

Reply:
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Waterfront Reference Group
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October 10, 2002

To: Joint Meeting of Economic Development and Parks and the Planning and Transportation Committees

From: City Clerk, Waterfront Reference Group

Subject: Toronto City Centre Airport

Recommendations:

The Waterfront Reference Group recommends to the joint meeting of Economic Development and Parks and the Planning and Transportation Committees that the report (September 27, 2002) from the Chief Administrative Officer be amended subject to:

- (1) amending Recommendation (1) by deleting the words “at its meeting in November 2002” and replacing with the words “when the analysis of the Toronto Port Authority’s Business Plan, as well as the other requested reports, are completed by staff”;
- (2) deleting Recommendation No. 6;
- (3) adding additional recommendations (6), (7), (8), (9), (10) and (11):

so that the recommendations of this report now read:

- “(1) This report be forwarded from the Waterfront Reference Group to the joint meeting of the Economic Development and Parks Committee and the Planning and Transportation Committee scheduled for October 24, 2002, and to Council when the analysis of the Toronto Port Authority’s Business Plan, as well as the other requested reports, are completed by staff ;
- (2) Council recognize both the value of a regional airport to Toronto’s economic well-being, regional transportation infrastructure and delivery of emergency services, and the importance of maintaining an effective balance that achieves the proposed objectives of the Central Waterfront Secondary Plan for residential, cultural, and employment revitalization;

- (3) the Toronto Port Authority (TPA) be requested to provide additional information to the Executive Lead for the Waterfront and the Commissioner of Economic Development, Culture and Tourism with respect to its business plan for the TCCA and the fixed link bridge, which was submitted on Thursday, September 19, 2002, including:**

 - (a) detailed financial calculations and passenger levels beyond 2007;**
 - (b) the costs of additional upgrades (e.g. runway lighting, runway resurfacing, development of the Toronto City Centre Airport (TCCA) south-side);**
 - (c) the rationale for the differences in the composition of revenues and expenditures between the Sypher:Mueller turboprop scenario and the baseline forecasts included in the business plan;**
 - (d) the rationale for excluding the passenger terminal, and for the non-proportional reduction in revenues from the Passenger User Fee, in the low growth scenario;**
 - (e) a comprehensive set of measures to mitigate the environmental and health effects of any enhancement to TCCA;**
 - (f) the results of a traffic management study that updates the impacts of TCCA expansion, as well as a fixed link, on the Bathurst Quay and Harbourfront neighbourhoods; and**
 - (g) specific assurances that the TPA will provide a copy to the City of the performance bond it will enter into with its contractor(s) ensuring that the construction of the fixed link will be completed according to the City's directives, or, if this is not possible, that the site would be returned to an appropriate condition;**
- (4) staff clarify with representatives of Transport Canada their role in funding TCCA activities as set out in the Tripartite Agreement;**
- (5) staff report to Council on the TPA's business plan once the TPA produces all of the above, such report should also comment on how any proposed changes will impact the Tripartite Agreement and the Subsidy Agreement;**
- (6) the outstanding conditions applied to City Council's adoption of a fixed link to the TCCA at its meeting on December 16 and 17, 1998 as outlined in Appendix (A) of the report (September 27, 2002) from the Chief Administrative Officer, be completed prior to City Council making a final decision on expansion plans for the TCCA;**

- (7) a new noise study be undertaken prior to City Council making a final decision on the expansion plans for the TCCA;**
- (8) the TPA be requested to consider incorporating into its business plan an enhanced public transit service, in the form of a Light Rapid Transit Line (LRT) directly to the Toronto City Centre Airport, noting that initial service improvements could be in the form of a shuttlebus service and that any cost to subsidize this service be the responsibility of the Toronto Port Authority;**
- (9) a feasibility study be undertaken to determine the passenger level that would warrant the implementation of an LRT line between Union Station and the TCCA and the results of this study be reported to Council prior to the November 26, 2002 Council meeting;**
- (10) appropriate City staff be requested to recommend the best method to include the condition of an enhanced public transit service in any approval for the bridge design and/or enhanced operations of the TCCA;**
- (11) City Council include provisions in any approvals for the bridge design and/or enhancements to the operation of the TCCA and that the TPA provide all necessary guarantees that any infrastructure improvements at the TCCA, including the construction of a fixed link and terminal, will be completed at no cost to the City. This should be done through a performance bond that specifically outlines such a guarantee to the City, or an alternative instrument that eliminates financial risk to the City.”**

The Waterfront Reference Group reports for the information of the joint meeting having requested:

- (1) the Toronto Port Authority to provide to the Commissioner of Urban Development Services, by no later than October 11, 2002, all outstanding information with respect to its business plan as outlined in Recommendation (3) of the report (September 27, 2002) from the Chief Administrative Officer;
- (2) the Commissioner of Urban Development Services, to the fullest extent possible, complete due diligence on this information when received from the TPA and report to the October 24, 2002 joint meeting of the Economic Development and Parks and Planning and Transportation Committees, or, if the completion of the due diligence is not possible, that a report be submitted to the joint meeting outlining the anticipated timing of TPA's response; and
- (3) the City Solicitor report to the joint meeting on October 24, 2002 on the effect of the Navigable Waterways Protection Act on the suggested fixed link to the TCCA.

Background

At its meeting on October 8, 2002, the Waterfront Reference Group gave consideration to the report (September 27, 2002) from the Chief Administrative Officer reporting on the financial, legal, community, health, environmental and economic impacts of various operational scenarios for the Toronto City Centre Airport (TCCA) and on the status of outstanding directives related to Council's approval of a fixed link to the TCCA and recommending that:

- (1) This report be forwarded from the Waterfront Reference Group to the joint meeting of the Economic Development and Parks Committee and the Planning and Transportation Committee scheduled for October 24, 2002, and to Council at its meeting in November, 2002;
- (2) Council recognize both the value of a regional airport to Toronto's economic well-being, regional transportation infrastructure and delivery of emergency services, and the importance of maintaining an effective balance that achieves the proposed objectives of the Central Waterfront Secondary Plan for residential, cultural, and employment revitalization;
- (3) the Toronto Port Authority be requested to provide additional information to the Executive Lead for the Waterfront and the Commissioner of Economic Development, Culture and Tourism with respect to its business plan for the TCCA and the fixed link bridge, which was submitted on Thursday, September 19, 2002, including:
 - (a) detailed financial calculations and passenger levels beyond 2007;
 - (b) the costs of additional upgrades (e.g. runway lighting, runway resurfacing, development of TCCA south-side);
 - (c) the rationale for the differences in the composition of revenues and expenditures between the Sypher:Mueller turboprop scenario and the baseline forecasts included in the business plan;
 - (d) the rationale for excluding the passenger terminal, and for the non-proportional reduction in revenues from the Passenger User Fee, in the low growth scenario;
 - (e) a comprehensive set of measures to mitigate the environmental and health effects of any enhancement to TCCA;
 - (f) the results of a traffic management study that updates the impacts of TCCA expansion, as well as a fixed link, on the Bathurst Quay and Harbourfront neighbourhoods; and
 - (g) specific assurances that the TPA will provide a copy to the City of the performance bond it will enter into with its contractor(s) ensuring that the construction of the fixed link will be completed according to the City's directives,

or, if this is not possible, that the site would be returned to an appropriate condition;

- (4) staff clarify with representatives of Transport Canada their role in funding TCCA activities as set out in the Tripartite Agreement;
- (5) staff report to Council on the TPA's business plan once the TPA produces all of the above, such report should also comment on how any proposed changes will impact the Tripartite Agreement and the Subsidy Agreement; and
- (6) upon satisfaction by the TPA of the conditions noted above, Council confirm its approval of enhanced, non-jet operations at the TCCA, including terminal improvements and the construction of a fixed link bridge at no cost to the City.

The Waterfront Reference Group also had before it the following submissions:

- (September 13, 2002) from Joe Altieri submitting a document examining the campaign of Community AIR to close the Toronto City Centre Airport;
- (August 29, 2002) from Irene Fedun, Green Dragon Landscaping objecting to the expansion of the Toronto City Centre Airport;
- (September 17, 2002) from Laszlo (Les) Jarmai objecting to the expansion of the Toronto City Centre Airport;
- (September 19, 2002) from George and Niki Sekely objecting to the expansion of the Toronto City Centre Airport;
- (September 17, 2002) from Gerald H. Parker, President, Beyond Ability International supporting the continuance of the Toronto City Centre Airport;
- (September 4, 2002) from Bonnie & Jerry Good objecting to the expansion of the Toronto City Centre Airport;
- (August 26, 2002) from Roger Wilson, Fasken Martineau DuMoulin, Barristers & Solicitors submitting letter (August 7, 2002) from Roger D. Wilson addressed to Lydia Danylciw, Waterfront Secretariat, (April 4, 2002) from Roger D. Wilson and letter (April 15, 2002) from Paul Henderson objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Denys Jones objecting to the expansion of the Toronto City Centre Airport;
- (September 22, 2002) from Cam Miller objecting to the expansion of the Toronto City Centre Airport;

- (September 22, 2002) from Eliza Wong objecting to the expansion of the Toronto City Centre Airport;
- (September 22, 2002) from Michael Page objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Allan Sparrow, Community Air forwarding submissions objecting to the expansion of the Toronto City Centre Airport;
- (September 22, 2002) from Rosanne Renzetti objecting to the expansion of the Toronto City Centre Airport;
- (September 18, 2002) from Doreen Hamilton objecting to the expansion of the Toronto City Centre Airport;
- (September 18, 2002) from Karin Michael objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Nicky Perry objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Sharon Oatway objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Yvonne Parti objecting to the expansion of the Toronto City Centre Airport;
- (September 24, 2002) from Lori Nancy Kalamanski objecting to the expansion of the Toronto City Centre Airport;
- (September 24, 2002) from Joan Cohl objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Rod Seiling, President, Greater Toronto Hotel Association, supporting the continuance of the Toronto City Centre Airport;
- (September 20, 2002) from the City Clerk forwarding for the information of the Waterfront Reference Group, a list of written submissions relating to the Toronto City Centre Airport which were included on the February 20, 2002 agenda of the Waterfront Reference Group;
- (September 28, 2002) from Chris Kelk objecting to the expansion of the Toronto City Centre Airport;
- (September 27, 2002) from Penelope Tyndale objecting to the expansion of the Toronto City Centre Airport;

- (September 28, 2002) from Luis Alfredo Carrasco supporting the expansion of the Toronto City Centre Airport;
- (September 26, 2002) from Kevin Psutka, President & C.E.O, Canadian Owners and Pilots Association supporting the continuance of the Toronto City Centre Airport;
- (September 26, 2002) from Warner Cowan supporting the continuance, but not expansion, of the Toronto City Centre Airport;
- (October 2002) from Brenda Roman objecting to the expansion of the Toronto City Centre Airport;
- (September 30, 2002) from Rosanna Crabbe objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Ian Russell objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Lynne Besner objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Richard Reinert objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Jane O'Callaghan objecting to the expansion of the Toronto City Centre Airport;
- (September 30, 2002) from John Firth objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Greg Bonser objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Cheryl Reid objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Zella Wolofsky objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Kim Mandzy objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Carol Bigwood objecting to the expansion of the Toronto City Centre Airport;

- (October 3, 2002) from Paul Copeland objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Paul Kirby objecting to a bridge connecting the Island;
- (October 3, 2002) from Lee Rickwood objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Ron Monteith, President, St. Lawrence Neighbourhood Association, objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from The Bristons objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Jerry Englar objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Leida Englar objecting to the expansion of the Toronto City Centre Airport;
- (October 1, 2002) from Tom Patterson objecting to the expansion of the Toronto City Centre Airport;
- (September 23, 2002) from Patricia MacKay objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from John T. Morin, The Royal Canadian Yacht Club, objecting to the proposed bridge connecting the Island;
- (undated) from Karen Langlois objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Eric Holzwarth objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Lois James objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Chris Damiano objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Corinne Moore objecting to the expansion of the Toronto City Centre Airport;
- (October 6, 2002) from Judy Malkin objecting to the expansion of the Toronto City Centre Airport;

- (October 7, 2002) from Geoff Evason objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Bob Gibson submitting comments on the Toronto City Centre Airport;
- (October 1, 2002) from Dwight Peters objecting to the expansion of the Toronto City Centre Airport;
- (October 6, 2002) from Phyllis Platt objecting to the expansion of the Toronto City Centre Airport;
- (undated) from Michael Colgrass objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Margaret Whitfield objecting to the expansion of the Toronto City Centre Airport;
- (October 6, 2002) from Joseph Ho objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Steve Bellantoni objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Terri Tenberg objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Dan Y. Zabelishensky objecting to the expansion of the Toronto City Centre Airport;
- (October 5, 2002) from Dorothy Holmes objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Deborah Speyer objecting to the expansion of the Toronto City Centre Airport;
- (October 6, 2002) from Elaine Gold objecting to the expansion of the Toronto City Centre Airport;
- (October 6, 2002) from Hugh MacKay objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Ron Monteith, President, St. Lawrence Neighbourhood Association, objecting to the expansion of the Toronto City Centre Airport;

- (October 2, 2002) from Nancy White objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Jeff Vile objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Joanna Sworn and David Sworn objecting to the expansion of the Toronto City Centre Airport;
- (October 3, 2002) from Sandra Bain objecting to the expansion of the Toronto City Centre Airport;
- (October 4, 2002) from Malcolm King objecting to the expansion of the Toronto City Centre Airport;
- (October 5, 2002) from Laszlo J. Jarmai objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Trevor Shaw supporting the continuance of the Toronto City Centre Airport;
- (October 4, 2002) from B.R. Holmes supporting the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Christy Manis objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Geoff Evason objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Cathy Waiten objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Alanna McDonagh objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from O. John Hawkins objecting to the expansion of the Toronto City Centre Airport;
- (October 2, 2002) from Henry Ding supporting the continuance of the Toronto City Centre Airport;
- (undated) from Stig Harvor supporting the continuance of the Toronto City Centre Airport;

- (October 7, 2002) from Ann Bosley, President, Toronto Real Estate Board, supporting the continuance of the Toronto City Centre Airport;
- (April 23, 2002) from Chris Ridabock, Chair and M. Elyse Allan, President and C.E.O., The Toronto Board of Trade supporting the Toronto City Centre Airport;
- (October 7, 2002) from Peter Lukas, President, Showline Limited forwarding concerns respecting the noise levels from over-flight helicopters;
- (October 4, 2002) from Carol L. Holmes, Administration and Property Management, City Centre Aviation Ltd., supporting the continuance of the Toronto City Centre Airport;
- (October 7, 2002) from Ann Lovering objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Irene Fedun objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Dr. Moira McQueen objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Rebecca Schechter objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Sophie Perrault objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Tim Flawn & Peggy Slegers objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Alice E. Courtney objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Tibor Major objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Irene E. Grubb objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Suzanne Fitzpatrick objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Joan York objecting to the expansion of the Toronto City Centre Airport;

- (October 8, 2002) from Jason D. Craig objecting to the expansion of the Toronto City Centre Airport;
- (October 7, 2002) from Ronny Yaron objecting to the expansion of the Toronto City Centre Airport;
- (September 26, 2002) from Karen Tzventarny objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Keri Wong, Tanya Battersby, Marta Polack, Robert Osborne and David Hsia objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Karin Tari objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Linda Sheppard objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Wilfrid Walker, Board Member for Transport 2000 Ontario. forwarding concerns respecting the airport;
- (undated) from Allan Sparrow, Outreach Coordinator, Community AIR, submitting concerns regarding the expansion of the airport;
- (undated) from Michael Rosenberg, Economics of Technology Working Group forwarding concerns regarding planning relating to the Portlands;
- (October 8, 2002) from Elyse Allan, President and C.E.O., The Toronto Board of Trade, supporting the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Andy Manahan, Development Promotion Representative, Universal Workers Union, Local 183, supporting the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Mitchell Gold, International Association of Educators for World Peace, objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Victor Pappalardo, President, Trans Capital Air Ltd., supporting the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Hamish Wilson objecting to the expansion of the Toronto City Centre Airport;
- (October 8, 2002) from Ben Smith Lea, President and Elizabeth Quance, Secretary, Niagara Neighbourhood Association, objecting to the expansion of the Toronto City Centre Airport;

- (October 8, 2002) from Rosario Marchese, MPP, Trinity-Spadina, objecting to the expansion of the Toronto City Centre Airport; and
- (October 7, 2002) from Boris Broz objecting to the expansion of the Toronto City Centre Airport.

The following persons appeared before the Waterfront Reference Group in connection with the foregoing matter:

- Henry J. Pankratz, Chair, Toronto Port Authority;
- Robert Deluce; Regional Airlines Holdings Inc.;
- Lisa Raitt, Chief Executive Officer and Harbour Master, Toronto Port Authority;
- Al Will, Executive Director, Ontario Sailing Association;
- Jerry Shiner, President, Keepsafe Storage;
- John Bessai;
- Pam Mazza, President, Toronto Island Trust;
- Marc Brien, Partner, Domicity Limited;
- Allan Sparrow, Outreach Coordinator, Community AIR;
- Max Moore, President, Harbourfront Community Association;
- Julie Beddoes, Gooderham & Worts Neighbourhood Association;
- Alexander M. Giannelia, President, The Airborne Sensing Corporation;
- Elyse Allan, President and C.E.O., Toronto Board of Trade;
- Anthony Pappalardo, Co-Chair, Toronto City Centre Airport Association;
- Joe Altieri;
- Phillip Van Manen, Airport Manager, Toronto City Centre Airport;
- Manfred Humphries;
- Drew Bowles;
- Gerald H. Parker, Beyond Ability International;
- John Spragge;
- Roger D. Wilson, Barrister and Solicitor;
- Andy Manahan, Development Promotion Representative, Universal Workers Union, Local 183;
- Bill Freeman;
- Mark Millen;
- Paul Ferreira, President, Toronto Centre-Rosedale NDP;
- Warner Cowan;
- Brenda Roman;
- Debbie Alexander;
- Sylvia Pellman;
- Bob Fear, Q400 Product Planning Manager, Bombardier Aerospace;
- Mitchell Gold, International Association of Educators for World Peace;
- John Stephenson;
- Michael Colgrass;
- Alison Rose;
- Paul Farrelly;

- Keith Stewart, Smog and Climate Change Campaigner;
- Kayle Gordon;
- Janice Zemdegs;
- Malcolm King;
- Hamish Wilson;
- Tomislav Svoboda, Community Medicine Specialist, St. Michaels's Hospital;
- Joseph Koole;
- Trevor Shaw;
- Sharon Poitras;
- Allan Fenton;
- Terri Tenberg, New Media Producer, Corporate Communications-Internet, Bell Canada;
- Dan Zabelishensky, Board Member, Toronto Bird Observatory;
- Nola Crewe;
- Robert Anglin;
- Terry Wong;
- Elizabeth Quance;
- Boris Broz;
- Donald Hart;
- Pat Fagnano, Duty Manager, Toronto City Centre Airport;
- Christopher Wallace; and
- Jacob Allderdice.

(Report dated September 27, 2002, from the
Chief Administrative Officer, addressed to the
Waterfront Reference Group)

Purpose:

To report on the financial, legal, community, health, environmental and economic impacts of various operational scenarios for the Toronto City Centre Airport (TCCA) and on the status of outstanding directives related to Council's approval of a fixed link to the TCCA.

Financial Implications and Impact Statement:

As set out in this report, changes to the operation of TCCA could result in a reduction in the annual subsidy paid by the City to the Toronto Port Authority (TPA) under the existing Subsidy Agreement.

Recommendations:

It is recommended that:

1. This report be forwarded from the Waterfront Reference Group to the joint meeting of the Economic Development and Parks Committee and the Planning and Transportation Committee scheduled for October 24, 2002, and to Council at its meeting in November, 2002;
2. Council recognize both the value of a regional airport to Toronto's economic well-being, regional transportation infrastructure and delivery of emergency services, and the importance of maintaining an effective balance that achieves the proposed objectives of the Central Waterfront Secondary Plan for residential, cultural, and employment revitalization;
3. The Toronto Port Authority be requested to provide additional information to the Executive Lead for the Waterfront and the Commissioner of Economic Development, Culture and Tourism with respect to its business plan for the TCCA and the fixed link bridge, which was submitted on Thursday, September 19, 2002, including:
 - (a) detailed financial calculations and passenger levels beyond 2007;
 - (b) the costs of additional upgrades (e.g. runway lighting, runway resurfacing, development of TCCA south-side);
 - (c) the rationale for the differences in the composition of revenues and expenditures between the Sypher:Mueller turboprop scenario and the baseline forecasts included in the business plan;
 - (d) the rationale for excluding the passenger terminal, and for the non-proportional reduction in revenues from the Passenger User Fee, in the low growth scenario;
 - (e) a comprehensive set of measures to mitigate the environmental and health effects of any enhancement to TCCA;
 - (f) the results of a traffic management study that updates the impacts of TCCA expansion, as well as a fixed link, on the Bathurst Quay and Harbourfront neighbourhoods; and
 - (g) specific assurances that the TPA will provide a copy to the City of the performance bond it will enter into with its contractor(s) ensuring that the construction of the fixed link will be completed according to the City's directives, or, if this is not possible, that the site would be returned to an appropriate condition;
4. Staff clarify with representatives of Transport Canada their role in funding TCCA activities as set out in the Tripartite Agreement;

5. Staff report to Council on the TPA's business plan once the TPA produces all of the above, such report should also comment on how any proposed changes will impact the Tripartite Agreement and the Subsidy Agreement; and
6. Upon satisfaction by the TPA of the conditions noted above, Council confirm its approval of enhanced, non-jet operations at the TCCA, including terminal improvements and the construction of a fixed link bridge at no cost to the City.

Executive Summary:

Staff across all relevant City departments have considered the financial, legal, community health, environmental, and economic impacts of four operational scenarios for the future of TCCA. Specifically, the four options were: status quo, closure and subsequent conversion to green space or alternative public use, enhancement within the parameters of the Tripartite Agreement, and enhancement with amendments to the Tripartite Agreement.

The Medical Officer of Health has remained neutral on the question of whether TCCA operations should decrease, remain the same, or expand. However, the MOH has drawn attention to the scientific literature describing the health effects of airports and their associated ground operations, and has noted that both air pollution and noise impacts can be expected to increase with increased activities of the TCCA.

In order to ensure that an effective balance is accomplished that achieves the proposed objectives outlined in the Central Waterfront Secondary Plan for residential, cultural, and employment revitalization in the Central Waterfront, each of the four options was evaluated against a number of criteria. These were: the principles of the Secondary Plan, the Official Plan, the potential impact on investment in and development of the Central Waterfront and beyond, the fiscal impact of the TCCA operations on the City, consistency with the City's vision of sustainable transportation for the Waterfront, and the impact on the economy and long-term competitive position of the City.

Of the four options, both the status quo, and enhancement within the parameters of the Tripartite Agreement, were deemed to be unviable. The decision before Council is therefore a choice between doing nothing (which will likely result in eventual closure), or enhancement beyond the parameters of the Tripartite Agreement (specifically the "expanded turboprop" option).

The closure of TCCA will ultimately lead to the loss of the economic benefits it currently provides to the City, including approximately \$130 million in direct, indirect and induced benefits, and improved competitiveness for businesses through fast, convenient connections between key urban business centres and markets in downtown Toronto.

Moreover, enhancement beyond the parameters of the Tripartite Agreement is the sole course of action which will ensure the profitability of airport operations. Details of this scenario were identified in the report prepared by the consultants retained by the TPA to study alternatives for the future of TCCA (Sypher:Mueller). This option involves: the construction of a new terminal, a fixed link, and improved approach aids; an enhanced fee structure similar to that in place at Pearson International Airport; and the introduction of an "Airport Improvement Fee". With this

infrastructure in place, new carriers would be attracted to the airport, resulting in a projected increase in passenger traffic levels to 650,000 by the year 2020. The TCCA would be financially viable as soon as enhanced services are commenced, and would generate enough funding to eliminate the City's annual subsidy and to cover the required capital improvements on a cumulative basis over the period to the end of year 2020.

On September 19, 2002, the TPA submitted a business plan for the TCCA, together with information on the design and the environmental assessment of the proposed bridge. The plan is heavily based on the Sypher:Mueller "expanded turboprop" scenario, with "no plan for jets".

In fact, in 1998, Council recommended the adoption of a fixed link to TCCA being built in the form of a bridge, subject to certain conditions being met. Furthermore, in 1999, the Planning and Transportation Committee deferred consideration of a report with respect to a proposed design of the bridge pending several conditions being met. The directives from both meetings are outlined in Appendix A. The most significant outstanding issues requiring resolution at the time were the need for the business plan for the bridge, and a detailed business plan for TCCA itself.

The construction of the bridge will require amendments to the existing Tripartite Agreement, which expressly prohibits such a structure. It will be necessary to ensure that any amendments will preserve the principles of the current Agreement, and that factors which would mitigate the impacts of TCCA enhancement on the environment and on the Central Waterfront neighbourhoods are included.

Background:

In 2000, City Council considered the Toronto Waterfront Revitalization Task Force Report ("Our Toronto Waterfront: Gateway to the New Canada"), and in October 2001, the Central Waterfront Secondary Plan was released for public consultation. While neither document addressed issues with respect to the TCCA, the Task Force recommended that "a comprehensive study...be undertaken immediately...in order to devise a plan for the airport that meshes with the vision for the waterfront. Specific attention should be paid to the noise cone of airport operations with respect to housing". The Central Waterfront Secondary Plan assumed status quo TCCA operations.

In January of 2002, the Toronto Port Authority (TPA) released a report prepared by Sypher:Mueller International Inc. entitled "Toronto City Centre Airport: General Aviation & Airport Feasibility Study". This study outlined three options for future operations at the TCCA: baseline (essentially status quo with variable fee structures and passenger levels), enhancement of turboprop services, and introduction of jet services. Of these, only the enhanced turboprop and jet scenarios were considered to be financially viable choices; the report concluded that "the status quo is not sustainable, and will likely lead to continued financial losses and a loss of scheduled services".

At its meeting of January 29, 2002, the Toronto East York Community Council forwarded to the Waterfront Reference Group a request for a formal response to a communication from

Councillors Chow and McConnell respecting the proposed expansion alternatives. Specifically, the Council requested:

“the Chief Planner to report to the Planning and Transportation Committee, at its meeting on March 25, 2002, regarding the compatibility of the current airport operation and the proposed expanded island airport with the Waterfront Revitalization Plan, and having directed him, in the preparation of the report, to consult with the Medical Officer of Health regarding the health and environmental issues that are relevant to this matter, in particular, the Toronto Cancer Prevention Coalition’s concerns”.

At the meeting of the Waterfront Reference Group on February 20, 2002, the Commissioner of Urban Development Services presented a report outlining the process through which staff would respond to the Community Council’s request. In summary, the Commissioner proposed to co-ordinate a full assessment of the current and proposed Island Airport operations with staff of Planning, Economic Development, Parks, Emergency Medical Services, Public Health, Environmental Services, Legal, and Finance.

At that time, the Reference Group:

- (i) considered approximately 100 oral and written deputations from the public supporting and opposing TCCA operations;
- (ii) endorsed the proposed process outlined by the Commissioner of Urban Development Services; and
- (iii) recommended that the resultant report be presented to a special joint meeting of the Economic Development and Parks Committee and the Planning and Transportation Committee.

A joint meeting of these Committees has been scheduled for October 24, 2002.

Early in 2002, the TPA received an unsolicited proposal from Regional Airlines Holdings Inc. (REGCO) to "rejuvenate the Toronto City Centre Airport". Copies of the REGCO proposal were also sent to City officials. Essentially the proposal called for REGCO to invest \$551 million in upgrades to the TCCA in exchange for the right to operate a TCCA-based airline servicing up to seventeen Canadian and U.S. destinations within 500 nautical miles of Toronto using fifteen Q400 Bombardier turboprop aircraft. REGCO projects that it will attract approximately 900,000 passengers per year within its first four years of operation.

On May 1, 2002, Community Airport Impact Review (Community AIR) held a public meeting to reiterate its position opposing any expansion at the TCCA, and advocating immediate closure and conversion of the facility to greenspace and other public uses. At its meeting on May 30, 2002, the Waterfront Reference Group requested that the Waterfront Project Secretariat review the Community AIR plan and address it in its report to the October 8th, 2002 meeting of the Waterfront Reference Group.

In June 2002, the Chairman of the TPA wrote to the Commissioners of Urban Development Services and Economic Development, Culture and Tourism informing them of the Authority's intent to move forward with plans for construction of a fixed link connecting the airport with the mainland at Bathurst Street and requesting that outstanding issues related to final approval of the link be addressed at the October 8th, 2002 meeting of the Waterfront Reference Group.

This report responds to the above directives, provides a comprehensive assessment of current and proposed operations of the TCCA, including scenarios submitted by REGCO, Community AIR and the TPA, and updates Council on the status of issues related to the proposed fixed link.

History:

The TCCA was completed in 1939 with two paved runways, a terminal building, and a seaplane base. Used as a military training base during World War II, it reverted to civilian use in 1945, and achieved popularity as interest in aviation increased. During the early 1960's, a new 4,000-foot runway was commissioned, runway lighting was installed, and the current ferry "The Maple City" was put into service.

In order to develop the TCCA for general aviation and limited short take-off and landing service, the three owners of the airport lands, namely the former City of Toronto, the Toronto Harbour Commission (now the Toronto Port Authority), and Transport Canada entered into a 50-year Tripartite Agreement in June of 1983. This Agreement remains in effect today, and specifically prohibits additional runways or extensions to runways, a bridge or vehicular tunnel to the Island, turboprop or piston aircraft generating excessive noise, and jet operations (with the exception of medical evacuations, other emergency medical uses as required, and the Canadian National Exhibition air show). While the document does not place a specific maximum on the number of flights or passengers at TCCA, it does set noise exposure parameters which are not to be exceeded (NEF25). The Agreement provides that should the TPA elect to no longer operate the airport, Transport Canada could assume this responsibility. It also stipulates that, in the event that the TCCA is closed, the Minister of Transport can decide whether the TPA lands and the Federal lands should remain for public harbour purposes. Should these lands not be required for either an airport or for harbour purposes, the Federal lands shall be conveyed to the City for a nominal sum, and the City would have an option to purchase the TPA lands at their fair market value.

Also in 1983, an independent operator (City Express) began providing services from the TCCA, resulting in an increase in passenger traffic over a four-year span from 75,000 in that year to 400,000 by 1987. At this point, Air Canada (through Air Ontario) entered into the market, and City Express failed in 1991 as a result of the increase in competition and an economic downturn. Traffic has since declined steadily, with 2001 levels approximating 90,000, and 2002 levels projected at 80,000. Currently, the TCCA flight mix consists of general aviation services, encompassing private planes, corporate aircraft, training, recreational activity, limited scheduled air-passenger services primarily to Ottawa, Montreal and London, Ontario, and medevac fixed wing and helicopter flights providing emergency air ambulance services to Central Ontario.

In 1989, just after the peak of the TCCA's operations, a Royal Commission on the Future of the Toronto Waterfront was convened. A report summarizing the Commission's findings indicated that "most people, including residents and commercial and local business people, agree that the airport should continue to exist, although there were a few suggestions at the hearings that it be closed".

The former City of Toronto Council, at its meeting held on October 16 and 17, 1995, endorsed building a fixed link to TCCA, subject to the completion of an Environmental Assessment. At its meeting on August 21, 1997, Council requested the Minister of Transport to undertake a full Environmental Assessment for this initiative.

In 1998, Dillon Consulting on behalf of the Toronto Port Authority undertook an Environmental Assessment process. The resultant report, entitled "Fixed Link to the Toronto City Centre Airport", was released in April 1998, and identified the need for a link in the form of a bridge to address the requirements of projected expanded services at the TCCA.

At its meeting of December 16 and 17, 1998, Toronto City Council debated a report from the Commissioner of Urban Planning and Development regarding a proposal to build either a bridge or a tunnel to the TCCA. Council recommended "the adoption of a fixed link to the City Centre airport being built in the form of a bridge" (subject to certain design, safety and reporting requirements, including "consistency with established urban design objectives along the waterfront", being addressed). Furthermore, this approval was to be "conditional upon a legally binding commitment that not one penny of City tax dollars will be spent on the bridge or on airport losses which result from the bridge financing".

In the spring of 1999, a Technical Working Committee and a Bridge Design Community Working Group were convened by the Toronto Harbour Commissioners to address the City's and other issues related to the bridge. The Technical Working Committee was comprised of staff from Planning, Works, Parks, Fire, Ambulance, Legal, Transport Canada, and the former Toronto Harbour Commissioners and their consultant team. The Bridge Design Community Working Group consisted of staff and community representatives.

In July of the same year, a report from the Commissioner of Urban Planning and Development accepting the design for a bascule bridge subject to a number of conditions was forwarded to the Planning and Transportation Committee. The proposed design took into consideration all of the safety concerns raised by the Fire Chief and the General Manager of Emergency Medical Services. In addition, the report concluded that the bridge could accommodate forecasted traffic associated with 600,000 airport passengers per year with a southbound storage lane on Lower Bathurst Street. The resultant recommendation stipulated that operations should be monitored, and that a remote terminal should be considered in the event that the storage lane became inadequate.

The Committee deferred consideration of this matter until certain outstanding issues were resolved, including the preparation and submission of a business plan for the airport, the finalization and approval of the Environmental Assessment for the fixed link, and the completion of the transfer or lease to the City by the Federal Government of lands currently used for ferry

parking and access to the ferry. A complete list of Council's directives from 1998 and of the Committee's recommendations from 1999 is attached as Appendix "A", including a status update on each item.

Subsequently, in July of 1999, the City Planning Division commissioned an independent consultant to study the condition of the ferry slip, and of the dockwall of the land-side ferry dock (which is currently under Federal jurisdiction). The resultant report concluded that both areas are in very poor shape, and recommended that specific repairs totalling \$740 thousand (for the ferry slip) and \$600 thousand (for the dockwall) be undertaken in order to "prevent further accelerated deterioration of these structures, to address the existing safety hazard, and to prepare this area for greater use by the public". These repairs, which are the responsibility of the TPA, have not yet been carried out.

Furthermore, the Environmental Assessment for the fixed link received approval on September 10, 1999, from the Canadian Environmental Assessment Agency, subject to the "mitigation measures" identified in the Dillon report being implemented. These include minor technical measures related to the construction, operation, and maintenance phases of the project.

Since 1999, a number of developments have taken place which must be considered when evaluating the business plan for the future operations at TCCA and for the fixed link. Specifically, these are: the continuing decline in passenger volumes; substantial residential growth in the Harbourfront and Bathurst Quay communities; the establishment of the Toronto Waterfront Revitalization Corporation; the Federal Minister of Transport's announcement with respect to the rail link from Union Station to Pearson Airport; the Sypher:Mueller and REGCO proposals; and the concepts put forth by Community AIR.

Finally, on Thursday, September 19, 2002, the TPA forwarded to the City a business plan for the proposed future operations of the TCCA, together with information on the design and the Environmental Assessment of the proposed fixed link bridge.

Discussion:

City staff assessed financial, legal, economic, community, planning, transportation, health and environmental impacts of four scenarios for the TCCA and its land. These scenarios are:

- (A) Status quo – current traffic and passenger levels;
- (B) Closure and subsequent conversion to green space or alternative public use;
- (C) Enhancement within the parameters of the existing Tripartite Agreement; and
- (D) Enhancement, with amendments to the Tripartite Agreement.

Scenario (B) includes a discussion of Community AIR's vision for TCCA lands. Scenario (D) incorporates the proposal identified in the TPA's Sypher:Mueller study on which its recently

submitted business plan has been based (expansion of turboprop operations), and a second put forward by REGCO.

Principles:

Toronto's waterfront is one of the City's chief amenities and an invaluable resource. Its strength, which is recognized internationally, is its diversity of use – "working" uses such as shipping, the TCCA and offices in the Yonge and Bay corridors are balanced by parks, tourism and the Harbourfront, Bathurst Quay and Island neighbourhoods. Maintaining this balance of uses in the Central Waterfront is critical to the effective revitalization of this area and essential if it is to become an integral part of the City's dynamic urban fabric.

Consequently, in order to achieve a balance of all points of view, all operating scenarios were evaluated against the criteria outlined below:

- (i) The four basic principles of the Central Waterfront Secondary Plan, specifically removing barriers/making connections, creating a network of spectacular waterfront parks and public spaces, promoting a clean and green environment, and creating dynamic and diverse new communities.
- (ii) The City's current Official Plan and the proposed new Official Plan, both of which contain policies to permit the airport to be used for aviation purposes, including the protection of flight paths. The Official Plan also states that, should the airport be closed, the lands shall be used for parks or for parks and residential uses. The new Official Plan proposes to continue these policies.
- (iii) The potential impact on investment in and development of the Central Waterfront and beyond.
- (iv) The fiscal impact of the TCCA operations on the City.
- (v) Consistency with the City's vision of sustainable transportation for the waterfront, including: a balance between transportation needs and other City-building objectives; the impact on the proposed rail link from Union Station to Pearson Airport; accommodation of new waterfront travel demand primarily by transit; improved and maximized pedestrian access to the waterfront; modification to existing and new arterial roads to maintain traffic capacity and improve traffic operations and safety; and limits on any new road capacity for travel in/out of the waterfront/Gardiner corridor area.
- (vi) The impact on the economy and long-term competitive position of the City, including: enhancing competitive industry clusters; and acknowledging the unique quality of the downtown core to the City's economic vitality. The Toronto Economic Development Strategy, approved by Council in August, 2000, identifies the need to strengthen Toronto's role as an international gateway by expanding services to markets that improve the competitive position of export clusters, enhancing the quality of air transportation services, and increasing utilization of TCCA including the construction of a fixed link.

Assessment of Options:

(A) Status Quo – Continuation of Current Passenger and Traffic Levels

While the TPA has indicated its commitment to operating a financially viable airport, it has concluded that the TCCA is not sustainable as it currently exists.

Nevertheless, maintaining the status quo allows for the continuation of emergency medical services provided from this location and generates a variety of direct, indirect, and induced economic benefits for Toronto. Conversely, however, it raises community concerns related to health, the environment, and the potential impact on Waterfront Revitalization. The magnitude of these impacts is assessed in the following sections.

A1. Financial Impacts of Existing TCCA Operations

As a result of declining passenger traffic since 1987, the TCCA has been operating in a deficit position for several years, with losses ranging from \$0.6 million in 1996 to \$0.948 million in 2001. Approximately \$0.5 million of this deficit is directly attributable to ferry operations.

The Tripartite Agreement stipulates that the Minister of Transport shall grant financial assistance to the airport by way of an annual operating subsidy equal to the operating deficit, subject to certain provisos regarding the types of costs that are acceptable to the Minister. This subsidy has not occurred in several years. While Transport Canada provides a limited amount of project-specific capital support to the TCCA through its national \$38.0 million Capital Assistance Program, Transport Canada staff have confirmed that the TCCA's annual operating subsidy was phased out over five years, beginning in 1996. This resulted from the passage of the new National Airports Policy, which required that airports be commercially viable. At the time, the Port Authority was presented with two options: maintaining an operating subsidy which would require submitting an annual operating plan, or having its subsidy phased out. The TPA opted for the latter. The City was not consulted or advised of these developments at the time by either the TPA or Transport Canada.

The City, on the other hand, continues to pay the TPA an operating subsidy of \$2.8 million annually. Of this total, \$2.4 million is funded by TEDCO through its operating budget, which does not rely on property taxes, and the remaining \$0.4 million comes from the City's tax-supported operating budget. Consequently, the City is offsetting TCCA losses. The TPA also receives a capital subsidy from the City. The level of this subsidy was \$1.5 million in 2000.

From a financial perspective, these facts support the conclusion of the Sypher:Mueller report that "the status quo is not sustainable, and will likely lead to continued financial losses and a loss of scheduled services". The consultants' extrapolation of existing trends indicated that with the current decline in passenger demand, even the application of fees similar to those in place at Pearson International Airport would not offset the operating deficit. (The Pearson fee structure has a minimum fee of \$120 per landing for aircraft up to 19 tonnes and \$13.70 per tonne for aircraft over 19 tonnes, and a passenger utilization fee of \$4.40 per seat for domestic arrivals and

\$5.50 per seat for international/transborder arrivals. By contrast, TCCA currently has no landing fee for scheduled service carriers, no airport improvement fee, and a relatively high per-passenger charge of approximately \$11.76). Only when Pearson-like fees are applied in combination with a passenger growth rate of 2.5% per year could the shortfall be eliminated in three years' time. (This would translate to 184,000 passengers by 2020).

Achieving this rate of growth with a "status quo" style of operation is highly improbable. Air Canada experiences efficiencies from using Pearson as its hub of operations and is unlikely to more aggressively promote its services at TCCA. Other airlines appear to be unwilling to commence operations at TCCA until infrastructure improvements are constructed. They may also have concerns about facing an aggressive competitive response from Air Canada similar to that experienced by City Express in the late 1980s. In addition, TCCA staff have confirmed that the airport, even at its current level of operation, has no surplus space as a result of, among other things, new security requirements resulting from the events of September 11. Its ability to accommodate growth without infrastructure enhancements is severely limited.

A2. Impacts of Existing TCCA Operations on Emergency Medical Services

Regardless of its financial viability, the TCCA does provide valuable services and benefits to the Toronto community. It is an active air ambulance base for the Ministry of Health's Long Term Care Emergency Health Services Branch and is one of three receiving transportation terminals for air evacuation/medevac flights entering and leaving the Toronto Region.

Canadian Helicopters has been contracted by the Province of Ontario to provide air ambulance services to Ontario's Central Region inclusive of the City of Toronto, to operate two primary and one back up helicopters from the TCCA, and to retain flight paramedics as required. Two helicopters are staffed around the clock from the facility. The hangar located at the TCCA is owned by the Ontario Realty Corporation and was specifically designed for the operation and maintenance of helicopter air ambulances. In addition to hangar facilities, the base maintains offices and crew quarters for the flight paramedics and supervisors and has been designed to provide temporary shelter for medevac patients awaiting flights out of Toronto and for patients awaiting transportation to the mainland.

The TCCA is "instrument flight rules" (IFR) equipped, allowing for 24-hour use by air ambulance. The air ambulance program responds to over 1000 calls annually within the Central Region. In 2001, there were 2,152 air ambulance helicopter movements (1,072 take-offs and 1,080 landings) at TCCA. Prior to moving to the island approximately 5 years ago, flight operations were maintained at the Buttonville airport.

Patients treated by the Bandage One air ambulance helicopter operating out of the TCCA are not usually returned to the airport for movement to a health facility. They are transported to Sunnybrook and Women's Health Sciences Centre campus, the Hospital for Sick Children and, once complete, the heliport at St. Michael's Hospital. Other destinations may include hospitals within the Central Region. These hospitals are designated Active Treatment Care centres providing neonatal, paediatric, specialized care and adult trauma care.

In addition to the above, private fixed wing aircraft utilize the TCCA to pick up and deliver patients to hospitals within the Toronto Region. Pearson International Airport and Buttonville Airport also receive fixed wing patients.

Approximately 610 patients arrive at the City Centre Airport and 644 leave the airport on fixed wing aircraft over the course of a year. The type of aircraft may vary from Ministry of Health and Long Term Care fixed wing aircraft to private carriers contracted either by the sending hospital, the Ministry or, in some cases, the patient. Almost all medevac patients are transported to downtown hospitals.

All patient movements by air are co-ordinated through Med Com, the dispatch centre operated by the Ministry. Med Com advises regional Central Ambulance Communications Centres such as Toronto when a patient is arriving or is scheduled on a flight out of the TCCA. Ground Ambulance Operations co-ordinate the ambulance vehicle to either meet the arriving flight or to take the patient to the awaiting aircraft. Ground ambulances utilize the Maple City Ferry to traverse the channel between the mainland and the airport.

It can be concluded that Air Ambulance, medevac, and evacuation services and the patients they serve benefit from the proximity of TCCA to the high level of medical services available in the downtown core.

A3. Impacts of Existing TCCA Operations on the Waterfront Revitalization Initiative

The proposed Central Waterfront Secondary Plan assumes status quo TCCA operations. While the status quo is not expected to impact the City's ability to address the four principles of the proposed Waterfront Plan, staff note the importance of achieving a balance between land uses and airport operations. Current and previous airport operations, which peaked at 400,000 passengers per annum, have not hampered development of thriving communities in the Bathurst Quay and Harbourfront areas.

A4. Economic Impacts of Existing TCCA Operations

The projected economic impact of the TCCA in Toronto has been documented by the TPA and others over the years. At present, about 330 people are employed in 24 businesses operating at the TCCA. In 2000, these businesses had estimated total salary expenditures of \$12 million annually, generated gross sales of goods and services of about \$70 million, and based on standard industry multipliers provided by Statistics Canada, accounted for an additional \$45 million in indirect and induced economic impacts to the City.

The real economic importance of the airport, however, is not measured by the sale of travel-related goods and services, but by the contribution of the overall airport operation to the competitiveness of the City of Toronto and, in particular, to businesses in the downtown core.

The TCCA provides easy City-to-City access -- an important factor for business success as noted by the Board of Trade:

“the presence of a regional airport adjacent to the downtown Toronto core is a critical factor in the City’s favour when many domestic and international corporations are deciding where to make capital investments and head office location decisions. The TCCA also encourages existing businesses to stay in Toronto and expand.” (Toronto Board of Trade, Foundations for a Strong City: Improving Toronto’s Physical Infrastructure, February 1999).

The TCCA also provides a strategic competitive advantage to the City by providing fast, convenient connections between key urban business centres and markets and downtown Toronto.

A5. Impacts of Existing TCCA Operations on Public and Environmental Health

Scientific literature provides reasonable evidence that air emissions and noise released from airports can adversely affect human health and quality of life.

Air Quality

On March 21, 2002, Toronto Public Health released a report “Ten Key Carcinogens in Toronto Workplaces and Environment” which examined the potential for exposure to carcinogens, including formaldehyde, benzene and 1,3-butadiene. These are among the carcinogens that are known to be emitted from aircraft. In addition, aircraft emit smog-producing compounds and gases that contribute to climate change. Studies show that airport ground activities and associated passenger vehicles emit a similar range of chemicals as do aircraft.

Studies that have looked at the link between cancer and the proximity of residences to airports have not been consistent in their results. Several studies have suggested a potential risk, although these, for the most part, have focussed on much larger airports than TCCA, such as Chicago’s O’Hare International.

The degree to which individual airports contribute to air quality problems is directly related to their levels of activity.

Water Quality

The TCCA location on Lake Ontario, which functions as a complex of ecosystems, a drinking water source and a centre for recreation, underscores the importance of evaluating the potential impact on the aquatic environment. There are various potential sources of water pollution from airports, primarily de-icing and anti-icing products. The Greater Toronto Airports Authority has recently improved its management of spent de-icing and anti-icing fluids, and has greatly reduced the discharge into the natural environment, thereby demonstrating that this impact can be successfully managed. Since the 1990’s, the TCCA has implemented a mitigation program which greatly reduces the run-off of ethylene glycol into the lake. Some concerns have been raised about the potential impact of the toxic additive tolytriazole which is found in these fluids. At the request of the Board of Health, the Commissioner of Works and Emergency Services is reviewing the practices at the TCCA and the levels of ethylene glycol and tolytriazole in Lake

Ontario adjacent to the TCCA. As well, the TPA itself is responsible for water quality in the harbour and is vigilant in minimizing any negative environmental impacts.

Noise

In a March, 2000 report to the Board of Health, Toronto Public Health concluded that noise at levels below those that impair hearing could result in health effects. Noise can produce a reaction in people, particularly if the sounds are unpredictable and intermittent, and if the hearer has no control over the sources of the sound. The reported impacts of noise include effects on sleep, reading and memory acquisition, performance and behaviour, mental health, and an increased risk of cardiovascular disease.

Researchers have also investigated the effects of airport-related noise on the health of local residents. Scientists have documented annoyance, stress or reduced quality of life among residents living very near airports. In addition to these general impacts, some studies have identified specific adverse health impacts in residents, while other studies have not.

It is important to note, however, that the degree to which noise becomes a significant health concern varies dramatically with the level of activity and the nature of airline traffic undertaken at individual airports. In the case of the TCCA, staff of Environmental Services have indicated that during the early to mid 1990's a number of additional studies/initiatives were undertaken specific to this site: the Toronto Island Airport Study (KPMG, 1991); the Conference on the City Centre Airport – What is its Future Role (Canadian Urban Institute, 1995); and the Environmental Screening Report (documentation of the Environmental Assessment process to amend the Tripartite Agreement to permit other types of aircraft [Toronto Harbour Commissioners, 1996]). The findings of these reports with respect to noise levels confirm the measurements which have been conducted by City staff, namely that the noise levels within the immediate vicinity of the airport are less intrusive than those from the nearby road and rail noise sources, which are operational 24 hours a day. In addition, a study undertaken by the TPA in 1998 confirmed that, at present, no one resides within the NEF 25-noise contour for the TCCA, while over 150,000 residents live within the NEF 25-noise contour for Pearson International Airport. (Aire Ashkenazy, Management Consultant, Toronto City Centre Airport: A Discussion Paper, April 1998).

A6. Conclusion: Option (A) - Status Quo

Even at the current low passenger levels, TCCA provides a variety of economic benefits to Toronto businesses and plays an important role in the delivery of emergency medical services in the region. While, like all airports, it poses air, water, and noise pollution concerns, these impacts are small relative to other major facilities. Regardless, current airport operations are neither financially viable nor sustainable, making continuation of the status quo scenario highly unlikely in the long-term.

(B) Closure

Closing the TCCA has legal, financial and economic impacts, as well as implications for Emergency Medical Services. However, it could be beneficial for Waterfront Revitalization.

B1. Legal Implications of Closure

The lands making up the TCCA are comprised of different parcels separately owned by the Federal Government, the TPA, and the City. According to the Tripartite Agreement, should the TPA no longer wish to operate the TCCA, a number of steps must be undertaken, prior to any land reverting to the City for public use. First, Transport Canada has the option of continuing TCCA operations under its own auspices. Staff of Transport Canada's regional office in Toronto have confirmed with City staff that, should the TPA withdraw from operating the TCCA, the Federal Government would assume this responsibility. Transport Canada considers the TCCA to be an underused asset that could better serve Toronto's downtown and beyond. If Transport Canada instead chose to close the airport, it can still require that the Federal and the TPA lands be used for public harbour purposes. Should these lands not be required for either an airport or harbour purposes, the Federal lands shall be conveyed to the City for a nominal sum, and the City would have an option to purchase the TPA lands at their fair market value. The new Canada Marine Act defines port uses broadly, and requires that port authorities undertake whatever activities are necessary to ensure financial viability. These could include activities in the areas of recreation, tourism, and economic development.

With the TPA's current complaints that it does not own sufficient lands to carry out its port operations, it appears unlikely that the Federal Government and the TPA would both decide that the airport lands were not needed for either an airport or for harbour purposes. Finally, it is emphasized that the City is one of three entities that own land on which the TCCA is located, and one of three parties to the Tripartite Agreement. The City does not have the right or power to unilaterally force a closing of the TCCA.

B2. Financial and Economic Implications of Closure

Accessibility is a key factor affecting economic development. It is the position of the City's Economic Development staff that closing the TCCA and diverting air traffic to suburban regions would decrease accessibility to the downtown core and increase accessibility to outlying areas, thereby encouraging both residential and employment sprawl. Businesses that want the convenience and accessibility of locating close to an airport will be encouraged to seek suburban locations. Diverting passengers destined to downtown to outlying airports would also create additional, lengthy commutes to the downtown core. In addition, with closure of the TCCA, the City would no longer benefit from the indirect and direct economic activities that result from current operations.

B3. Impacts of Closure on Emergency Medical Services

Closing the TCCA would require the relocation of both the air ambulance and the contract service provider's bases of operations currently located on TCCA lands. As in the past, in all probability, the contractor would secure space at Buttonville or Oshawa airports. This would be a decision of the Ministry of Health and Long Term Care and the contracted provider. There

would be no direct impact on emergency response time of helicopter services as a result of relocation, other than possible take-off delays if located at a busy airport. In all probability Pearson would refuse relocation of helicopter services because of the potential disruption to scheduled flight plans.

Return helicopter calls, with patients, would be to established heliports at the Hospital for Sick Children, Sunnybrook and Women's Health Sciences Centre and St. Michael's Hospital. This may result in an increased number of landings at downtown heliports. Currently fixed wing aircraft landing at the TCCA are used to transfer sub-acute patients, with ground vehicles moving these patients from the island to the appropriate medical facility. An increase in some response times may result if helicopters or other ambulance vehicles are to be used to move sub-acute patient from a fixed wing location outside of the city to the core downtown hospitals.

Inner city hospitals are part of the organ transplantation network. Access to the TCCA has significant advantages. The transplantation network is nation-wide; having fixed wing aircraft use regional locations could delay the arrival of organs based on time and distance travelled, particularly given the fact that most transplant organs are destined to downtown hospitals.

For stable patients arriving and leaving Toronto by fixed wing aircraft, the regional services would assume total responsibility for transporting patients into Toronto should the TCCA close. Toronto EMS would be responsible for out going patients and there would be an increase in travel time from the inner core to regional airport facilities.

B4. Impacts of Closure on the Waterfront Revitalization Initiative

If the TCCA were to be closed, various opportunities may be opened up to integrate this 81 hectare parcel of land into the Central Waterfront in a way that could achieve the four principles of the Central Waterfront Secondary Plan. These could include:

- the creation of a waterfront park with a range of active and passive recreational/cultural uses;
- the expansion of the Toronto Island community with a range and mix of housing types;
- the development of an "urban resort" on the Island with hotels, restaurants, cafes, etc.; and
- the expansion of Hanlan's beach.

A number of scenarios are possible with respect to the use of this land with an opportunity for diverse social, cultural, tourism, recreational, and economic activities that may not exist if the airport were to be maintained or enhanced. However, these scenarios are dependent on the TCCA lands not being wanted by the Federal Government or the TPA for either an airport or for harbour purposes.

B5. Community AIR Vision

On May 1, 2002, Community AIR held a public meeting to present its wishes to “close the Island Airport and return the land to environmentally friendly uses, as part of a clean green Toronto waterfront”.

Community AIR supports the construction of a fast rail link to Pearson International Airport, improvements to Via Rail services (connecting Toronto, Ottawa, Montreal and beyond with new high-speed trains), and the creation of a new park for Toronto. It envisions 200 acres of regional parkland, with space dedicated to year-round attractions, including facilities for culture, heritage, education, restaurants, and accommodation. It is the position of Community AIR that more detailed analysis of this vision, including its financial viability, is the responsibility of the City.

In subsequent correspondence to City officials, Community AIR also indicates that its proposal “will attract in the order of 1,000,000 new visitors a year to the expanded Island park”, and that “the current Island park is already at capacity”.

B6. Conclusion: Option (B) -- Closure

According to Economic Development staff, the loss of TCCA services will negatively impact the City’s ability to attract, retain and serve priority businesses and business clusters. While impacts on emergency medical services can be mitigated by surrounding hospitals and facilities, these services benefit from close proximity to a regional airport when transporting critical patients or participating in the national transplant program. In addition, Transport Canada’s stated interest in continuing operation of the TCCA, should the TPA wish to withdraw from provision of this service, would seem to render this option as unviable. Finally, as one of three parties to the Tripartite Agreement, the City does not have the right or power to unilaterally force a closing of the TCCA.

(C) Enhancement within the Current Tripartite Agreement

As indicated, the Tripartite Agreement specifically prohibits additional runways or extensions to runways, prohibits a bridge or vehicular tunnel to the Island, limits jet operations, and identifies an overall noise boundary which cannot be exceeded (the NEF 25 contour).

Within these restrictions, the Island Airport reached its peak passenger level of 400,000 per year in 1987 with an independent, TCCA-based operator (City Express) providing services with DHC8 turboprop commuter aircraft.

The TPA, Sypher:Mueller consultants, REGCO and the Board of Trade all agree that construction of a fixed link is vital to the TCCA’s long-term viability. The link, together with upgrades to the existing terminal, is critical to attracting a new carrier to be based at the airport and to generate the passenger volumes necessary for financial viability. In addition, both the General Manager of Ambulance Services and the City’s Fire Chief have confirmed that a fixed link is necessary if there is to be any increase in airport activity for reasons of public safety. These improvements are explicitly prohibited under the Tripartite Agreement, and would therefore require an amendment to the Agreement.

C1. Conclusion: Option (C) – Enhancement within the Tripartite Agreement

The infrastructure does not exist to permit any significant enhancement of activities at the TCCA within the parameters of the current Tripartite Agreement. As a result, this option is not viable or implementable.

(D) Enhancement, with Amendments to the Tripartite Agreement

Two scenarios have been presented as options which would require revisions to the Tripartite Agreement. The first was put forward in the Sypher:Mueller report undertaken for the TPA, and the second by REGCO in its efforts to introduce a new regional airline based out of the TCCA. Both proposals foresee construction of a fixed link and improved terminal facilities. Neither includes the expansion of runways, the introduction of jets, or changes in the present noise parameters governing the TCCA.

D1. The Sypher:Mueller Enhanced Turboprop Proposal

Sypher:Mueller projected an increase in TCCA turboprop operations to a passenger traffic level of 650,000 by the year 2020. This would result in incremental growth to 520 commercial aircraft movements per day, of which 130 would relate to turboprops (112 large, 18 small) and the remaining 390 to piston aircraft. The report concludes that the TCCA would: be financially viable under this scenario as soon as enhanced services are commenced; immediately experience passenger volumes greater than the peak levels in the late 1980s; operate with an ever-increasing surplus; and generate enough funding to eliminate the City's annual subsidy and to cover the required capital improvements on a cumulative basis over a period to the year 2020. The net present value of the cash flow expected to be generated over the period 2003 - 2020 is \$45.2 million, assuming a 5% discount rate.

The Sypher:Mueller proposal encompasses:

1. an enhanced fee structure similar to that in place at Pearson International Airport;
2. a capital program of \$37.5 million, consisting of a new terminal (\$20 million), a fixed link (\$16 million), and improved approach aids (\$1.5 million); and
3. the introduction of an "Airport Improvement Fee" of \$10 to cover the capital expenditures (similar to that in place at Pearson International Airport).

The consultants state that "with a clear commitment to the airport's future, it is believed that there are several carriers that would be interested in operating domestic and transborder services from the airport." While the report does not specifically identify a dedicated airline, it does recommend that TCCA "request proposals for a new/expanded carrier operation at the airport to serve domestic and transborder operations with quiet turboprop aircraft " (DHC8 or similar equipment).

The report further concludes that this scenario “generally meets the noise criteria set out in the Tripartite Agreement...there is a minor extension of the 28 NEF beyond the official 25 NEF on the east side....Through the implementation of a noise management plan, these deviations could be eliminated.”

From an economic perspective, this option is estimated to generate a cumulative \$3.4 billion (constant year 2000 dollars) of direct, indirect, and induced benefits over the 17-year period between 2003 and 2020, translating to an average impact of \$190 million per year. In addition, approximately 51% of the direct output would be from scheduled passenger traffic. “Direct employment levels are expected to increase by approximately 200 assuming that additional carrier(s) use the airport as their home base...During the years 2003 – 2010, direct employment levels are estimated to be 531 FTEs, and indirect plus induced at 1,045 for a total of 1,576 FTEs. During the years 2011 – 2020, direct employment is expected to be 461 FTEs, and indirect plus induced at 907 for a total employment level of 1,368.”

Under this scenario, TCCA’s deficit can quickly be eliminated and replaced with significant surpluses. According to an analysis completed by Finance staff on the Sypher:Mueller models, an acceptable rate of return can likely be achieved on the infrastructure investment even if passenger levels grow significantly more slowly than anticipated (i.e. passenger levels approximately 26% lower overall than in the Sypher:Mueller projections, with an initial passenger level ramp-up spread over three years from the time of infrastructure completion).

It would, therefore, appear that this proposal would be financially viable if an airline would commit to operations at TCCA. It is important to note, however, that potential carriers may continue to be concerned about the competitive response from Air Canada. It is impossible to estimate the value that Air Canada currently places on deterring other carriers from developing commuter flight operations at TCCA, and, therefore, to predict the depth of this response. To ensure fair competition, the Federal Government amended the Competition Act and Regulations to specifically address the potential “abuse of dominance in the airline industry”. The amendments give the Competition Bureau additional authority to investigate, enforce, and intervene to prevent injury to competition, and to prevent the elimination of a competitor or loss by a competitor of significant market share or revenue. Anti-competitive behaviour by a dominant carrier includes operating at a capacity or increasing capacity on a route or routes at fares that do not cover the avoidable cost of providing the service, or using a low-cost second brand carrier to do the same. The new authority given to the Competition Bureau includes the power to take immediate action and issue a temporary “cease and desist” order, even before a case is brought before the Competition Tribunal, to stop predatory or other anti-competitive actions before permanent damage is caused. Although the “Abuse of Dominance” provisions of the Act refer to the anti-competitive acts of a domestic airline service, in keeping with other provisions of the Act, the Bureau addresses concerns about foreign carriers on a similar basis. Ensuring fair competition may require ownership of the remaining flight slots at the airport.

D2. The REGCO Proposal

Early in 2002, the TPA received an unofficial and unsolicited proposal from Regional Airlines Holdings Inc. (REGCO) to “rejuvenate the Toronto City Centre Airport.” Essentially the

proposal calls for the private sector to invest \$551 million in upgrades to the TCCA in exchange for: (i) the operation of a TCCA-based airline servicing up to 17 Canadian and U.S. destinations within 500 nautical miles of Toronto with 15 Q400 Bombardier turboprop aircraft; and (ii) ownership of the remaining flight slots at the airport. The company projects that it will attract approximately 900,000 passengers per year within a four-year time frame, translating to a maximum of 130 turboprop flights a day (18 small, 112 large). The proposed destinations include Boston, New York, Philadelphia, Washington, Detroit, and Chicago, as well as Montreal, Ottawa, Quebec City, and Sudbury. Toronto's key economic clusters have links to industries in each of these cities. Flights would operate on a schedule that serves primarily the business traveller, and would remain within the mandated TCCA hours of operation. In addition, the plan includes providing approximately 200 short-term parking spaces on airport lands, as well as a bus shuttle service from the downtown area.

The infrastructure, which REGCO proposes to construct, includes:

- a lift bridge to improve access to the TCCA and accommodate water traffic (\$20 million);
- a new passenger terminal capable of handling in excess of 800,000 passengers (\$21 million);
- check-in facilities at Union Station (\$5 million); and
- 15 fourth-generation Bombardier Q400 turboprop aircraft built locally at the deHavilland production facility in Downsview (\$505 million).

REGCO maintains that TCCA runway lengths and fuel storage facilities are sufficient for the implementation of its proposal and would require no upgrades. It also claims that environmental issues resulting from the proposal are “non-existent”, due to the advanced technology of the Q400 aircraft:

“studies conducted for aircraft certification conclude that the Q400-type aircraft satisfies the highest noise and emission standards with ease. The Q400 is about 40% quieter than average street traffic and quieter than the Dash 8 –100 on take-off. Emissions of a Q400 aircraft are 41% below the required Federal Aviation Regulation requirements, and the Q400 uses 30% less fuel than a regional jet. Rapid climb profiles and over-water flight paths will minimize noise for waterfront and Island residents. Greenspace at the TCCA grounds will be preserved and landscaped by REGCO”.

If implemented, REGCO claims that its proposal will yield \$800 million in direct and indirect benefits, more that \$210 million in annual tax revenues, increases in property values (citing the Toronto Real Estate Board's opinion), the elimination of the City's annual operation subsidy to the Toronto Port Authority, and the creation of 500 direct and indirect jobs at the TCCA, with an additional 3,000 jobs in Greater Toronto.

In terms of financial viability, the REGCO proposal is a private sector initiative, under which private sector investors assume all of the financial risk. Details of the business plan were not

provided. REGCO would likely require assurance of the availability of sufficient flight slots at TCCA to allow it to increase service over time in accordance with its business plan.

Both the TPA and REGCO emphasize that Emergency Medical Services flights will be accommodated as a priority at TCCA at all passenger volume levels.

D3. Third Party Assessment of Proposals

Acres International Limited, in association with RWDI, was retained by staff of UDS to conduct due diligence with respect to both the REGCO and the Sypher:Mueller proposals, with particular focus on the current TCCA infrastructure.

The resultant conclusions for REGCO are as follows:

1. The Dash 8-Q400 can operate on the existing 4,000 foot runway (Runway 08/26); however, it should be noted that in some conditions payload restrictions may be applied depending on the air temperature, wind speeds, etc. at TCCA;
2. Both a fixed link and a new terminal would be required to properly support the projected passenger level;
3. In order for the proposed peak-hour flight traffic to be accommodated, some modifications to the existing fuel facilities would be required. If Shell AeroCentre was awarded the commercial fuel supply contract, an additional fuel truck, an upgrade to the current truck-filling rate, and an additional storage tank would be required; and
4. In order to strictly comply with the Tripartite Agreement without the implementation of noise control measures, the number of turboprop aircraft movements at TCCA would be capped at either 114 or 116 per day (18 small, 96 – 98 large), depending on the mix of Dash 8-100 and Dash 8-Q400 aircraft. Based on this number, TCCA will not have a problem assigning slots to aircraft carriers. If REGCO did start up scheduled operations at TCCA, they would have to negotiate slot times with the respective authorities at the destination airports.

Acres also concluded that the expanded turboprop scenario in the Sypher:Mueller report allows for 130 turboprop movements per day (18 small, 112 large), which will comply with the noise constraints of the Agreement, provided specific noise management measures are implemented. Based on this number of daily movements, TCCA will also not have a problem assigning slots to the aircraft carriers.

D4. Legal Implications of Amending the Tripartite Agreement

This report already identifies several parts of the Tripartite Agreement that would have to be amended in order to facilitate enhancement of the current TCCA operations. These include removal of the prohibition on a fixed link between the airport and the mainland, and expansion of the buildings on the site. Further amendments would have to be considered based on a

determination of whether the particular proposal is in contravention of one of the terms of the Agreement.

Section 59 of the Agreement states that if at any time during the continuance of the Agreement the parties deem it necessary or expedient to make alterations or additions to the Agreement, they may do so by means of a written agreement between them. There is no provision for one of the parties to make a unilateral alteration or addition to the existing Agreement; amendments can only be made with the agreement of all parties. There are no provisions in the Agreement itself that specifically prohibit alteration of any of its terms.

If agreement on any issue with respect to any matter relating to application or interpretation of the Agreement cannot be reached between the City and the TPA that is not related to a default under the Agreement, then the matter may be referred to the Court for resolution. However, this provision only applies to terms in the existing agreement.

In earlier communications, Community AIR raised the issue of civil liability for nuisance claims if the TCCA is expanded. In terms of the City's civil liability for expansion of the airport operations, there is a risk that the City could be named as a party to an action in nuisance. However, in general plaintiffs have had very limited success in suing for damages for effects on their property due to construction of public works. One example dealt with the creation of Highway 407, which case was ultimately decided by the Supreme Court of Canada. Adjacent landowners brought an action in nuisance for a variety of effects, including loss of view, loss of prospect and loss of amenities. The plaintiffs were unsuccessful in proving their claim and the court found that there was nothing unreasonable in the Minister's decision to build the highway. The Minister was statutorily authorized to do so and furthermore, the necessity and utility of a highway for the public good far outweighed the disruption and injury visited upon the adjoining lands.

A more recent example from British Columbia dealt directly with the effects of a new airport runway on nearby residential properties. The homeowners complained of severe disruption to their daily lives and to the enjoyment of their homes. The noise was so great that many homeowners found it difficult to carry on telephone conversations within their homes and all stated that use of their backyards was no longer possible with jets flying overhead. The homeowners in that case were faced with upwards of 40,000 aircraft per year descending directly over their homes at low altitude and a high noise level. At the trial level, the court upheld the homeowner's claim in nuisance and awarded damages amounting to the diminution in value to their homes.

The case was appealed to the British Columbia Court of Appeal where it was overturned in a decision dated July 3, 2002. The higher court upheld the judge's decision that the claim in nuisance had been made out but found that the Minister of Transportation and the Airport Authority were entitled to rely on the defence of statutory authority. Our law recognizes that where Parliament has authorized that something be constructed or operated in a certain place, there can be no action in nuisance caused by the construction or operation if the nuisance is the inevitable result thereof. The court found that the combination of orders-in-council authorizing the Minister to enter into a lease with the Airport Authority for the operation of the airport, and

the lease itself were ample statutory authority for the operation of the runway. Furthermore, the increase in noise levels and vibrations felt by the neighbouring properties were an inevitable result of the operation. Therefore, the Minister and the Airport Authority were entitled to rely upon this defence as a complete answer to the claim.

In terms of expansion of operations at the TCCA, any potential claims from adjacent homeowners or other interested parties would first have to satisfy the test for establishing a nuisance. It is difficult to comment on the outcome of such a claim given that there are a variety of factors that need to be considered, including the actual increase in the noise level and the level of vibration, as well as the effect such increases would have on the individual homeowners and the enjoyment of their land. Based upon the few cases which have considered such claims, it appears that a substantial loss of enjoyment of property beyond mere inconvenience or annoyance would have to be established.

A party claiming for any nuisance caused by expansion of the TCCA operations would likely seek damages from the Minister and the Toronto Port Authority, as those would be the entities responsible for the creation, operation and management of the airport. Although a party to the Tripartite Agreement, it is unlikely that liability would attach to the City simply by virtue of being a lessor of the lands. If such a nuisance were established, the Minister and the TPA would likely rely on the defence of statutory authority. Again, the City would rely on the Tripartite Agreement, and the argument that the City is only a lessor of the lands and is not involved in the actual operation of the airport. Therefore, based on the recent British Columbia Court of Appeal case, the risk of a successful claim against the City in nuisance for an expansion of the TCCA appears minimal.

D5. Impacts of Enhancement with Amendments to the Tripartite Agreement on Emergency Medical Services

Heliport and air ambulance operations at the TCCA functioned well within the 400,000-passenger environment that existed in the 1980s. While the impact of additional airport activity beyond the 400,000 passenger level has not been studied, it can be assumed that heliports and other facilities available through Toronto's hospitals could be accessed for additional services if needed. In addition, with the use of larger turbo-prop aircraft, increased passenger volume may not equate to a material increase in the number of actual flights.

D6. Impacts of Enhancement with Amendments to the Tripartite Agreement on Economic Development

An Economic Impact Study prepared by Acres International Limited in August, 1988, at the peak of TCCA operations with annual passenger traffic of 400,000, identified that activity at the airport (including public and private sector expenditures and investment), combined with the spending of air travellers using TCCA, was associated with the following direct, indirect and induced impacts, calculated on a province-wide basis:

- \$183 million in business sales revenue;
- \$141 million contribution to Gross Provincial Products;

- over \$74 million in wages and salaries, and in excess of 4,000 person years of employment; and
- tax earnings by all levels of government over \$32 million.

The results indicated that Toronto receives slightly more than half of the impacts.

It can be assumed that similar benefits would be generated today if expansion to upwards of 400,000 passengers per annum were achieved.

The Regional Airport System

Effective enhancement of TCCA activities would strengthen the region's flight traffic efficiency. In the same way an efficient road network requires a number of different elements (highways, arterial, collector, and local roads) to work as a system, developing an efficient air transport network for a region the size and scale of the GTA also requires a number of complementary elements. Each element has a specific role and serves a particular function within the system.

Lester B. Pearson International Airport is a major gateway to eastern North America for international and long haul domestic flights and cargo shipments.

The TCCA by contrast is the gateway and front door to Toronto, and is well-suited for regularly scheduled short-haul domestic and transborder flights for business travellers (and corporate aircraft), medevac flights serving Central Ontario, high value leisure tourism market destined for the downtown core, and general aviation. Consistent with federal government policy direction to encourage competition in the airline industry, the TCCA is a viable location for smaller airlines to access the Toronto market.

Buttonville Airport serves business travellers and corporate aircraft primarily destined for York Region business centres as well as general aviation and recreational flights.

The regional airport system should be managed to ensure that smaller aircraft are routed to smaller airports and do not use the scarce and expensive capacity at Pearson. Differences in the size and flight (takeoff and landing) dynamics of smaller vs. large aircraft create airside delays and increase costs to the airlines, airports and travelling public. Routing corporate and smaller airplanes with passengers destined to downtown Toronto to the TCCA provides for a more efficient regional airport system. Diverting smaller planes to Buttonville, Hamilton, or Oshawa would take those passengers destined from downtown Toronto farther away from their true destination.

The Proposed Rail Link to Pearson International Airport

The impact on the TCCA of a new rail link between the downtown and Pearson International Airport depends on a number of factors. Obviously, each airport serves somewhat different and distinct markets. For most passengers flying to Toronto on shorthaul flights, destined for the downtown, the City Centre Airport offers an attractive alternative even with a new rail link to the downtown in place. The closeness of the TCCA to the downtown, its focus on regional carriers

and smaller, more convenient size will continue to offer strong advantages over Pearson for air passengers destined to and from the downtown area.

Economic Clusters

Expansion of TCCA services would also offer many benefits and opportunities to Toronto's diverse economic clusters.

The Financial Services sector and Business and Professional Services sector, for example, account for about 340,000 jobs within the City (more than half located within the Central Area) and represent about 25% of total employment within the City, as well as a significant proportion of the high-value added office activity that is critical to the economic vitality of the downtown core. These, and other major industry clusters such as Biotechnology, Film and Television, Fashion and Apparel, are highly export oriented, selling goods, services, products and advice around the world. They rely heavily on face-to-face contact, and, therefore, on proximity and ease of access to and for clients. The TCCA is ideally located to provide service to U.S. and Canadian destinations important to the development of these key economic clusters. More than 80% of passengers currently using the TCCA are business travellers who choose the airport because of its close location to the central core. The long delays at Pearson (and most large international airports) at both the departure and arrival end of trips is a major point of dissatisfaction with many business travellers, particularly for short duration (often same day) trips and a reality that can clearly work to the advantage of the TCCA.

In addition, economic success and accessibility go hand-in-hand. The accessibility provided by the TCCA could be important to the success of the proposed "Convergence Centre" in the Central Waterfront. The Mississauga Corporate Centre (Eglinton Avenue/Renforth Drive), immediately south of Pearson International Airport, is an example of the importance of accessibility in attracting investment and jobs.

Attracting and Supporting Convention and Leisure Tourism

Tourism is one of the largest and most important industries in Toronto's economy. As Canada's largest city, Toronto acts as a gateway for commerce, culture and tourism. The downtown has the highest concentration of arts and culture in the region and the country. Toronto competes for both leisure and convention tourism business in a very competitive North American marketplace.

The TCCA is ideally suited to provide convenient service to major markets in the U.S. Border States including cities such as Boston, New York, Philadelphia, Chicago, Detroit, as well as major Canadian cities such as Ottawa, Montreal and urban centres in northern Ontario. It provides a unique opportunity to develop and market a diverse mix of packaged tour products for weekend hotel stays, theatre, sporting events, cultural events, dining, etc.

It could also be a key asset in attracting major international events. There is a significant opportunity cost for the current underutilization of the National Trade Centre and Exhibition Place. The accessibility to the high value added convention markets provided by the TCCA would boost the marketing and development potential of these important assets.

D7. Impacts of Enhancement with Amendments to the Tripartite Agreement on the Waterfront Revitalization Initiative

In 1987 when the TCCA was operating at its “peak” with 400,000 passengers per year, the population of the Bathurst Quay and Harbourfront neighbourhoods was approximately 400 people in 203 dwellings. Since then there has been a tremendous amount of development in these neighbourhoods with the influx of new residential uses, community facilities, a school and cultural facilities. According to Statistics Canada information, by 2001, there were approximately 4,687 people in 3,022 dwelling units for the same area. So far, these neighbourhoods have been able to coexist with the TCCA at present low passenger levels of approximately 100,000.

Enhancement to 650,000 passengers per year (Sypher:Mueller) could have a much broader effect on the Central Waterfront as a whole. It is likely to impact the type of land uses attracted to the area and may result in more industrial or warehouse-type development and less residential development in the Port Lands.

Further enhancement to 900,000 passengers per year (REGCO) could affect the larger objectives of the Central Waterfront Plan. The expansion could impact the quality of people’s enjoyment in the proposed network of new waterfront parks and public spaces. The higher level of environmental standards envisioned for the Central Waterfront could be undermined, as could the balance of compatible waterfront uses.

Enhancement of the TCCA at any level would necessitate a fixed link to meet fire safety requirements and passenger demands. A bridge at the foot of Bathurst Street which runs directly through the Bathurst Quay neighbourhood just east of the existing ferry slip has been approved by Council, subject to a number of conditions.

A design study concluded that a bridge with a moveable centre span that can be raised and lowered would be the best way of providing a link across the Western Gap. The design of the bridge would require reconfiguration of Bathurst Street south of Queen’s Quay to provide for pedestrians, vehicles, enhanced emergency response capabilities, and access to adjacent properties. During the boating season, the bridge would be raised and lowered a maximum of twice an hour, effectively closing it to traffic for a total of 20 minutes per hourly operating cycle.

A bridge to serve the airport has raised a number of concerns:

- according to members of the boating community, it will disrupt boating traffic, result in congestion and may create unsafe boating conditions for vessels using the Western Gap during the summer boating season;
- traffic would increase along Bathurst Street in the Bathurst Quay neighbourhood increasing pollution from vehicles queuing to cross the bridge; and

- a re-configured four lane Bathurst Street south of Queen's Quay with greater vehicular volume increases the potential conflict between vehicles and pedestrians, including school children who, as a "short cut", would cross the street mid-block between the Harbourfront Community Centre/Waterfront Public School and Little Norway Park.

While these concerns were dealt with in the Environmental Assessment process, the TPA should be requested to prepare an updated traffic study to identify and address the impacts of TCCA growth, as well as a fixed link, on the Bathurst Quay and Harbourfront neighbourhoods. This study is discussed further in section D11 in the context of the TPA business plan which was submitted on September 19, 2002.

With the introduction of the bridge, parking would be transferred to airport lands. The City should encourage the use of public transit to access the airport through such means as a shuttle bus service operating between Union Station, the major hotels in the downtown area and the airport in order to limit the amount and location of passenger parking that is provided in conjunction with any airport enhancement. In addition, if passenger volumes at the airport were eventually to rise beyond the annual level of 600,000, the question of access and parking would need to be re-thought. The construction of a remote terminal in conjunction with the use of shuttle bus services would be required to handle passenger growth at these levels.

D8. Impacts of Enhancement with Amendments to the Tripartite Agreement on Public and Environmental Health

While the discussion under the status quo scenario with respect to the impact of TCCA operations on air quality, water quality, and noise will continue to hold true and be enhanced under a growth scenario, available data does not to quantify the potential health burden.

Members of the public have raised concern as to the heightened levels of pollution that would result from enhanced operations at TCCA. Each of the two enhancement scenarios would generate increased ground activity, including traffic to and from the airport. Possible responses to this include stepped-up enforcement of the City's anti-idling by-law and more extensive landscaping to produce a buffering effect.

Enhancement of TCCA operations would also increase potential sources of water pollution related to de-icing and anti-icing activities. It would be essential to ensure that the TCCA uses state-of-the-art methods for containing, recycling or eliminating contaminated runoff from the airport.

Finally, if TCCA service were to be enhanced and buffering provisions are not made, the level of noise, and/or the frequency with which noise events are experienced, will increase. Also, if the amount of aircraft traffic in any single flight path increases, specific communities may experience increased or new airport-related noise.

Acres International Limited, in association with RWDI, was retained by staff of UDS to conduct due diligence regarding the noise implications of the Sypher:Mueller expanded turboprop scenario and the REGCO proposal. It is important to note that Transport Canada's mandated

flight paths for take-offs and landings at TCCA require commercial aircraft to turn to or approach from the south.

With respect to the Sypher:Mueller scenario, it was concluded that “all scenarios are capable of falling within the noise parameters required by the Tripartite Agreement.” However, as the NEF 28 noise contours slightly exceed to the east of the NEF 25 contour limits, it will be necessary to implement specific noise management measures. The indicated excursions above the Tripartite Agreement contour limits occur over water, and the resulting expanded turboprop scenario NEF 25 contour does not encroach on any noise-sensitive land mass. Furthermore, “it should be noted that the noise issues examined address only noise captured by the NEF model (i.e. aircraft in flight and takeoff or landing rolls). Noise studies conducted as part of the Fixed Link environmental assessment to address aircraft noise at the TCCA identified that at some localized areas north of the airport, taxi and gate noise generated by aircraft were in fact the dominant noise source. This issue of ground-based noise is not addressed under the Tripartite Agreement but nonetheless may be of concern to the closest residences”.

With respect to the REGCO proposal, if only REGCO is operating scheduled Dash 8 commercial flights at TCCA, the noise levels should fall within the parameters required by the Tripartite Agreement, as this option proposes a smaller number of quieter aircraft to those used in the Sypher:Mueller expanded turboprop scenario.

However, if the existing air carriers continue to operate their existing commercial flights, there would be a cap on the number of REGCO flights that could be added. In order to draw these conclusions, the number of large turboprop movements were maintained at a daily maximum level equal to the Sypher:Mueller expanded turboprop scenario of 112, and the small turboprop flights were maintained at existing levels of 18, for a total of 130. The analysis which was conducted varied the split of the 112 movements between REGCO and Air Canada (which uses older, louder Dash 8 – 100 aircraft). Maintaining existing Air Canada service levels at 34 flights per day would result in REGCO’s number of daily flights being capped at 78. Rather than carrying 900,000 passengers as proposed, REGCO could serve only 792,000 within this maximum. However TCCA would serve approximately 1,025,000 passengers per year in total. The same noise management measures as identified in the Sypher:Mueller expanded turboprop would need to be implemented in this case as well.

It was further concluded that the noise parameters of the Tripartite Agreement could accommodate anywhere from 114 to 116 turboprop movements a day (18 small, 96 to 98 large, depending on the aircraft mix), without any noise management measures being required. This would translate to an annual passenger level between 847,000 and 1,020,000.

D9. Impacts of Enhancement with Amendments to the Tripartite Agreement on Parks and Recreation Operations

Recreational and tour boat operations are important activities in the Central Waterfront. The Parks and Recreation Division leases City parkland sites to fourteen yacht and sailing clubs containing over 9,000 mooring spaces, owns two major commercial marinas, and operates hundreds of transient boat mooring slips both on the mainland and on the Toronto Islands. Parks and Recreation also operate the Toronto Island Ferry System, which consists of five ferryboats that transport a yearly average of 1.3 million passengers to the Toronto Islands from the Ferry

Terminal at the foot of Bay Street. The service operates year round and is governed by a variety of federal and provincial statutes.

The recent expansion of the keepout buoys by the TPA in the western part of the harbour has restricted marine traffic in the western section of the harbour. The new perimeter designation and keepout buoy placement to the east of the TCCA has constrained the channel at the entrance to the Hanlan's Point Ferry Terminal. As a result the ferry servicing this location has had to adjust its routing and the narrow channel poses a constraint to marine traffic in this area.

With respect to the natural environment, TCCA operations are governed by Transport Canada safety regulations, which, among other things, impose limitations on the height of obstructions in the operating area of the airport. As a result, over the past 20 years, trees in the operating area of the airport on Hanlan's Point have been pruned and "topped" (i.e. where the top of the tree is removed), a poor arboricultural practice.

In the context of the Waterfront Revitalization, these impacts may be offset by the new parks and open space proposed for the Central Waterfront. Significant expansion of the TCCA, however, could impact the recreational and environmental effectiveness of these new spaces.

D10. The Jet Scenario

The Sypher:Mueller report also identified the option of modifying TCCA operations to introduce jet service to central domestic and U.S. markets while continuing turboprop service to destinations in the North (northern routes cannot support jet service). While this scenario would see fewer flights at TCCA on a daily basis, there is considerable public resistance to the introduction of jets, and, as a result, this alternative is likely not feasible.

D11. The TPA Business Plan for TCCA and the Fixed Link

On September 19 2002, the TPA submitted a new business plan for the TCCA, together with information on the design and the environmental assessment of the proposed bridge.

The plan seeks to position TCCA as the smart alternative for the regional domestic and transborder traveller. TCCA will use its proximity to downtown Toronto to attract and serve a niche market for high frequency, short haul flights to destinations within a 400 nautical mile radius.

To achieve this objective, the TPA is proposing to implement operations based on the expanded turboprop scenario in the Sypher:Mueller report, with "no plan for jets", a course of action which they feel will ensure a profitable airport with sustainable growth.

The business plan proposes the construction of a bridge over 2003 and 2004 identical in design to that which was presented to the Planning and Transportation Committee in June of 1999, together with a new terminal to be built over 2004 and 2005, at a cost of \$20 million each. Construction of a bridge eliminates the need for the existing ferry operation and immediately improves customer service. The ferry operation is a costly and unreliable service in winter, and

the primary reason for the TCCA's annual deficit. The plan also contemplates the longer term, and, with a view to ensuring that future automobile traffic to the airport can be managed, indicates that part or all of the new terminal facility may be built off-site. Other infrastructure improvements, which have not been costed nor included in the financial projections, include "runway lighting, runway resurfacing, and the development of the TCCA south-side".

With this infrastructure in place, the TPA feels it will be able to attract new airlines and charter services by offering incentives to "new entrant" carriers, primarily through a slot allocation mechanism. The goal of the slot allocation policy is to generate a competitive environment by providing start-up carriers with protection from predatory business activities and assurance of future slot availability to grow their businesses. The addition of other carriers is expected to expand current markets and develop markets currently untapped. The policy also acts as an incentive to attract and retain TCCA-based carriers by giving preference in the allocation of slots to airlines with base operations at TCCA.

As well, an aggressive marketing strategy will be undertaken, specifically aimed at targeting airlines, travel agents, regional travellers, and businesses.

Furthermore, the fee structure will be amended as follows:

- New landing fees of \$2.40 per tonne will be introduced. In 2004, this will be increased to \$4.80 per tonne;
- Passenger user fees will be increased by \$3.00 per passenger to \$15.00, plus the existing \$2.00 security charge. As new carriers enter the market and traffic increases, this fee may be reduced;
- A passenger facility fee will be introduced at \$10.00 per enplanement in November, 1, 2002, and as new carriers enter the market and traffic increases, will become an airport improvement fee dedicated to the capital program; and
- An access surcharge will be introduced when the bridge is opened.

The fee structure has been developed to be compensatory, while remaining competitive with Pearson Airport.

The business plan includes financial projections of three scenarios, as described below. The plan indicates that passenger traffic is expected to take a one-time jump as new services are initiated, and will grow at 2.5% per year thereafter (or 4% for the low growth scenario). The projections are based on conservative estimates of market share (mainline domestic 6%, north domestic 12.6%, transborder 8.4%) relative to past experience. However, a detailed breakdown of revenues, expenses, and passenger levels has not been provided beyond 2007, although the summary net present value calculations which have been included, and which form the basis of the conclusions with respect to viability, are based on a twenty-year time frame. In summary, the scenarios are:

- “Baseline”, in which traffic grows in accordance with the Sypher:Mueller expanded turboprop option, and which includes the construction of a bridge and terminal. A new carrier would enter into the market and traffic would increase to 468,000 by 2007, the airport’s operations would breakeven in 2004. The net present value of the revenues from the airport improvement fee and the positive cash flow from operations over a twenty year period (together totalling \$48.7 million, including provisions for debt interest and amortization) would more than cover the \$40 million of capital requirements, assuming a discount rate of just under 5%;
- “High growth”, which “reflects discussions with interested carriers. Traffic grows to over 800,000 by 2007 though rapid route expansion...This option also includes building a bridge link and terminal building.” The net present value of the revenues from the airport improvement fee and the positive cash flow from operations over a twenty year period (together totalling \$86.9 million, including provisions for debt interest and amortization) would more than cover the \$40 million of capital requirements, assuming a discount rate of just under 5%; and
- “Low growth”, in which “passenger traffic numbers increase when the bridge is opened, but at a lower rate. A new terminal facility is not built, and existing facilities remain in use. The airport is breakeven at approximately 200,000 passengers” in 2004. The net present value of the revenues from the airport improvement fee and the positive cash flow from operations over a twenty year period (together totalling \$25.5 million, including provisions for debt interest and amortization) would more than cover the \$20 million of capital requirements, assuming a discount rate of just under 5%. This scenario represents a fall back position if a new carrier has not been signed at the point in time when a decision is to be made on building a new terminal.

In order to cover the capital expenditures, the TPA specifies that project financing would be structured so that the “revenue streams specific to the project are pledged for debt service. For TCCA, this means that the PFF/AIF collected would be used to service debt”.

In addition, TPA would consider airline deficiency agreements in which carriers pledge to make up any deficiency in annual debt service payments, and in which a further fee may be allocated to the individual carriers on an equitable basis (weight landed or passengers). Other potential sources of financing cited are various forms of private/public partnerships.

Finally, the TPA will review the several written offers it has received to finance the infrastructure and will assess these to determine the most advantageous proposal. “The TPA will explore financing options and may issue an RFP in this regard. This project may also be funded through funding arrangements in the Tripartite Agreement, or may qualify for a subsidy in the form of Airport Capital Assistance Program (ACAP) funding from the Federal government (Transport Canada). However, the bridge link and terminal at TCCA will not depend on government assistance”.

While the plan is both thorough and strategic, there are several specific areas requiring clarification and/or additional information. These are as follows:

- The TPA states that “the turboprop scenario works within the terms of the Tripartite Agreement between the Toronto Port Authority, Transport Canada, and the City of Toronto. In fact, given that the Agreement specifically prohibits the construction of a fixed link and the construction of a new terminal, this is not the case;
- The business plan cites that “the bridge link and the new terminal at TCCA will not depend on government assistance, while, at the same time, indicating that “funding could come through funding arrangements in the Tripartite Agreement, or TCCA may qualify for a subsidy in the form of Airport Capital Assistance Program (ACAP) funding from the Federal government.” However, funding through the Tripartite Agreement would require government contributions, and, moreover, such a mechanism currently does not exist;
- Detailed financial calculations and passenger levels beyond 2007 have not been provided;
- The costs of the additional infrastructure upgrades (e.g. runway lighting, runway resurfacing, development of the TCCA south-side) have not been provided or included in the financial projections, although these could likely be covered by the excess of cash flows which will be generated under the three scenarios;
- The baseline scenario generates annual cash flows available for financing capital expenditures which are similar (approximately 10% lower) to the Sypher:Mueller expanded turboprop projections, but the composition of revenues and expenditures are substantially different;
- The low growth scenario identifies that a 5% real rate of return can be achieved even if passenger levels are only 50% of those projected in the baseline forecast. However, this option excludes the construction of a terminal. It would appear unlikely that any additional carriers would be based at TCCA without this infrastructure being in place to support their operations, and it is not apparent how a low passenger growth scenario would render a new terminal unnecessary. Furthermore, although the business plan states that Passenger User Fee revenues vary with traffic levels, the amounts included in the low growth scenario are only 4.9% lower than in the baseline forecasts, even though passenger traffic levels are 50% lower. In fact, if the PUF revenues are reduced proportionately to passenger traffic, this would translate to a reduction of 60% in the net cash flow available for financing the capital expenditures;
- The proposed plan does not identify a comprehensive set of measures to mitigate the environmental and health effects of any enhancement to TCCA; and
- The proposed plan does not identify any plans for a traffic management study which should be conducted to update the impacts of TCCA expansion, as well as a fixed link, on the Bathurst Quay and Harbourfront neighbourhoods.

The TPA should be requested to address these concerns, and to provide a copy to the City of the performance bond it will enter into with its contractor(s) ensuring that the construction of the fixed link will be completed according to the City’s directives, or, if this is not possible, that the TCCA site would be returned to an appropriate condition.

D12. Conclusion: Option (D) – Enhancement, with Amendments to the Tripartite Agreement

Enhancement of operations at the TCCA is required if the airport is to become financially viable and sustainable in the long term. This would require amendments to the Tripartite Agreement to permit improvements to terminal operations, the construction of a fixed link and the implementation of processes required to minimize the environmental impact of increased activity.

Investment in this option is not without financial risks. Effective strategies would be required to mitigate possible actions by existing TCCA carriers to limit competition and to ensure that the resources, business plan and marketing supports are in place to achieve growth and revenue projections. Consideration must also be given to minimizing the potential impacts of an enhanced airport on the objectives of the Central Waterfront Secondary Plan.

Conclusions:

Staff across all relevant City departments have considered the financial, legal, community health, environmental, and economic impacts of four operational scenarios for the future of TCCA. The Medical Officer of Health has remained neutral on the question of whether TCCA operations should decrease, remain the same, or expand. However, the MOH has drawn attention to the scientific literature describing the health effects of airports and their associated ground operations, and has noted that both air pollution and noise impacts can be expected to increase with increased activities of the TCCA.

Of the four options, both the status quo, and enhancement within the parameters of the Tripartite Agreement, were deemed to be inviable. The decision before Council is therefore a choice between doing nothing (which will likely result in eventual closure), or enhancement beyond the parameters of the Tripartite Agreement (specifically the “expanded turboprop” option). The latter is the sole course of action which will ensure the profitability of airport operations. It will, however, require substantial capital upgrades to TCCA facilities (the most significant of which will be the construction of a fixed link).

In fact, in 1998, Council recommended the adoption of a fixed link to TCCA being built in the form of a bridge, subject to certain conditions being met. Furthermore, in 1999, the Planning and Transportation Committee deferred consideration of a report with respect to a proposed design of the bridge pending several conditions being met. The directives from both meetings are outlined in Appendix A.

The construction of the bridge will require amendments to the existing Tripartite Agreement, which expressly prohibits such a structure. It will be necessary to ensure that any amendments will preserve the principles of the current Agreement, and that factors which would mitigate the impacts of TCCA enhancement on the environment and on the Central Waterfront neighbourhoods are included.

Finally, as one of three parties to the Tripartite Agreement, the City does not have the right or power to unilaterally force a closing of the TCCA.

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Chief Administrative Officer

Attachments:

Appendix "A" :

- (i) Conditions Applied to Council's Approval of a Fixed Link in December 1998.
- (ii) Directives resulting from the Planning and Transportation Committee's Consideration of the Fixed Link Design in July 1999.

APPENDIX (A)

(i) Conditions Applied to Council's Approval of a Fixed Link

On December 16 and 17, 1998, City Council recommended the adoption of a fixed link to the City Centre Airport being built in the form of a bridge, subject to:

- (a) the approval of the design of the bridge by the Fire Chief, the General Manager, Ambulance Services, and City Council.

Status: the recommended design of the bridge as presented to the Planning and Transportation Committee in June of 1999 addressed all safety concerns identified by the Fire Chief and the General Manager, Ambulance Services.

- (b) the final design of the bridge being submitted to the Urban Environment and Development Committee for review and approval for consistency with established urban design objectives along the waterfront.

Status: the recommended design of the bridge as presented to the Planning and Transportation Committee in June of 1999 was consistent with all established urban design objectives.

- (c) the Chief Financial Officer and Treasurer being requested to submit a report to the Urban Environment and Development Committee recommending that City Council give approval to the bridge's business plan.

Status: the business plan for the proposed TCCA operations, including the construction of a bridge, was submitted by the TPA on September 19, 2002.

- (d) the Commissioner of Urban Planning and Development Services being requested to submit a report to the Urban Environment and Development Committee, prior to the authorization of the alteration of Bathurst Street, on the cost of such alteration and the source of funding.

Status: this information was included in the report on the bridge design to the Planning and Transportation Committee in June of 1999.

- (e) the Toronto Harbour Commission and the Port Authority being required to monitor and report annually to the Urban Environment and Development Committee on the effects of the bridge operation, as requested by the City.

Status: outstanding until such time as the bridge is implemented.

- (f) the Commissioner of Works and Emergency Services being requested to submit a report to the Urban Environment and Development Committee on the impact of the Fixed Link on traffic patterns along the waterfront and what concrete traffic calming options exist, such a report to seek the input of local residents and be the subject of a public meeting.

Status: this information was included in the report on the bridge design to the Planning and Transportation Committee in June of 1999. Four community consultation meetings were held as part of the bridge design process.

- (g) approval being conditional upon a legally binding commitment that not one penny of City tax dollars will be spent on the bridge or on Airport losses which result from the bridge financing.

Status: the business plan which was submitted by TPA on September 19, 2002 included in this information.

- (h) the Canadian Coast Guard and/or the Federal Fisheries Ministry be requested to submit to the Urban Environment and Development Committee, their report on the impact of the fixed link (bridge) to the City Centre Airport.

Status: the environmental assessment process incorporated the consideration of the Coast Guard's concerns.

- (i) the Greater Toronto Airports Authority (GTAA), as a courtesy, be requested to make available to the City of Toronto, through the Office of the Mayor and the Chairs of the Economic Development Committee and the Urban Environment and Development Committee, its analysis and conclusions as to the City Centre Airport forecasted passenger volumes and financial implications, and further, that Mayor Lastman be requested to expeditiously forward this request to the GTAA verbatim and in writing.

Status: outstanding,

- (j) the Commissioner of Urban Planning and Development Services be requested to submit a report to the Urban Environment and Development Committee on the facts of the flight paths of commuter aircraft which use the City Centre Airport, at present and as projected for the future.

Status: this issue of flight paths was addressed in a report from the Commissioner of Urban Development Services which was considered by Council on November 6, 2001 (Planning and Transportation Committee Report 12, Clause 2). The report concludes that "the responsibility for aviation safety rests primarily with the Federal Minister of Transport. The long-term compatibility of continued and/or expanded airport operations in the City's developing waterfront area depends on a number of factors including aircraft safety. This is best assessed by the Federal Minister of Transport in keeping with his responsibilities as defined in the Aeronautics Act." Council received this report, and deferred further consideration concerning future levels of activity at the Toronto Island Airport until such time at the Chief Administrative Officer has reported back on the negotiations with the Toronto Port Authority.

Council also directed:

1. the Commissioner of Urban Planning and Development Services, in consultation with appropriate staff, to continue discussion and consultation on the appropriate role of the City Centre Airport and its relationship to other uses and activities in the waterfront, and the impacts that these matters might have on the terms of both the Tripartite and Subsidy Agreements to which the City is a party.
2. the Commissioner of Urban Planning and Development Services and the Commissioner of Works and Emergency Services to report on an assessment of the emergency response capability of the bridge, tunnel and ferry, including suggested improvements to the operation of each option.
3. the Commissioner of Urban Planning and Development Services, in consultation with appropriate staff, continue to compile technical information on the bridge and tunnel options but the decision on the type of fixed link required be deferred until the matters raised in recommendations (i) to (k) be resolved.

Status: the above requested information was included in the report on the bridge design to the Planning and Transportation Committee in June of 1999.

- (ii) Directives resulting from the Planning and Transportation Committee's consideration of the report dated June 17th, 1999 from the Commissioner of Urban Planning and Development Services with respect to the design of the bridge to the Toronto City Centre Airport

The Committee deferred consideration of the report until the following conditions are met:

- (a) the Business Plan for the Airport is approved.

Status: a business plan for TCCA was submitted in 1998, and an analysis thereof by the Finance Department was included in the report considered by Council on December 17 and 18, 1998. At that time, Finance concluded that:

“the single most significant factor underlying the feasibility of the Business Plan is the achievement of forecast passenger levels. The level of risk and uncertainty inherent in the estimates are sufficient to transform accumulated surpluses into accumulated deficits over the five year period (being considered, i.e. 1998 – 2002). However, an acceptable level of risk for investment of this nature can be adequately assessed only after identifying and quantifying the economic benefits of expansion of airport operations including a fixed link to the airport. As a result, the plan includes strategies and options to minimize the financial impact of the risks and uncertainty identified in this review.

The ability of airport operations to be financially self-sustaining in the future is largely dependent on such critical factors as market share, routes, and passenger levels. Because of the uniqueness of airport operations and the industry practices used to determine market potential, a definitive answer as to the feasibility of the Business Plan may require the services of independent experts.”

Finance also identified a number of key areas where additional information is required, specifically market research and analysis, passenger levels and surplus/deficit forecasts, expenditure estimates, and details of the Toronto Harbour Commissioners reserve balances.

An updated business plan for the proposed TCCA operations, including the construction of a bridge, was submitted by the TPA on September 19, 2002.

(b) the Federal Government has given its final approval for the Environmental Assessment.

Status: the environmental assessment for the fixed link received approval on September 10, 1999, subject to the “mitigation measures” identified in the Dillon report being implemented. These include measures related to the construction, operation, and maintenance phases of the project.

(c) a permit under the Navigable Waters Protection Act has been issued by the Canada Coast Guard.

Status: outstanding.

(d) the transfer or lease from the Federal Government to the City of the lands currently used for parking and access to the ferry.

Status: outstanding. This transfer will occur only after a design for the bridge has been approved.

The Committee also requested staff to report on the approaches to the bridge at both ends.

Status: the information with respect to the land – side end of the bridge was included in the June 17th, 1999 report. The approach at the airport end will be subject to the TCCA site plan design.