTIVITIES AND CHANGES IN UNRESTRICTED NET ASSETS  
FOR THE YEAR ENDED OCTOBER 31, 2008**

<b>REVENUES:</b>	
Toll income	\$ 17,776,115
Rental income	11,329,104
Investment income	4,310,526
Miscellaneous	240,754
Total revenues	<u>33,656,499</u>
<b>EXPENSES:</b>	
Administrative	6,058,547
Maintenance	5,033,212
Toll	4,136,690
Management information systems	775,043
Security	626,828
Depreciation	5,965,293
Interest on indebtedness	5,085,768
Amortization of bond financing expenses	944,883
Foreign currency exchange loss	40,190
Total expenses	<u>28,666,454</u>
CHANGE IN UNRESTRICTED NET ASSETS BEFORE UNREALIZED LOSS ON INVESTMENTS, LOSS ON PERMANENT WRITE DOWN OF INVESTMENTS AND CHANGE IN FOREIGN CURRENCY TRANSLATION	4,990,045
UNREALIZED LOSS ON INVESTMENTS	(598,886)
LOSS ON PERMANENT WRITE DOWN OF INVESTMENTS	(1,304,814)
CHANGE IN FOREIGN CURRENCY TRANSLATION	<u>(41,492,121)</u>
CHANGE IN UNRESTRICTED NET ASSETS	(38,405,776)
UNRESTRICTED NET ASSETS - beginning of year, as previously reported	271,332,933
PRIOR PERIOD ADJUSTMENT	<u>(2,347,753)</u>
UNRESTRICTED NET ASSETS - beginning of year, as restated	<u>268,985,180</u>
UNRESTRICTED NET ASSETS - end of year	<u>\$ 230,579,404</u>



**United States**

5365 Military Road, Lewiston, NY 14092  
716-285-6322 fax 716-282-3292

**Canada**

P.O. Box 395, Niagara Falls, ON L2E 6T8  
905-354-5641 fax 905-353-6644

[General\\_Inquiries@niagarafallsbridges.com](mailto:General_Inquiries@niagarafallsbridges.com)  
[www.niagarafallsbridges.com](http://www.niagarafallsbridges.com)