

City Hall  
100 Queen Street West  
24<sup>th</sup> Floor, East Tower  
Toronto, Ontario M5H 2N2

Tel: 416-338-7200  
Fax: 416-392-4540  
E-Mail: [jlivey@toronto.ca](mailto:jlivey@toronto.ca)

May 1, 2013

Mr. Geoffrey Wilson  
President & CEO  
Toronto Port Authority  
60 Harbour Street  
Toronto, ON M5J 1B7

Dear Mr. Wilson:

**Re: Request from Porter Airlines**

At its meeting on April 23, 2013, the Executive Committee considered a letter from Mayor Ford requesting a report from City of Toronto staff on the expansion of Porter Airlines' operations at Billy Bishop Toronto City Airport (BBTCA). This direction was in response to the letter from Porter Airlines dated April 22, 2013 requesting a review of lifting the ban on jets and permitting the expansion of the runway at the airport. A staff report will be considered at the May 7 and 8, 2013 City Council Meeting in response to the decision of the Executive Committee. The link to the Executive Committee decision is below:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.27>

Executive Committee has requested that staff report back to the July 3, 2013 committee meeting with a response to the issues outlined. Staff would be in a position to submit a preliminary report to the July meeting and if Council recommends continuing the review, work would continue through the Fall of 2013, with a further report to City Council.

To undertake a review of this request from Porter Airlines, the City will require supporting information from the proponent (Porter Airlines) and the airport owner/operator (Toronto Port Authority). Staff will review this information in the context of the overall airport expansion and its impact on the surrounding community and city.

Preliminary information that has been identified so far includes:

1. Engineering details for runway expansion to YTZ to support CS-100 aircraft including provisions for Transport Canada's Runway End Safety Area (RESA).
2. Approach and departure paths for the CS-100 and impact on existing and potential development along the waterfront, marine exclusion zone and navigation and the Hearn stack (and also the broader impact of the flight paths).
3. Required upgrades to existing air navigation systems to permit CS-100 operation at YTZ.

4. List of required airside infrastructure improvements such as terminal, apron/airfield, and vehicle/service facilities to facilitate projected annual number of enplaned passengers and aircraft movements.
5. List of required infrastructure improvements landside of YTZ to facilitate projected annual number of enplaned passengers.
6. Accommodation for existing and future general aviation uses and users at the airport.
7. Projections for overall passenger and traffic volumes using the airport through the introduction of CS-100 and other aircraft to the airport.
8. Coastal impacts including sediment transport, bathymetry, water circulation, and water quality.
9. Outline of required EA processes, timelines and required approvals.
10. Impacts to navigation in the Western Gap and the Inner Harbour.
11. Understanding how the Department of Fisheries and Oceans will be involved.
12. Aviation safety in relation to potential changes to migration patterns must be addressed in the airport's current bird control program.

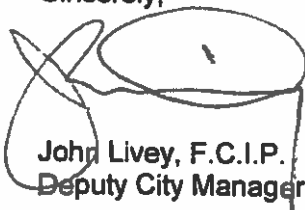
We are following up with various City divisions and agencies to further refine the information request and would welcome meeting with you to review and discuss. As we learn more and ask more questions, we will be asking for more information and studies.

For your information, we have attached our information request that went to Porter Airlines.

The staff report targeted for the May 7 and 8, 2013 City Council meeting will include a recommendation that all signatories to the Tripartite Agreement acknowledge that they agree to participate in the review with a goal of presenting a thorough analysis of the request that is before us. The City will require written agreement from the TPA and the Government of Canada (Transport Canada) to pursue this analysis in a timely fashion.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



John Livey, F.C.I.P.  
Deputy City Manager, Cluster B

cc. Robert Deluce, President and CEO, Porter Airlines  
Joe Pennachetti, City Manager  
Gwen McIntosh – Director Waterfront Secretariat

**Attachment – Request to Porter Airlines**

## **Attachment – Request to Porter Airlines**

For your information, we have requested the following information from Porter Airlines:

### **Bombardier CS-100:**

1. Performance specifications for the Bombardier CS-100 and engines (PW1500G).
2. Preliminary noise modeling results for CS-100 aircraft in Transport Canada NEF software and results if included in the current 202 slot scenario approved by the TPA.
3. Test results – June 2013. We understand that there are analytic models and wind tunnel data, but there have not been any flight tests. Given this, please let us know when you think you will be able to provide performance data on this aircraft.
4. Proposed location of MRO (maintenance-repair-overhaul) service provider for the CS-100. Would there be light or heavy maintenance work done on be on the island, if not – where?

### **Airport Operations:**

1. Proposed daily schedule (including weekends) for Porter aircraft movements (Q400 and CS-100) and resulting passenger volumes.

### **Business Plan:**

1. List of airports that have entered into an MOU to lease gates or negotiate operating agreements with Porter Airlines.
2. Projected annual passenger volumes on each domestic and international route.
3. Current airline cost per enplaned passenger at YTZ (Billy Bishop Toronto City Airport).
4. Projected airline cost per enplaned passenger at YTZ following proposed airside and landside construction.

City Hall  
100 Queen Street West  
24<sup>th</sup> Floor, East Tower  
Toronto, Ontario M5H 2N2

Tel: 416-338-7200  
Fax: 416-392-4540  
E-Mail: [jlivey@toronto.ca](mailto:jlivey@toronto.ca)

September 6, 2013

Geoff Wilson, President and CEO  
Toronto Port Authority  
60 Harbour Street  
Toronto, ON  
M5J 1B7

Dear Mr. Wilson:

**Re: Proposal from Porter Airlines to Expand Airport Operations at BBTCA and Request to Attend September 19, 2013 Town Hall Meeting**

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The City of Toronto has identified a number of issues and concerns related to the request from Porter Airlines to introduce jet-powered aircraft at Billy Bishop Toronto City Airport (BBTCA) that fall within the jurisdiction of the Toronto Port Authority (TPA). These issues include: required amendments and approval by Transport Canada for aircraft navigation to and from the airport, aircraft type (specifically the Bombardier CS-100) and other regulatory certifications, marine navigation in the Inner Harbour and Western Channel, funding of airport and groundside infrastructure, safety and security of airport expanded airport operations and the impact of noise and aircraft operations on the adjacent community and environment. City staff will require the TPA's response and commitment to address these issues to the City's satisfaction if further expansion of the airport is to be decided by City Council.

At our meeting on July 19, 2013 between the City of Toronto, TPA and Transport Canada, the TPA committed to submitting a complete summary of possible amendments to aircraft operations at BBTCA to Transport Canada for their review that addresses the request from Porter Airlines. On September 3, 2013, Porter Airlines submitted an alternative proposal to the City of Toronto that proposed 200 metre extensions a both ends of runway 08-26. This alternative proposal has created a lack of clarity on the true details of the proposal being reviewed by Transport Canada and whether the TPA has a position on which proposal it may prefer as the owner and operator of the airport.

I am requesting the TPA publicly state its preference between the two runway options proposed by Porter Airlines and provide an evaluation of the preferred option from the TPA's perspective. In addition, I am requesting that the TPA attend the rescheduled September 19, 2013 Town Hall meeting being hosted by the City of Toronto to outline its position on the request for jet-powered aircraft at BBTCA and further airport expansion. Your staff should be prepared to respond to questions from the public at this Town Hall meeting.

I appreciate your continued cooperation on this review. If you have any questions, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read 'John Livey', written over a rectangular stamp area.

John Livey, F.C.I.P.  
Deputy City Manager, Cluster B

cc: Robert Deluce, President and CEO, Porter Airlines

**Toronto  
Port  
Authority**



**Administration  
Portuaire  
de Toronto**

**Geoffrey A. Wilson**  
President & Chief Executive Officer  
Président-directeur général

60 Harbour Street, Toronto, Ontario, Canada M5J 1B7

Tel/Téli: 416.863.2037 • Fax/Télécopieur: 416.863.0495 • email: gwilson@torontoport.com

September 11, 2013

John Livey  
Deputy City Manager  
Toronto City Hall  
34<sup>th</sup> Fl. E., 100 Queen Street W.  
Toronto, ON M5H 2N2

Dear Mr. Livey:

**Re: Proposal from Porter Airlines to Expand Airport Operations at BBTCA and  
Request to Attend September 19, 2013 Town Hall Meeting**

Thank you for your recent letter.

I hope that you will agree that City staff have received the TPA's fullest cooperation to date in support of the assessment and report being prepared for Council's consideration relating to Porter's April 10, 2013 proposal (the "Porter Plan"). I believe it is fair to say that the TPA has done all that has been asked of it by City staff and Toronto City Council concerning the funding of monies, delivery of key reports and study inputs; including the engaging of our own consultants to assess the Porter Plan should we find ourselves in a position where we must begin a formal review of the proposal. The TPA is committed to continuing to promptly provide whatever assistance is required to meet the internal needs of the City.

We did, however, make clear our position from the outset on April 10<sup>th</sup> that the TPA will not consider any change of use to the airport until a determination is first made by the elected representatives on Toronto City Council regarding Porter's proposed changes to the Tripartite Agreement; with a particular focus on runway length and type of permissible aircraft. We recently stated during our Annual General Meeting held September 4<sup>th</sup>, that although this remains our position, some members of Council have asked us what our specific considerations would be should City Council decide to approve the Porter Proposal and refer it to the TPA and Transport Canada as the two other partners in the 1983 *Tripartite Agreement*.

One consideration is definitely the views of the citizens of Toronto, since they would make up much of the business case for the change of aircraft type. Without the interest and support of Torontonians in a jet service at Billy Bishop, there's no business case for the Porter Proposal. Which is why we asked Ipsos to add that very question to this year's annual TPA survey. The answer was 60% in favour and 37% opposed, which is not dissimilar to the 62-31 results we received when we asked Torontonians in 2009 what they thought about the proposed pedestrian tunnel.

Canada

The topic is a complicated one, and we understand why some members of City Council are looking to the TPA, as the airport's operator, for some insight regarding how we might tackle this important issue. As stated publicly, the TPA will outline early next month some of the benchmarks we will set should we find ourselves in a position of having to formally consider the Porter Proposal.

In the interim, the TPA is in the process of evaluating the two (2) runway extension options put forward by Porter: 168 metres and 200 meters. Our criteria for deriving a preference between the two proposals would include (in no particular order): i) safety, including the potential for a buffer in addition to any future Runway End Safety Area regulations, ii) impacts on the opportunity for noise mitigation, iii) impacts on marine activity, the MEZ and the Western Gap channel marker buoy movement, iv) efficiency of operations, v) impacts on wildlife, if any, and vi) opportunity to attract additional air carriers and/or aircraft types to the BBTCA in the foreseeable future. Based on our very initial assessment there may be valid points to consider for both options but we require more information to make an informed decision.

We understand that Transport Canada has agreed to review both options. The TPA, and to our understanding Transport Canada, will be guided further in our assessments by what direction the City will provide. The TPA will also take such direction on the option selected providing it receives approval from Transport Canada as to either or both proposals at some point in the future.

Should Council approve either or both alternatives to the Porter Plan as far as the two runway options are concerned, it should be noted the TPA is solely responsible for the airport's capital expenditure funding. /As such the TPA would not execute any changes related to the expansion concepts until appropriate noise certifications for any new aircraft types have been achieved./

We thank you for your invitation to the September 19<sup>th</sup> Town Hall style meeting; however we decline to attend, and look forward to continuing to support staff's report to Council.

Yours truly,

TORONTO PORT AUTHORITY



Geoffrey Wilson  
President and Chief Executive Officer

cc: Mark McQueen, Chair Toronto Port Authority  
cc: Robert DeLuce, President and CEO, Porter Airlines  
cc: Michael Stevenson, Transport Canada

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Toronto, Ontario M5H 2N2

**Tel:** 416-338-7200  
**Fax:** 416-392-4540  
**E-Mail:** [jlivey@toronto.ca](mailto:jlivey@toronto.ca)

September 18, 2013

**Geoffrey Wilson**  
President and Chief Executive officer  
Toronto Port Authority  
60 Harbour Street,  
Toronto, On M5J 1B7

Dear Mr. Wilson,

I am writing in response to your letter dated September 11, 2013 declining the city's invitation to attend the September 19<sup>th</sup> Town Hall meeting on the proposal from Porter Airlines to expand airport operations at BBTCA. It is the city's position that the residents and businesses of Toronto deserve to understand the TPA's role and position on this matter, and conversely, that TPA should be available to listen to, and address, various issues related to the BBTCA expansion request alongside Porter Airlines and Transport Canada.

While I acknowledge that TPA has provided the necessary funding for all consultant studies and the attendant required information, as owner and operator, we require the TPA position related to the tenant request and related issues.

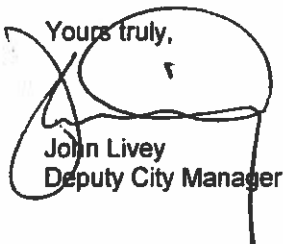
The current request to City Council to permit jet-powered aircraft at BBTCA is unusual because it comes from your airport tenant, Porter Airlines. As owner and operator of BBTCA, we would normally have expected that this request would first have been reviewed by TPA and Transport Canada, and then brought forward to City Council for its consideration. As this has not been the case, it is reasonable that Council be made aware of TPA's position on this proposal in advance of its final deliberations.

As well, the City's review and public consultation process have identified a number of significant airside and groundside infrastructure improvements, operational changes such as curfew hours and noise regulations and ongoing monitoring of noise, air quality and other impacts which will be required as a condition of any amendment to the Tripartite Agreement. The TPA needs to provide the City with clarity on its willingness, in principle, to satisfy any conditions that the City may request, and to pay the airport's share of any required airside and groundside infrastructure improvements.

There are also a number of ongoing, unresolved issues between the TPA and the City such as the Cherry Street Ship Channel Bridge, Payment In Lieu of Taxes (PILTs), noise complaints related to airport operations and construction, taxi-staging and airport-related traffic congestion. While some of these issues are related to BBTCA operations, the City is looking to see significant progress on all of these matters.

While I regret that you have elected not to attend the Town Hall meeting, I look forward to receipt of the TPA position on the Porter proposal and obtaining your commitment to address outstanding issues, as well as those identified through the City's review of the Porter proposal – as these are necessary inclusions to the staff report to Council.

Yours truly,



**John Livey**  
Deputy City Manager

**Cc:** Mark McQueen, Chair – Toronto Port Authority  
Fiona Chapman, Acting Director – Waterfront Secretariat



**Toronto  
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Authority**



**Administration  
Portuaire  
de Toronto**

60 Harbour Street, Toronto, Ontario, Canada M5J 1B7  
Tel/Tél: 416.863.2000 • Fax/Télécopieur: 416.863.4830 • www.torontoport.com

October 4, 2013

Mr. David Shiner  
Chair, Government Management Committee  
City of Toronto  
Toronto City Hall  
100 Queen Street West  
Toronto, ON M5H 2N2

Dear Councillor Shiner:

**Re: Payments in Lieu of Taxes: Billy Bishop Toronto City Airport**

I am writing to you as Chair of the Government Management Committee in connection with the July 9, 2013 report from the City Solicitor and the City Treasurer which apparently is to be considered *in camera* during the October 8<sup>th</sup> and 9<sup>th</sup> meeting of Council. This follows our July 3, 2013 formal request for a new Dispute Advisory Panel<sup>1</sup>, a request that was telegraphed by our earlier public statements on the matter<sup>23</sup>.

We are not aware of the contents of the report but are concerned that it will contain a recommendation by City staff for a 21.2% increase in Airport-related Payments in Lieu of Taxes ("PILT") as compared to what was previously agreed to by City Staff in January 2013 and approved by the Government Management Committee on February 25, 2013.

Following the decision of Council in April 2013, the outcome of the Airport PILT vote and the various options jointly before us have been discussed among TPA staff and with our Board of Directors. The view of the TPA remains unchanged following our public statement of April 3, 2013 and is simply this: the proposal considered by Council in April, treating the Airport the same as Pearson, reflects the maximum amounts the TPA believes should fairly be paid by the ultimate "taxpayers" – the passengers who use the Airport.

You should be aware that as part of the January 2013 City-TPA PILT agreement, City Staff had demanded that the City of Toronto receive a passenger PILT on all airport passengers, including those residents of, say, Thunder Bay who stop briefly in Toronto as part of their flight to Chicago, New York, Boston, Moncton, etc. This fact may not have been understood by some of your colleagues when the matter was voted on at the April 3, 2013 Council meeting.

<sup>1</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/New-Independent-Federal-Dispute-Advisory-Panel-Req.aspx>

<sup>2</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Toronto-City-Council-Misses-Opportunity-on-PILT-Vo.aspx>

<sup>3</sup> [http://www.torontoport.com/getattachment/bb8dc40c-ccb5-4b24-8e27-b0ed7739689e/Letter-to-Mayor-Rob-Ford-\(2\).aspx](http://www.torontoport.com/getattachment/bb8dc40c-ccb5-4b24-8e27-b0ed7739689e/Letter-to-Mayor-Rob-Ford-(2).aspx)

The City of Toronto wants to tax non-residents who may not even step foot off of a BBTCA aircraft on their way to their ultimate destination. Since almost 20% of BBTCA passengers are of this in-transit nature, the quantum of money involved is significant.

In an effort to put the BBTCA PILT issue behind us, the TPA agreed to your Staff's demand in this regard. Even then, despite the recommendation of your City Treasurer and City Solicitor, it still wasn't enough to ultimately pass Council on April 3, 2013. But that's water under the bridge.

According to a July 2013 poll by Ipsos Reid, 48% of Torontonians believe that the BBTCA should pay either the same (48%) or lower (37%) than the PILT that is paid by Pearson Airport.<sup>4</sup> Only 13% believe BBTCA passengers should pay higher than Pearson; I note this figure mirrors the 12% of Torontonians who want to close BBTCA when the *Tripartite Agreement* expires in 2033.


The new July 2013 City Staff proposal would see BBTCA passengers pay an additional \$8.5 million in aggregate PILTs beyond what was already approved by the Government Management Committee (see attached financial summary). All told, the proposal is \$12.7 million higher than the figure recommended to the City and TPA by the independent Federal Dispute Advisory Council in 2009 (which did not require a PILT tax on in-transit passengers, for example).

For us to ask passengers to pay an additional 21.2% (representing \$8.5 million) must come with some tangible benefit to our collective stakeholders. To that end I note from the July 2013 Ipsos Reid poll that 54% of BBTCA users, and 52% of all Torontonians, believe the City and TPA should immediately "amend the [Tripartite] agreement and extend it beyond 2033 to ensure the long-term viability of the Airport."<sup>5</sup> (Only 12% of Torontonians believe you should let the agreement expire in 2033.)

Perhaps that is the resolution to City Staff's new PILT proposal: amend the expiry of the existing restrictive Tripartite Agreement to 2083 from the current 2033 date in conjunction with approving the higher July 2013 City Staff PILT proposal<sup>6</sup>. This can be done at the October 8/9 meeting of Council, in a vacuum, and would have no bearing on Council's ongoing consideration of the change-of-use proposal tabled before you by Porter Airlines.

We hope that you and your colleagues will find this worthy of consideration. It's a win for both passengers and the city. I apologize for the formality of this letter; we had hoped to discuss the matter in person, and had reached out to your office to arrange for a meeting, but the unexpected inclusion of this topic on next week's agenda has meant that time is of the essence.

Respectfully,



Mark McQueen  
Chairman

<sup>4</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

<sup>5</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

<sup>6</sup> \$0.94 per passenger PILT with "capping" beginning in 2014

**TORONTO PORT AUTHORITY**

**BILLY BISHOP TORONTO CITY AIRPORT  
PAYMENTS-IN-LIEU OF TAXES**

2009 Independent Dispute Advisory Panel Advice	January 2013 City/TPA Agreement	July 2013 New City Proposal
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Per Passenger PILT (via current Airport Improvement Fee on all outbound passengers)	\$0.80	\$0.94	\$0.94		
Per Passenger PILT In Transit? (i.e. not originating in Toronto)	No	Yes	Yes	Yes	
					Percentage Increase over DAP Advice
					10.43%
					Percentage Increase over DAP Advice
					21.23%
					Cumulative Percentage Increase over DAP Advice
					<u>31.66%</u>

Note: Connecting passengers equal – 19% of BBTCA total passenger count

Note: "Capping" refers to a 105% cap on payments made versus prior year



John W. Lively, F.C.I.P.  
Deputy City Manager

City Hall  
100 Queen Street West  
24<sup>th</sup> Floor, East Tower  
Toronto, Ontario M5H 2N2

Tel: 416-338-7200  
Fax: 416-392-4540  
E-Mail: [jlively@toronto.ca](mailto:jlively@toronto.ca)

October 24, 2013

Mr. Geoffrey Wilson  
President and CEO  
Toronto Port Authority  
60 Harbour Street  
Toronto, ON M5J 1B7

Dear Mr. Wilson:

**Re: Request from Porter Airlines for Exemption to Commercial Jet Ban at Billy Bishop Toronto City Airport (BBTCA)**

This letter follows from my previous letter, dated September 18, 2013, and our most recent meeting of October 14, 2013 on the topic of Porter Airlines' request to operate jet aircraft and extend the existing runways at BBTCA.

As stated in the September 24<sup>th</sup> update report to the City's Executive Committee on this matter, the request from your tenant Porter Airlines to permit jet-powered aircraft at BBTCA is unusual because it did not originate from the Toronto Port Authority (TPA) as the owner and operator of the airport. It is vital to our review of this request that the City receive a written commitment from the TPA that it will satisfy conditions that will improve the operation of the airport within the waterfront area and mitigate its effects on the adjacent community. If the TPA is unwilling to commit to investing in improvements to the airport's operations and to address its effect on the adjacent community, City staff will not be in a position to support any further expansion.

We have reviewed the recent Board of Trade address given by TPA Chair Mark McQueen. His comments did not address the City's concern that the TPA, as the owner and operator of the airport, should take the lead on the planning and expansion of the airport and the process for seeking approval from the other signatories to the Tripartite Agreement. From the City's perspective, it is unusual for a tenant to speak for, and commit, the owner to substantial investments without the consent and support of the owner. To date, we have not received a response from the TPA to our correspondence dated September 18th, 2013 outlining our concerns.

We are aware that the TPA Chair, in recent correspondence dated February 13, 2013 and October 4, 2013, suggested that the City should consider the extension of the Tripartite Agreement to

2083 as part of the PILTs discussion. The matter of an extension would require a more detailed review and consultation with the community and others at the appropriate time to consider the long-term implications of such a request.

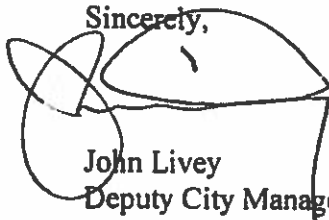
Council directed staff to consider two requests: to permit jet-powered aircraft at BBTCA and to permit runway extensions in order to permit jet-powered aircraft to operate at this airport. City staff and the city's consultants have undertaken their review based on these two requests. Any additional requests, such as extending the Tripartite Agreement to 2083, are not part of this review process and have not been given any consideration or evaluation with regards to impacts on the City's overall goals and objectives.

The City is seeking written assurances that the TPA is prepared to pay for groundside improvements necessary to address the existing situation in the Bathurst Quay area and accommodate the projected increase in passengers (both status quo and if jets are permitted). A range of possible infrastructure improvements to address traffic volumes, safety, noise, and other impacts is now being refined by City staff and our consultants. As you know, infrastructure improvements may be costly, and it is the City's position that these costs should be borne by those that generate the demand (i.e. airport passengers and users).

The City's overall objective for the airport is to improve conditions for airport and waterfront users and the adjacent community. City staff and their consultants have identified a list of possible infrastructure improvements and airport operational changes that could strike a better balance between the broader waterfront and the airport. Attached to this letter is a preliminary list of matters to be addressed. I require your response to each of these items in writing before November 8, 2013 and an acknowledgement that you understand that an extension to the Tripartite Agreement beyond 2033 is not being requested as part of the consideration of the Porter request.

I look forward to your reply.

Sincerely,



John Livey  
Deputy City Manager

Attach.

Cc: Mark McQueen, Chair – Toronto Port Authority  
Fiona Chapman, Acting Director – Waterfront Secretariat

**Preliminary list of matters to be addressed by the TPA to improve existing area conditions and facilitate Council's consideration of the request by Porter Airlines to permit jets at BBTCA.**

**Airport Infrastructure:**

- The existing Marine Exclusion Zone (MEZ) boundaries shall not be materially altered from the current (2013) locations.
- The TPA shall provide the coordinates of each MEZ buoy to the City and confirm that their locations are correct by April 1<sup>st</sup> of each year.

**Groundside Infrastructure:**

- The TPA shall be responsible for its appropriate share of costs related to groundside infrastructure which includes and is not limited to: right-of-way improvements, transit expansion to the airport, pedestrian and cycling improvements, park improvements related to airport access, and parking facilities.
- Current airport capacity shall be capped at existing passenger volumes and hourly movements (16/hr) until the appropriate groundside transportation improvements are in place to provide a match between the ability of the transportation network to accommodate traffic impacts generated as a result of airport passenger volumes.

**Noise and Community Impacts:**

- TPA agrees that the NEF Contours, fleet mix, ground and airport noise, etc, shall be modelled in the current NEFCALC software to establish new contours. The new NEF 25 Contour must not exceed the 1990 NEF 25 Contour contained within the Tripartite Agreement.
- The TPA shall develop and implement at their own expense, a groundside noise management program which will include the construction of a run-up enclosure for aircraft and any other noise mitigation measures. Until such time as the TPA implements the run-up enclosures, maintenance-related run-ups shall be prohibited on Saturday, Sunday and statutory holidays.
- The TPA will agree to prohibit or significantly limit commercial flights on weekends between 11:00 am on Saturday and 4:00 pm on Sunday.
- The TPA shall implement at its own expense, a real-time noise monitoring website that identifies all aircraft movements and activities.

- Construction activities at the airport shall be limited to airport operating hours (except with the written permission of the City of Toronto) and shall be prohibited on Sunday and Statutory Holidays.
- The TPA shall enter into a formal agreement between the City of Toronto and the Toronto District School Board for the management of traffic and access to the airport during school hours. This agreement shall, at a minimum, address management of traffic, penalties for non-compliance with the terms of the agreement, and dispute resolution between the parties.
- The TPA shall coordinate a revitalized Airport Liaison Committee co-chaired by the TPA, City of Toronto, and/or TDSB with representation from the community to address neighbourhood concerns related to traffic and noise impacts.
- The TPA shall provide financial support through the city's social housing unit for the retrofitting of the eight existing social housing buildings in the Bathurst Quay neighbourhood to address noise issues (i.e. increased glazing, etc...).

#### Environment:

- As a precursor to the lifting of a jet ban, the TPA shall complete a bird strike and impact assessment and implement necessary mitigation measures to the satisfaction of the City, TRCA and Transport Canada. The assessment must examine impacts beyond the airport lands including the entire Toronto Island area and Tommy Thompson Park.
- The TPA shall develop a de-icing and snow storage strategy to the satisfaction of the City.
- The TPA shall participate in the ChemTrac program and the City's air quality monitoring program.

#### Property and Other:

- The TPA shall remove all existing title encumbrances in favour of the TPA on Little Norway Park (the 100' easement) and the Canada Malting lands (the "orange lands").
- The TPA shall complete a master plan for the airport which shall be submitted to the City for review, comment and approval.
- TPA agrees to a mechanism for appropriate penalties where performance standards are not met.

**Toronto  
Port  
Authority**



**Administration  
Portuaire  
de Toronto**

**Geoffrey A. Wilson**  
President & Chief Executive Officer  
Président-directeur général

60 Harbour Street, Toronto, Ontario, Canada M5J 1B7  
Tel/Tél: 416.863.2037 • Fax/Télécopieur: 416.863.0495 • email: gwilson@torontoport.com

November 7, 2013

Mr. John Livey  
Deputy City Manager  
Toronto City Hall  
100 Queen Street West  
Toronto, ON M5H 2N2

Dear Mr. Livey,

We acknowledge receipt of your letter of October 24, 2013, a copy of which is attached.

We are committed to an effective and collaborative working relationship with the City of Toronto, and to ensure the right balance in respecting the community's needs and in optimizing the airport's extraordinary economic and reputational benefits to the City of Toronto. As requested, the Toronto Port Authority (TPA) confirms its commitment to continue to invest in appropriate and reasonable improvements to the airport's existing or evolving operations and address effects on the adjacent community. These objectives are important to us as a member of the community and as owner and operator of Billy Bishop Toronto City Airport. That is why the TPA recently invested in numerous improvements in and around the airport, including:

- Building a taxi staging area on the Canada Malting lands (on city-owned property leased to us for this purpose), plus construction of dedicated parking spots for the local school and community centre;
- Building the first of two planned acoustical sound barriers to deflect aircraft noise on our northwest property line (the second barrier is delayed due to its proximity to the construction footprint of the pedestrian tunnel);
- Engaging additional crossing guards at the junction of Eireann and Queen's Quays during school hours;
- Founding and investing in the creation of an Airport Community Liaison Committee to address neighbouring stakeholder concerns;
- Energetically promoting the improvements recently accepted and made by City staff to improve the flow of traffic in the vicinity of the airport up to Lakeshore Drive; and
- Requesting that the City complete its important Long Term Traffic Management Study for the airport and area, so that solutions may be implemented by the City on city-owned property to improve traffic flow and access for all stakeholders in the area.



As you know, Porter Airlines has asked the signatories to the Tripartite Agreement to review certain elements of this 1983-vintage agreement as it relates to its proposed new service offering.

As the primary commercial proponent of the rebirth of Billy Bishop as a commercial passenger hub, it is not inappropriate for them to be best-positioned to gauge the passenger market's interest in these services and new destinations. We have seen nothing in the motions of either Council or the Executive Committee which reflects "the City's concern that the TPA...should take the lead on the planning and expansion of the airport..." The fact that Mr. McQueen's speech did not address this point at the Toronto Region Board of Trade should not come as a surprise, as the focus of the event was the lens through which the TPA would review the Porter Proposal should Toronto City Council approve its key concepts: change of use and increased runways to accommodate the proposed aircraft.

Should Toronto City Council conclude that some form of Porter's Proposal merits support, the TPA will most assuredly take the lead on the associated planning, in conjunction with Transport Canada and the City of Toronto, as appropriate.

When considering the airport's effects on the neighbouring community, it is worth observing that some of the heaviest users of Billy Bishop happen to be neighbouring residents. According to a poll conducted by Ipsos Reid in July 2013<sup>1</sup>, 50% of respondents living in the "old" Toronto area south of Queen Street have flown from the airport. In terms of frequency, residents living south of Queen Street are at least 4.5 times as likely to be very heavy users (i.e. more than 10 flights) as compared to residents of North York or Scarborough.<sup>2</sup>

Some of the prime beneficiaries of the airport's proximity to downtown are the same Billy Bishop business-related<sup>3</sup> passengers who have chosen to live downtown or along the waterfront. That said, the positive economic impact of the airport on the City and its residents is clear: to the tune of \$1.9 billion per annum and 5,700 direct and indirect jobs.<sup>4</sup>

85% of Torontonians believe the airport is an asset to the City.<sup>5</sup> We believe that you and your staff colleagues should embrace this asset, just as our mutual stakeholders have done. The TPA, through its Chairman's address to the Toronto Regional Board of Trade on October 21, indicated that it would be willing to play a role in the potential redevelopment of the Eireann Quay/ Canada Malting site area by investing funds, as appropriate, in concert with the master development plans to manage ground side operations. This again serves as an example of the TPA's ongoing commitment to manage the airport responsibly and with the local community in mind.

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<sup>1</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

<sup>2</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

<sup>3</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Passenger-study-confirms-majority-of-Billy-Bishop.aspx>

<sup>4</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Billy-Bishop-Toronto-City-Airport-Generates-Nearly.aspx>

<sup>5</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

Regarding your reference to our outstanding request to extend the airport's operation beyond the current 2033 date via an amendment to the Tripartite Agreement, we believe this should be considered simultaneously for a variety of reasons.

Firstly, according to the Ipsos Reid poll from July 2013, 52% of Torontonians believe "we should amend the agreement now and extend it beyond 2033 to ensure the long-term viability of the Airport."<sup>6</sup> Only 12% of Torontonians believe we "should let the agreement expire and close down the Airport."

Secondly, the significant commitment of long term capital investment that would be required to make Porter's proposal a reality, should it receive the support of City Council, would be financially imprudent, if not unviable, in the absence of a contemporaneous extension of the existing 2033 lease end date. Further long term capital improvements cannot be undertaken if the airport's operating agreement is uncertain beyond 2033.

Regarding the request to fund major city-side infrastructure projects, we are interested to better understand the City's expectations on that front. As a fiscally-responsible, self-funded public agency, we are not in a position to provide a "blank cheque" however, as airport-related capital improvements are ultimately paid for by our passengers. To that end, we would need a more detailed understanding regarding what specific "groundside improvements" you refer to in your October 24<sup>th</sup> letter.

In that context, we note that hundreds of new condominium units have been recently built in the immediate area since 2006, and the influx of 15,000 new residents has been identified in the City's own traffic studies as a main contributing factor to traffic congestion in the area. Another 14,000 units (involving 22,000 new residents) are currently pending in residential development applications. With approximately 1 million AIF-related outbound passengers at Billy Bishop in 2013, this averages out to approximately 2,740 passenger departures each calendar day. When compared to what will soon be 37,000 additional new area residents using those same streets, you will understand why we do not believe the airport's passengers are the primary source of increased traffic congestion in the surrounding neighbourhood.

The TPA has worked in close support of staff's activities to conclude its study of the Porter proposal and within the timelines prescribed, and has funded the city's costs associated with consulting and other inputs at Council's request. Our position about Porter's proposal was made clear at the outset on April 10, 2013: the TPA will be guided by the determination made by the elected representatives on Toronto City Council.

On October 21 our Chairman outlined the key factors the TPA would use in assessing Porter's proposal, if and when passed by vote at Council. These included:

- **Maintaining the 1983 Noise Restrictions:** We support maintaining the current NEF 25 noise contour and the ICAO noise ceiling, which represents one of the most strict

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<sup>6</sup> <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

noise regimes globally and has been in place since 1983 for the benefit of every Torontonians.

- **Better Slot Utilization, not Necessarily More Flights:** We will ensure that Porter's plan serves to improve utilization of the airport's existing commercial slots. We don't foresee a major expansion of the airport's current commercial flight activity levels.
- **No Negative Impact On The Environment:** The Porter Proposal can't have a negative impact on the air and water quality that Torontonians currently expect and enjoy. That Billy Bishop has been powered by Bullfrog Power's green electricity since 2010, the first airport in Canada to make this commitment, speaks to our credentials in this area.
- **Every Bit As Livable For Our Neighbours:** Porter's Proposal must ensure that the area surrounding Billy Bishop is no less livable than any other multi-purpose neighbourhood in Toronto. The TPA has a strong historical commitment to environmental stewardship and we have implemented important measures so that all Torontonians can continue to enjoy our mixed-use waterfront. On a yearly basis, the TPA removes million pounds of debris from Toronto's inner harbour, keeping it clean, safe and navigable. And we recently spent \$1 million creating a fish habitat at Tommy Thompson Park. We've taken meaningful steps to reduce the effects of airport noise on our neighbours. This initiative includes the installation of the first of two acoustic barriers at the airport, a noise management office that follows international best practices, state-of-the-art flight-tracking technology and the publication of monthly noise reports on our website. We have two public committees to ensure active Stakeholder engagement. The 20 different recent community sessions have led to substantial infrastructure improvements at the airport and along Eireann Quay to reduce noise and congestion. We are also investing in our community. The TPA is proud to support Harbourfront Centre's school visits program, for example, as well as the neighbourhood community centre's "Room 13 Project", which is a superb initiative that supports inner city youth through art education. Nothing in the Porter Proposal can undercut these efforts.
- **Improving Vehicle Traffic Flows:** Traffic is a problem across Toronto, which has nothing to do with the success of Billy Bishop. We believe Eireann Quay is ripe for a solution to vehicle traffic as well as the additional traffic associated with Build Toronto's pending residential redevelopment of the Canada Malting site. We have seen some beautiful plans from potential developers that would fix the flow of traffic around the airport, while preserving the local school and community centre as part of a stunning residential redevelopment of the Canada Malting site. We support Build Toronto's Eireann Quay Redevelopment Initiative. The TPA can and would contribute financially to helping the City make it happen, whether or not City Council approves Porter's Proposal.

- **There Must Be A Business Case:** We recognize the reality that in 2009, for example, almost 1 million Canadians made the trek to Buffalo to catch a flight; representing more outbound departures than Billy Bishop handled that year. Buffalo-Niagara International Airport is spending \$8 million to expand their parking lots, to deal with the fact that Canadian vehicles now represent 47% of the airport's long term parkers, up from 8% in 2002. We understand why Porter believes that Torontonians would rather fly out of Billy Bishop then drive to Buffalo to catch a 7:00 a.m. US Airways flight to Los Angeles. That said, there needs to be a business case, not just for Porter, but for the TPA as the agency charged with paying for all airport-related capital expenditures. The tunnel met that test, as the Porter Proposal must, too. The TPA is a self-sufficient government business enterprise, which means it receives no taxpayer or government funding. It is the passenger who ultimately pays for upgrades. We will as always be mindful and respectful of that reality.
- **Growing Toronto's Economy:** Porter's Proposal should improve upon the existing positive economic impact that the airport is already having on the Toronto region. The fact that Massachusetts Governor Deval Patrick recommended last week that City Council approve the Porter proposal, observing that "connections actually matter", is an example of how some of our key trading partners look at the situation.
- **Aircraft Agnostic:** The TPA is open to any aircraft that meets the strict tests of the existing noise standards as required under the Tripartite Agreement. We don't have to pick between Bombardier and Boeing, per se. As it has for 30 years, the TPA will continue to prohibit aircraft that don't comply. "Open Sky" treaty agreements do not guarantee access nor prevent an airport operator from prohibiting noisy commercial aircraft, despite what some may say, as we've proven for decades.
- **Preserving Access for Sailors:** Should City Council approve Porter's Proposal, the TPA is determined that sailboats should experience no meaningful impact. We will maintain the same high levels of harbour safety that we have today. And we see no scenario where the navigational channel markers in the Western Gap would have to materially change, even with a 200 metre runway extension, preserving the channel's use by two of the Port Authority's other key stakeholders: tour operators and recreational boaters. It is the channel markers in the Western gap, and not the Marine Exclusion Zone per se, that actually guide boaters whether they be motorized or sail-powered.
- **Preserving Private Aviation Access:** Private hobbyist aviators must and will continue to have appropriate access to Billy Bishop.
- **Tripartite Agreement Amendments:** In the event that Council votes in favour of the Porter proposal, the TPA, Transport Canada, and the City of Toronto should agree that amendments to the governing Tripartite Agreement should naturally include items that would enable these objectives. The extension of the Tripartite Agreement beyond its current expiration in 19 years provides for a capacity to finance and

amortize the very types of infrastructure improvements to which your letter refers. To be clear, the absence of such an amendment makes it unlikely that the airport or any public-private partnership consortium (as we utilized in the construction of the \$82.5 million PPP pedestrian tunnel project) could undertake such large scale, long term capital investments as proposed.

Your letter of October 24 requests that the TPA address each of the matters listed in your attachment. I will summarize as follows:

1. **Marine Exclusion Buoys (MEZ)** - The coordinates are available on the TPA's website. <http://www.torontoport.com/Port/Port-News/Boaters-Notices/KEEP-OUT-AND-CHANNEL-BUOY-COORDINATES.aspx>. The requirements for this consideration under the Porter proposal were well defined by Council;
2. **Groundside Infrastructure** - The TPA has indicated, as noted above, that we would consider appropriate and reasonable capital investments in this area, and that they would be best made in concert with a master plan for the re-development of Eireann Quay which we understand is currently under consideration by your colleagues at Build Toronto;
3. **Noise and Community Impacts** – This is an area of priority focus and activity for the TPA in mitigating effects on the local community– As per our October 21 speech, there is no consideration being given to change the existing NEF 25 parameter in the Tripartite Agreement (the Noise Exposure Forecast (NEF) model measures aircraft noise. The NEF 25 is one of the most restrictive noise parameters in place today among airports anywhere in the world). The TPA will continue its investments in other noise mitigation strategies such as acoustical barriers. We will continue to look for solutions to maintenance operations such as you suggest. We recognize that the recent period of construction of the combined airport pedestrian tunnel and the City’s water and sewer replacement mains has provided some disruption to the local community. This activity will soon conclude and will immediately provide noise and traffic relief to the local community. Indeed , upon completion of the combined tunnel/city mains work, the TPA will be able to consider further changes to operations, such as re-locating ferry morning start-up procedures, that will further reduce noise output to the local community. No requests have been made to expand the strictly enforced hours of operation in the Tripartite Agreement. The TPA will continue its commitment to work closely and reasonably with the City and local community as and when construction activity is required as dictated by our operations;
4. **Environment** - The airport maintains a comprehensive Wildlife Management Plan, which has been approved by Transport Canada and satisfies federal regulatory

requirements. The TPA is open to work with the City to further review global best practices in this area to ensure the best appropriate methodology of wildlife control is met at BBTCA. All handling of materials related to snow removal and de-icing are in strict compliance with federal regulations and recognized global best practices for airport operations;

5. **Property and Other** - A Master Plan for the airport provides the operating authority with a 'highest and best use' document for long term planning purposes. The TPA would be pleased to share this with the City as part of its ongoing reporting and collaboration. The scope of this document will depend, among others, on Council's direction on the Porter proposal.

To summarize, the TPA will continue to deliver on its commitment to invest in improvements to its airport operations to benefit the City, its businesses, and adjacent communities. We will do so at a reasonable level that is appropriate and specific to the airport's level of activity and consistent with our obligations under the Tripartite Agreement and our authority under our Letters Patent. We look forward to working together on mutually agreeable improvements to the operations at Billy Bishop Toronto City Airport.

Sincerely,

TORONTO PORT AUTHORITY

A handwritten signature in black ink, appearing to read 'G. Wilson', written over a faint circular stamp.

Geoffrey Wilson  
President & Chief Executive Officer

cc: The Hon. Lisa Raitt, P.C., M.P., Minister of Transport  
cc: Executive Committee of Toronto City Council  
cc: Mr. Mark McQueen, Chair, Toronto Port Authority

Attachment