



## Billy Bishop Airport: Unlocking Economic Growth in a post-COVID World

December 1, 2021



## About Nieuport

Billy Bishop Toronto City Airport (Billy Bishop Airport) is an essential connection pillar of the City – a gateway linking people and business conveniently to the heart of Toronto. It creates an opportunity for the community and for business and helps drive economic growth for the City of Toronto.

Nieuport Aviation owns and operates the passenger terminal at Billy Bishop Airport. As one of the largest airport infrastructure investors in Canada, we are steadfast in our goal to ensure the sustainability and viability of this key public asset. We are committed to being a respected partner to our community and a good neighbour to the people and environment around us.

As a connector, Nieuport works in partnership with PortsToronto to provide the people of Toronto and visitors with a safe, seamless, and stress-free way to travel. With doors moments from the downtown core, we are proud to supply a direct route and quick return from a hub designed to deliver a safe and exceptional experience. We know that this asset reinforces Toronto as a world-class destination and City.

# Billy Bishop Airport Economic Impact Study

## Study Overview

- The Toronto City Airport has consistently been a significant economic driver for Toronto. In 2015, Intervistas estimated that the **airport contributed \$2.1 billion in GDP**. The airport was the 6<sup>th</sup> busiest Canadian airport for US travel (transborder).
- In Summer 2021, Nieuport commissioned York Aviation, a leading, global consultancy specializing in airport economic impact assessments, to examine the potential economic impact associated with future growth in passenger demand at Billy Bishop Airport.
- The report was peer reviewed by Dr. Fred Lazar, Professor of Economics at York University. Dr. Lazar noted that:
  - *“Toronto is on the cusp of becoming a major financial, technology, and healthcare research centre. Billy Bishop Toronto City Airport is a unique asset that will play a key role in helping put the city on the world stage in these areas. Very few cities around the world have a similar asset and opportunity”*
- The purpose of this presentation is to present the findings of the report, which assumed:
  - Further investment in the airport (e.g., completion of the planned US Customs and Border Protection Pre-clearance facility)
  - Increase in daily slots in line with the PortsToronto 2018 Master Plan
  - Further development of air services to transborder markets in line with market demand

# Holistic Context



## Improved Economic Impact Supports All Stakeholders

Nieuport recognizes that inclusive growth is central to economic development and is committed to continually engaging with its stakeholders, partners, and local communities as it seeks to maximize the value of the airport.

In addition to the many relationships cultivated by PortsToronto, key complementary Nieuport partnerships are described below

### Community Partnerships

- ArtWorxTO
- Mississaugas of the Credit Business Corporation
- Anishnawbe Health
- Fly Program (Seneca and Centennial)
- SickKids
- Broad Reach (Leadership for Disadvantaged Youth)

### Business Partnerships

- Destination Toronto
- Toronto Board of Trade
- Ontario Chamber of Commerce
- Canadian Chamber of Commerce
- Greater Toronto Hotel Association

# Economic Impact of the Aviation and the Visitor Economy

## Economic Impact of Aviation in Canada

- **In 2019** (pre-COVID), the International Air Transport Association (IATA) estimated that the **aviation industry was responsible for \$68.1 (~3% of national GDP) billion** in total economic output supporting over 600 thousand jobs nationally. This included \$16.7 billion in tourist expenditures.
- **By 2040**, IATA estimates total **economic output from aviation will rise to \$91.6 billion** and support over 800 thousand jobs nationally.

## Visitor Economy and Recovery

### ■ Toronto Visitor Economy

- COVID-19 had significant impact on the Toronto Visitor Economy, valued at over \$10 billion (pre-COVID) from 27.5 million visitors.
- Destination Toronto has estimated that at least \$8.3 billion in tourism spending was lost during the COVID-19 pandemic.

### ■ Recovery

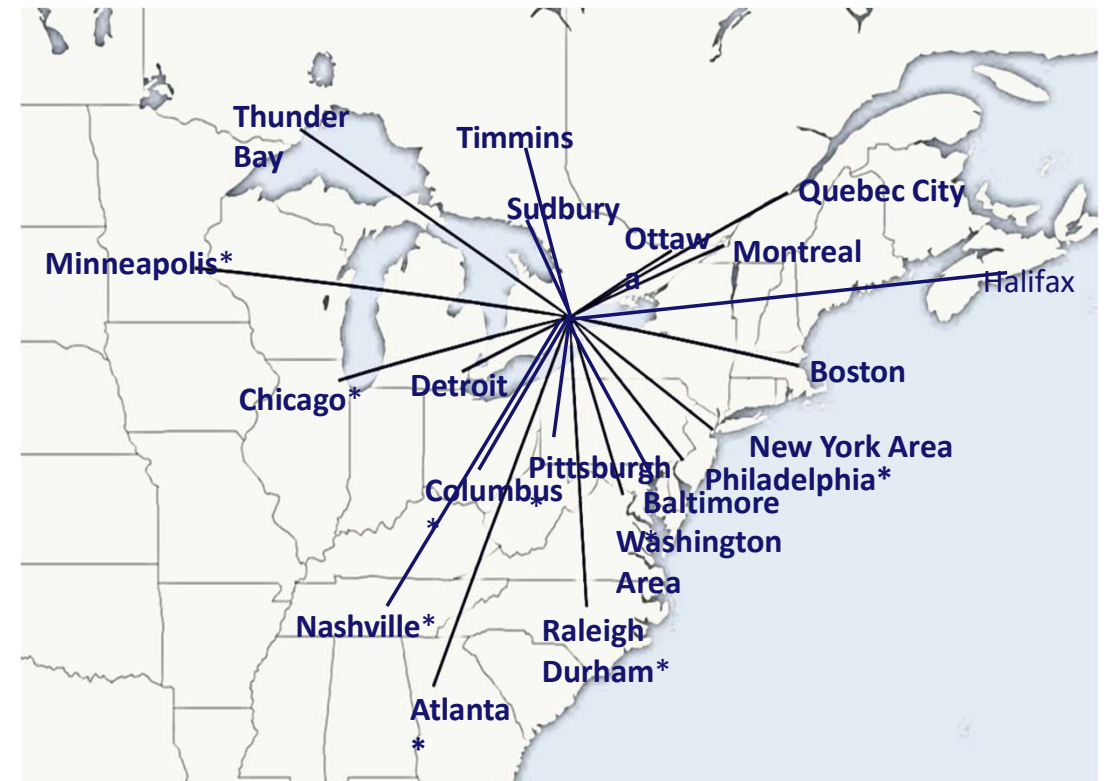
- Toronto's ability to recover from the economic impacts of COVID-19 depend on business infrastructure including a robust transportation network. Moreover, population growth will exacerbate pressure on current transportation infrastructure.
- Between 2013-2018, visitor arrivals grew by 17% while spending grew 46% over the same period. This is evidence that robust transportation networks are essential to meet future growth in a post-COVID world.
- Mass vaccinations have led to a broad resumption in air travel. Seat capacity data indicates that Canadian air travel in September was at 48% of pre-COVID levels and expected to reach 78% of pre-COVID levels by December.

# Managed Growth at Billy Bishop Airport

## Economic Impact

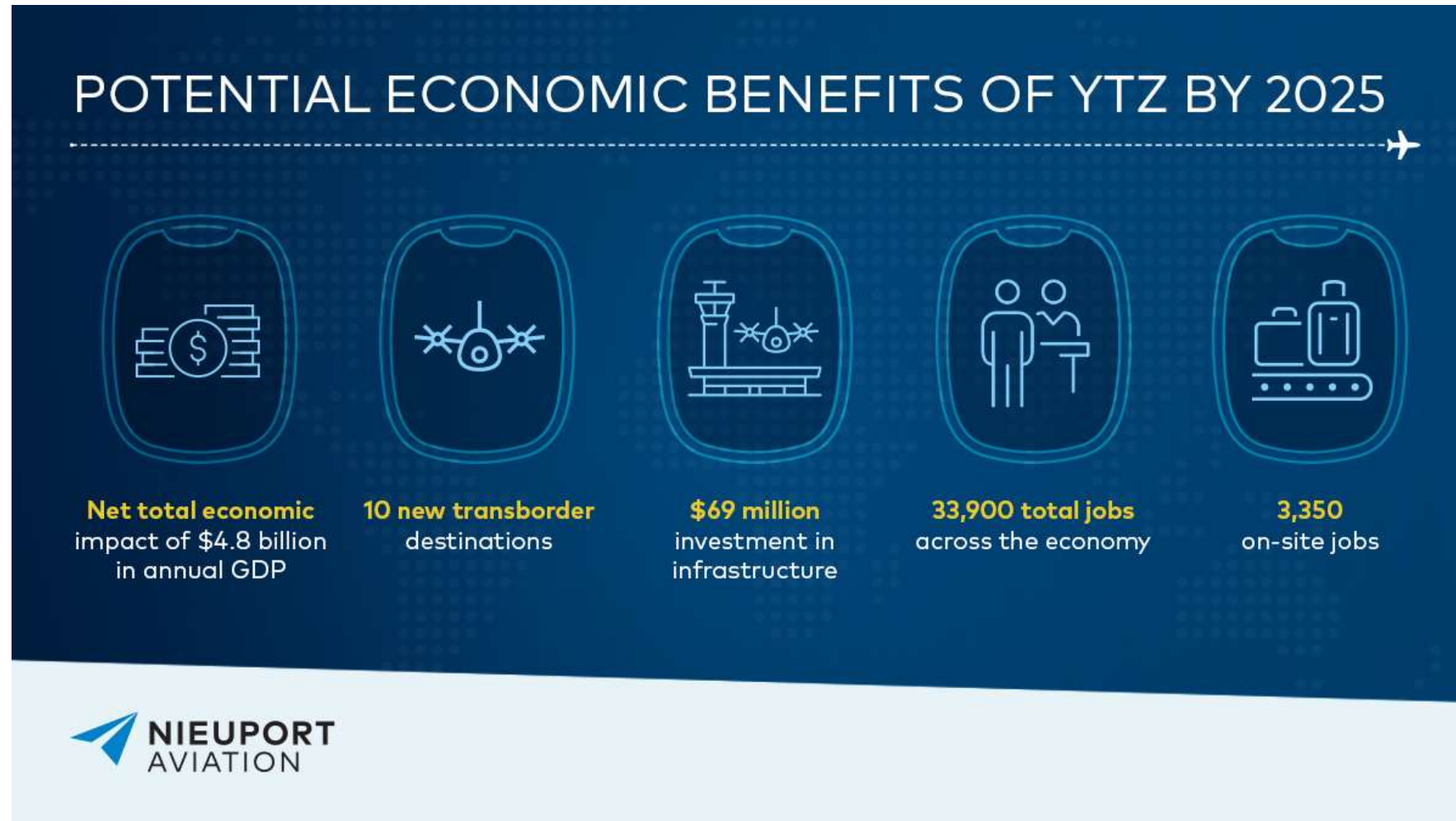
- The 2018 PortsToronto Master Plan envisioned a “Managed Growth Strategy” where the daily slot limit is raised from 202 daily slots to 246 daily slots
- The Managed Growth Strategy and completion of USCBP could see Toronto-City Airport serving:
  - In excess of 3.5 million passengers annually by 2025
  - Up to 10 new transborder destinations and strengthened service on domestic routes
- Annual Net Economic Impact of Managed Growth Strategy (by 2025):
  - GDP: up to \$4.8 billion in annual net economic output
  - Annual direct tax revenues in excess of \$150 million
  - Employment: 33,900 jobs (including 3,350 on-site jobs)
  - Construction Investment: \$69 million in infrastructure
- Monetized time savings for passengers valued at \$28 million each year stemming from greater convenience at YTZ

## Route Map – YTZ Market Potential



(\* ) Potential new routes based on market demand (prepared by 3<sup>rd</sup> party consultant)

# Managed Growth Scenario – Public Launch



## Public Launch

- November 25<sup>th</sup> – Public Launch of the York Aviation Study on Nieuport Website / Social Media. Amplified by key partners – PortsToronto, Chambers of Commerce, Tourism Associations
- December 16<sup>th</sup> – Podium Event with Toronto Region Board of Trade. Speakers include: Minister Fedeli, Terry Mundell, Neil Pakey
- February 2021 - Canadian Transportation Summit

# USCBP – Key Enabler



## USCBP Demand and Impact

- **Passenger Demand**
  - USCBP is critical to meeting passenger demand and will support incumbent carriers and new entrants to meet future market demand
  - Nieuport is committed to working with airport stakeholders to construct the USCBP facility to enhance the customer experience and facilitate economic growth
- **Impact of USCBP at peer Airports**
  - Halifax – Introduction of USCBP in 2006 at Halifax Stanfield International Airport led to a 29% increase in transborder passengers between 2006 and 2008 (Statistics Canada)
  - Dublin – Introduction of USCBP in 2010 at Dublin Airport led to an immediate 20% increase in US inbound passengers and further annual growth of 12% from 2010 to 2019 (IATA)

*“The value of the airport could be further enhanced by the addition of a U.S. transborder pre-clearance facility, which is a shovel-ready and shovel-worthy infrastructure project that will enable better connections to key business airports in major American centres” - Toronto Region Board of Trade*

# USCBP – Broad Support from Government and Other Stakeholders

## 2018 Federal Budget

*To ensure consistent and effective security screening of travelers and workers, the Government proposes to provide \$236.4 million in 2018–19, with \$2.4 million in remaining amortization, to the Canadian Air Transport Security Authority (CATSA). This funding will also allow CATSA to add new lanes for U.S. Pre-clearance of passengers at the Billy Bishop Toronto City Airport and the Quebec City Jean Lesage International Airport.*

## 2019 Canada-United States Preclearance Agreement

*“Entry into force of the new preclearance agreement underscores the Government of Canada’s commitment to making practical progress on bilateral relations for the benefit of all Canadians.” – The Honourable Chrystia Freeland*



## Concluding Remarks

### The potential economic payoff for further investment at Billy Bishop Airport is significant

- The city of Toronto continues to solidify its position as a major financial, technology, and healthcare research centre in North America
- Billy Bishop Airport will play a crucial role in putting the city on the world stage, building on its unique location and providing streamlined access for business hub markets
- The airport is a significant driver of employment, enables trade and attracts investment and supports the City's \$10 billion visitor economy
- The airport will help support an economic recovery as the City of Toronto, province of Ontario, and Canada recover from the impacts of COVID-19

