TORONTO

REPORT FOR ACTION

Billy Bishop Toronto City Airport (BBTCA) Runway End Safety Areas (RESA)

Date: September 27, 2024 **To:** Executive Committee

From: Deputy City Manager, Development and Growth

Wards: Ward 10 - Spadina-Fort York

SUMMARY

PortsToronto has a federal regulatory requirement to implement Runway End Safety Areas (RESA) at the Billy Bishop Toronto City Airport (BBTCA) by July 12, 2027 (See Attachment 1). The potential for RESA regulations was first raised by Transport Canada in 2010, with regulations ultimately finalized and published in the Canada Gazette in December 2021. The potential RESA options at BBTCA were also highlighted in PortsToronto's 2018 Airport Master Plan.

The purpose of this report is to provide an overview of the federal RESA requirement and the proposed runway end options at BBTCA. It also provides City staff comments on the runway end options and PortsToronto's requests, and the decisions and approvals that are recommended as a result of these requests. Further, this report provides a summary of the City-led public engagement on this matter. Staff advice is focused on RESA compliance, per the federal requirement described in Attachment 1.

BBTCA is operated by the Toronto Port Authority (operating as PortsToronto) and is on land that is approximately 78% owned by PortsToronto, 20% by the City of Toronto and 2% by the Government of Canada, represented by the Minister of Transport. The operations at BBTCA are governed under a Tripartite Agreement that was signed by the three landowners in 1983, and which has a current end date in 2033. The agreement is unique because, in addition to setting out conventional lease terms, it includes numerous conditions and prohibitions respecting airport operations and describes certain requirements and responsibilities of the signatories, including a prohibition of any actions that would "...interfere with the safe use and operation of the island airport." The airport has and continues to operate safely, as is required under federal Canadian Aviation Regulations.

PortsToronto has requested that Transport Canada and the City amend the Tripartite Agreement by providing permission to extend the available landmass, which is currently prohibited.

As a result of due diligence and public engagement, City staff are in a position to recommend PortsToronto's "Option 1" as the most efficient option for meeting RESA compliance by the federal regulatory deadline. Accordingly, this report recommends that City Council authorize a limited Tripartite Agreement amendment to permit the essential land mass expansion required for Option 1. This would be a limited, technical amendment to permit limited lakefill works to achieve RESA compliance most quickly.

City Council's adoption of the recommendations in this report would indicate the City's support for the completion of Option 1 and provide clarity to PortsToronto's Board of Directors on the extent of City approvals that will be provided to enable RESA compliance.

Providing permission for essential land mass expansion (and thus limited lakefill works) will focus the project as a compliance effort and encourage PortsToronto to ensure delivery of an essential and time-sensitive public safety upgrade for this important transportation asset.

Providing permission for the lakefill required for RESA Option 1 represents a balanced approach that preserves the airport's existing commercial operations (thus maintaining its contribution to the city's economy) while having the lowest possible incremental impacts to livability on Toronto's waterfront. City Council approval of the lakefill required for Option 1 would in effect be a continuation of 'status quo' from a waterfront revitalization perspective.

Among the RESA options under study by PortsToronto, Option 1 represents a focused scope of work which is:

- The lowest risk scenario to achieving the mandated federal safety requirements by the July 12, 2027 federal deadline;
- Has a considerably lower project cost;
- Avoids the need for additional planning approvals, such as an Official Plan Amendment, which would add additional time; and,
- Provides the shortest construction timeline and smallest scope of lakefill, resulting in minimum disruption over two and a half years to residents and recreational activities within the surrounding area.

PortsToronto has also requested an extension to the lease to provide for a longer window for RESA financing, as well as greater operational and planning certainty; the request is for the agreement to run for 48 years from 2025, meaning an extension of term from 2033 to 2073 (an extra 40 years). Further, PortsToronto has proposed related/ancillary airport infrastructure and safety upgrades that could be enabled by expanded lakefill scope. Due to RESA compliance timelines, PortsToronto has requested City Council direction on their desired amendments to the Tripartite Agreement by November 29, 2024, and for a new or amended Tripartite Agreement, to be signed by the parties, by January 31, 2025.

City staff are not recommending changes to the term of the Tripartite Agreement in this report, as this issue is also best considered as a part of an airport master planning exercise and following robust public consultation.

City staff note that the ancillary works that are proposed in more complex RESA options, as well as other items, could be implemented later, in an incremental fashion, and are best considered in the context of an airport master planning exercise. This would allow for a holistic study while avoiding building these items into a considerably larger size RESA project that has additional cost, risk and complexity associated with non-essential (to the RESA project) lakefill works.

City staff are also not making a recommendation that would result in a material and immediate impact to airport operations, such as not taking a position on RESA compliance, reducing declared runway distances or implementing an Engineered Material Arresting System (EMAS) option. These options represent significant changes and would have wide ranging implications on matters which have not been studied since the last comprehensive airport proposal in 2014. Rather the study of broader issues is better considered as a part of a fulsome public conversation in the context of an airport master planning exercise.

PortsToronto and some stakeholders have raised the need for a broader public discussion on the future of the airport. With the focus on RESA compliance, PortsToronto, Transport Canada and the City have not fully explored how such a public discussion could occur. Further, BBTCA's airport master plan was last updated in 2018 with best practices dictating an update every ten years. PortsToronto has previously committed to updating its master plan every five years. Accordingly, this report recommends that staff be authorized to participate in discussions with PortsToronto and Transport Canada on the need for an update to the airport's 2018 master plan and be directed to report to Executive Committee in 2025 on the framework, including funding requirements, required for such a process. It is important that the parties work together to develop a process to guide this larger discussion and agree on its timelines. An effective process would seek to promote robust engagement, allow for thoughtful consideration of the issues involved, and provide transparency and accountability in decision making.

The recommendations outlined in this report would allow for RESA implementation by the 2027 deadline, while separating this safety objective from the much larger discussion about the airport in the context of broader City goals. City staff are recommending this approach to provide the time and space for robust and thoughtful consideration about an update to the airport master plan and the possible comprehensive review and renewal of the Tripartite Agreement.

Previous City Council directions and City policies acknowledge the complexities of a downtown airport including the land-use compatibility challenges in the Bathurst Quay neighbourhood, the City's broader objectives related to waterfront revitalization, including building more housing, and the regional economic importance of this unique transportation asset.

In 2000, the vision document Our Toronto Waterfront: Gateway to a New Canada, set out a new direction for the waterfront to become a "model to the world of how economic development, environmental protection and cultural and recreational growth can complement each other... [creating] a place to play, live and work." While the vision has evolved, including through the core principles of the Central Waterfront Secondary Plan and the renewed priorities of the Next Phase of Waterfront Revitalization, what is unchanged is the idea that waterfront revitalization offers a unique opportunity to address complex, often intersecting challenges to create a prosperous, vibrant and livable city. This includes the need to balance public policy objectives as we continue to recover, renew and enhance Toronto's global competitiveness. A downtown airport is an asset that can support Toronto and the region's economy by contributing to key sectors such as film and culture, innovation & technology, life sciences and cleantech, while enhancing the visitor economy.

As detailed further below City Council authority for RESA Option 1 and direction for staff to work with Transport Canada and PortsToronto on an updated airport master plan would achieve the following public policy objectives:

- Encourage compliance with relevant City of Toronto Official Plan lakefill policies, which limit lakefill to meeting the needs of "essential public works."
- Reinforce the core principles of the Central Waterfront Secondary Plan and the principles which guide the Next Phase of Waterfront Revitalization.
- Create the space for a longer-term discussion to occur about the airport master planning process and the possible comprehensive review and renewal of the Tripartite Agreement.

Next Steps for RESA

Following City Council decision making, the next steps on RESA will largely be determined by PortsToronto, which will complete its Environmental Assessment and identify a preferred option.

Should PortsToronto select their current Option 1 as a compliance-focused RESA design that is limited to essential lakefill works, the RESA project could proceed in short order and maintain the critical path required for compliance by 2027. In this scenario, PortsToronto may refine their approach following City Council approvals since the Environmental Assessment is ongoing.

Should PortsToronto pursue a RESA option that is substantially scoped beyond Option 1 and the essential lakefill works required to achieve RESA compliance, other City processes such as an Official Plan Amendment would be required. An Official Plan Amendment for example would require submission of an application with a number of information items (plans, reports and studies) that may be required to assess proposals and the completeness of applications. Community consultation meetings are requirements in the Official Plan Amendment process. Staff evaluate requests for site specific Official Plan Amendments through a rigorous process that includes reports to committee and Council, public consultation, and an appeal period. Additional processes and approvals would add to project timelines and could have a negative impact on achieving RESA compliance by the federal deadline.

Next Steps for Airport Master Planning

Subject to City Council approval, City staff will enter further discussions with PortsToronto and Transport Canada on an airport master planning process that would set out a clear and transparent framework to guide an upcoming public process. City staff will report back on these matters in 2025.

RECOMMENDATIONS

The Deputy City Manager, Development and Growth Services recommends that:

- 1. City Council authorize the Deputy City Manager, Development and Growth Services, working with the Director, Waterfront Secretariat, to consider the detailed RESA designs provided by PortsToronto and based on those designs, to negotiate and execute an amendment to the Tripartite Agreement to permit a landmass extension that meets the RESA compliance requirements consistent with RESA Option 1 and as substantially outlined in Attachment 2, in a form satisfactory to the City Solicitor.
- 2. City Council direct that the execution of the amendment to the Tripartite Agreement authorized by Recommendation 1 be subject to PortsToronto fulfilling the following conditions, to the satisfaction of the Deputy City Manager, Development and Growth Services, working with the Director, Waterfront Secretariat and the City Solicitor:
 - a. completing the RESA Environmental Assessment;
 - b. engaging Toronto and Region Conservation Authority to leverage their shoreline expertise throughout detailed design and implementation and present detailed RESA designs to Aquatic Habitat Toronto for input and advice on habitat compensations strategies that advance the objectives of the Toronto Waterfront Aquatic Habitat Restoration Strategy:
 - c. developing a RESA construction management plan that minimizes community impacts including overnight work; and
 - d. developing a traffic management plan related to construction activities.
- 3. City Council direct the City Manager and/or delegate(s) to participate in discussions with PortsToronto and Transport Canada on a process to update the 2018 airport master plan in advance of the 2033 expiry of the Tripartite Agreement, and report to Executive Committee in 2025 with a framework to guide this process, including funding requirements, which takes into consideration the City's overall vision for waterfront revitalization, economic development and the City's housing targets.

FINANCIAL IMPACT

Costs related to construction of Runway End Safety Areas (RESA) will be borne exclusively by PortsToronto as airport owner and operator.

The City Planning division has advanced the City's role as outlined in this report within existing approved budgets. This included securing \$125,000 in specialized aviation consulting services and \$50,000 in public and Indigenous engagement support in 2023

and 2024. These services were required on an urgent and specialized basis to provide staff with technical inputs to respond to an evolving PortsToronto workplan related to RESA; they were procured on a non-competitive basis under existing delegated authorities.

Future year requirements will be addressed in the 2025 report to Executive Committee and in future year budget submissions.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On April 1, 2014, City Council adopted item 2014.EX40.1 - Request to Amend the Tripartite Agreement for Billy Bishop Toronto City Airport. Among other things, it authorized the Deputy City Manager to negotiate with the Toronto Port Authority and Transport Canada on a phased framework for managing growth at Billy Bishop Toronto City Airport.

https://secure.toronto.ca/council/agenda-item.do?item=2014.EX40.1

ISSUE BACKGROUND

Billy Bishop Airport and the Tripartite Agreement

The Billy Bishop Toronto City Airport (BBTCA), commonly known as the island airport, was opened in 1939 as the primary airport for Toronto. That function was succeeded by Toronto Pearson International Airport which has served as the primary commercial airport for the Greater Toronto Area since the 1940's.

In 1983, the City of Toronto, Toronto Harbour Commission (superseded by the Toronto Port Authority, which is now operating as PortsToronto) and the Government of Canada (represented by the Minister of Transport) entered into an agreement (the "Tripartite Agreement") for the lease of the airport lands for a term of 50 years (to 2033). The total land area of the airport is approximately 85 hectares, of which, 66.8 hectares (78.6 per cent) is owned by PortsToronto, 17 hectares (20 per cent) by the City of Toronto, and 1.2 hectares (1.4 per cent) by the federal government. The Agreement was amended twice in its history - once in 1985 to permit Dash-8 aircraft, and again in 2003 to permit a fixed link whose approval was ultimately revoked. The Tripartite Agreement can be found here: https://www.toronto.ca/city-government/planning-development/waterfront/current-projects/billy-bishop-toronto-city-airport-initiatives/

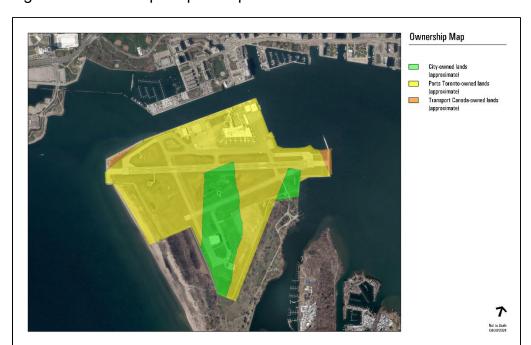


Figure 1 - Ownership Map of Airport Lands

BBTCA is the subject of federal Airport Zoning Regulations (AZRs) which prohibit development over a certain height in an area extending east and west of the main runway. Also in place are airport specific procedures that guide the movement of airplanes, including for missed approaches such as in bad weather. The area covered by procedures is broader and extends into Downtown Toronto and covers Villiers Island in the Port Lands.

The airport has and continues to operate safely, as is required under federal Canadian Aviation Regulations. While aviation and aeronautics are under federal jurisdiction, the City's land ownership and the Tripartite Agreement provide the City with a role in decision making related to the airport. In addition to being a lease, the Tripartite Agreement governs the growth and operation of the airport by PortsToronto via specific terms regarding types of aircraft permitted to operate at the airport, hours of operation, noise limitations, and limits on access. These measures include late-night curfews, restrictions on aircraft (such as not permitting jet powered aircraft), restrictions that prevent the expansion of the runway or landmass, and a Noise Exposure Forecast (NEF) contour that is applied to limit the aggregate aviation noise that is permissible. Federal regulation under the Canada Marine Act expressly prohibits the creation of a bridge or similar fixed link between the mainland and the Toronto Islands except for a pedestrian tunnel.

The Tripartite Agreement is a mechanism to manage community impacts of the airport with the various restrictions on aircraft, runway extensions, evening flights and the NEF working together to prevent unmitigated growth. On a day-to-day basis only the NEF, restrictions on aircraft and the prohibition on the runway extension serve as compliance tools in the Tripartite Agreement to limit aircraft activity at the airport.

The application of the Tripartite Agreement over time, particularly as both the airport and the central waterfront's mixed-use communities have grown and intensified, has revealed limitations on this approach. For example, the NEF does not take into consideration ground-based sources of noise, such as when airplanes undertake start-up procedures and are taxiing or queueing to the runway for take-off, which are historically the subject of significant complaints. Also, the number of permissible airplane movements can grow as airplane fleets change such as if general aviation capacity were to be reduced and replaced with more commercial aircraft movements. Further the impact of noise and traffic congestion for example are most acute at peak periods of activity, which is not something that is considered within the existing NEF nor other elements of the Tripartite Agreement. In sum, the existing agreement makes it difficult to determine the theoretical capacity of the airport, its associated infrastructure needs and its overall impact.

As of 2006, annual passenger volumes were approximately 26,000. In 2006, Porter Airlines initiated commercial operations at BBTCA with a fleet of Bombardier Q400 turboprop aircraft serving various destinations within the range of their aircraft. In 2011, Air Canada reinstated limited operations at BBTCA with similar aircraft. Operations have grown continuously with the addition of new routes and increased frequency of service. In addition, Connect Airlines from the United States has noted its intention and interest in bringing bring more cross-border services to BBTCA. The airport also serves the general aviation community (corporate and private aircraft) and others such as Ornge air ambulance, regional carriers, a flight school, and helicopter services (tours, etc.).

Pre-pandemic, the airport handled approximately 2.8 million passengers per year (enplaned and deplaned) in addition to general aviation and other operations. At that time BBTCA was the ninth busiest airport in Canada. Commercial service was suspended in mid-March 2020 and did not resume until September 8, 2021. As recovery continues, passenger levels have risen year over year. In 2023, BBTCA reached over 2 million passengers.

The Porter Proposal and Other Events

In early 2013, Porter Airlines requested that the parties to the Tripartite Agreement consider amendments that would permit CS-100 jet aircraft at BBTCA. This included a request to approve a 168-metre extension to the landmass on each runway end (total of 336 metres) to allow for a runway expansion for the jet aircraft and also allow for an extended runway end safety area. The request was later increased to be an addition of 200 meters on each runway end (400 metres in total). PortsToronto, as airport owner and operator, responded to City Council's requests for further studies.

Several studies and consultations were initiated as a part of this process, which included multiple reports to City Council over a two-year period. Of note was an Environmental Assessment-like study for the proposed runway extension that was initiated in 2014 but was never publicly released. The scope of this study can be found here:

https://www.portstoronto.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/10ra 2 015-08-25 EA-ToR 60328546.pdf

In November 2015 the Federal Minister of Transport announced that the Government of Canada would "not re-open the tripartite agreement" thus effectively putting a stop to the initiative. PortsToronto subsequently wound down the assessment study process that was underway.

Other events from 2013-2015 included:

- A 2013 settlement between PortsToronto and the City on long-standing issues related to Payments-in-Lieu-of-Taxes for BBTCA and other properties. This resulted in revised provincial regulation so that PortsToronto provides the City with a per passenger amount for BBTCA, similar to Toronto Pearson International Airport; and
- In 2015, PortsToronto and its private sector partners completed the pedestrian tunnel. This was facilitated by the City through necessary approvals and easements. The City and PortsToronto also collaborated to locate the tunnel on City-owned dockwall and for the tunnel to accommodate City-owned (Toronto Water) infrastructure. This collaboration resulted in efficiencies and cost savings for both parties.

The Concept of Managed Growth

City Council's last decision on the Porter Proposal was made on April 1, 2014 (2014.EX40.1) when staff was authorized to negotiate an amended Tripartite Agreement, subject to the satisfactory implementation of several measures. These measures were contained within a phased framework for managing growth which focused on the number of annual and peak hour passengers and flight (slots).

This approach was intended to address the limitations of the existing Tripartite Agreement in managing the airport's growth (primarily through NEF contours and restrictions on permissible aircraft) and provided an alternative approach that could take into consideration other factors including the number of peak arrivals/departures and passenger (and traffic) volumes which create an impact for adjacent residents and visitors across the central waterfront.

City Council in 2014 also authorized negotiation of conditions precedent that would need to be fulfilled to facilitate the airport's phased growth. The considerations raised by Council included the need to develop an Airport Master Plan, to undertake additional studies related to the environment, consider issues like the need to preserve general aviation uses, and to introduce mitigation measures to address traffic congestion, emissions, public realm impacts, noise from aircraft and maintenance operations and groundside conflicts, in order to provide better conditions in the neighbourhoods surrounding the airport, including the Bathurst Quay neighbourhood.

City Council's decision, made before the Federal Minister's announcement, did not support or reject any airport expansion or the introduction of jets. Rather it set out an approach to obtain more information from PortsToronto and Transport Canada that would allow for further analysis. It also set out a preferred approach to managing growth (by focusing on number of passengers and flights) should the proposal have moved forward.

The Porter Proposal effectively ended with the Federal Minister's announcement. However, growth management at the airport, including managing land uses and community impacts in and around Bathurst Quay, continues to be implemented to this day.

2018 Airport Master Plan and Recent Initiatives

Following the 2013-2015 deliberations, PortsToronto initiated the Ground Run Up Enclosure Project and developed a new Airport Master Plan.

In 2017, PortsToronto put the Ground Run-Up Enclosure (GRE) into service which mitigates noise during engine maintenance run-ups which are required by Transport Canada. The GRE was requested by the City in 2013 as a measure to mitigate ground based noise that is not controlled under the Tripartite Agreement. The GRE was completed through a City technical review and approval process under the Tripartite Agreement. The City's review and approval process was customized for aviation-related issues but was modelled on a typical Site Plan Control process, which included public consultation, circulation to divisions/agencies and with "complete submission" requirements. The GRE is constructed on City-owned land that is leased to PortsToronto within the terms of the Tripartite Agreement.

The 2018 Airport Master Plan was published in November 2019 and sets out the Airport's vision "to be the global leader in how a modern airport operates in an urban environment" with a mission that includes continuous improvement in areas such as noise mitigation, environmental protection and air quality and community initiatives and engagement. The 2018 Airport Master Plan can be found here:

https://www.portstoronto.com/Media/PortsToronto/PortsToronto/Documents/Airport/Billy-Bishop-Airport-Master-Plan-2019-Web.pdf

The Master Plan outlines PortsToronto's commitment to a voluntary growth strategy with plans to grow from 202 commercial slots (slots are either a landing or a take off) to up to 246 slots by the late 2020s. The approval of slot increases by PortsToronto is discretionary based on market demand, and is not contingent on the successful completion of any agreed-upon mitigation measures.

In 2022, PortsToronto management noted that the number of slots would grow to 246 in 2023 in response to air carrier demand (noting that actual flight activity was still below these levels). Modelling from the Master Plan exercise states that under the existing Tripartite Agreement the airport could theoretically grow to well above 300 daily slots for scheduled commercial aircraft, serving approximately four million commercial passengers a year. This represents a theoretical growth limit that is approximately five to seven times greater than was anticipated when the original terms of the 1983 Tripartite Agreement were approved.

The Master Plan lays out a set of recommendations covering infrastructure, access, and community impacts. It did not contemplate revisions to the runways except for the introduction of Runway End Safety Areas (see below). At the time the last Airport Master Plan was released, it was noted that PortsToronto would prepare airport master plans every ten years with updates every five years. This is more frequent than major

airports, which are required by Transport Canada to update their airport master plans every ten years as per their ground leases with the federal government.

Some recent measures undertaken by PortsToronto include:

- Ongoing meetings of the Community Liaison Committee and the Noise Management Sub-Committee;
- Electrification of the BBTCA ferry fleet;
- Electrification of Airport buses (by the passenger terminal owner, Nieuport);
- Implementation of improved public space, and the introduction of a sculpture recognizing the Mississaugas of the Credit First Nation, on the Airport side adjacent to the terminal building; and
- Initiation of a ground noise study.

In addition, the Bathurst Quay Neighbourhood Association (BQNA), the City, including Toronto Public Health and PortsToronto collaborated on a community-initiated air quality study with the University of Toronto. The study objectives include an assessment of air pollution exposure, its main sources and measures to reduce air pollution. Reports were finalized and released in early 2024 and will inform future policy and program development. This remains an active area of discussion, including with the local community. The reports can be found here: https://positivezero.civmin.utoronto.ca/bgna/

The City continues to advance recommendations of the 2018 City Council approved Bathurst Quay Neighbourhood Plan which sets out a long-term vision for the Bathurst Quay community, located directly adjacent to the airport, as well as its ferry terminal and taxi corral, and is supported by an implementation strategy. The range of recommendations both completed and being actively advanced include improvements to public realm, pedestrian and transportation infrastructure; water's edge access and dockwall rehabilitation; the rehabilitation and re-use of heritage buildings on the Canada Malting property (including the heritage malting silos and the Corleck Building); and the creation of new and improved open space and park facilities.

Together, the work on the Master Plan and implementation of the Bathurst Quay Neighbourhood Plan has facilitated incremental improvements to local conditions. Community members and local neighbourhood associations continue to identify challenges related to airport construction activities (including overnight work), issues related to operations (including management of parking lots and traffic), and the noise and air quality impacts of both flight and ground-based activities.

Federal Activities

Through recent years, the Government of Canada has taken several measures to support Port Authorities and Airports across the country. Measures have also been announced to improve governance, accountability, engagement, operations and climate action.

Relevant initiatives include:

A 2019 study issued by the House of Commons Committee on Transportation,
 Infrastructure and Communities titled "Assessing the Impact of Aircraft Noise in the

- Vicinity of Major Canadian Airports." The report made multiple recommendations on improving noise measurement and management. The government response at the time indicated in principle support for many of the report's recommendations;
- Publication in 2021 of final regulations to require RESAs, which is further detailed below. Transport Canada initiated consultations on RESAs with stakeholders in 2010, while the proposed amendments to RESA were published to Canada Gazette in 2020;
- In 2022, BBTCA received \$10.9 million in federal support for operations and infrastructure improvements under the Airport Critical Infrastructure Program (ACIP) This was in addition to \$3.1 million in relief from the Airport Relief Fund provided to PortsToronto during the pandemic to offset operating impacts;
- PortsToronto was also waived from the requirement to pay its gross revenue charge from March 2020 until December 2021 as part of the Government's rent relief program;
- Release of an Aviation Climate Action Plan in 2022;
- Tabling of Bill C-33 in the House of Commons in 2022, which among other things, is meant to implement changes to Port Authority governance and operations. This includes requirements for Port Authorities to develop Climate Change plans, Adaptation plans, and improve engagement with local communities and Indigenous peoples;
- Initiation of a study on airport capacity needs in Southern Ontario, which was announced in April 2023 and is currently ongoing. Transport Canada has hired an aviation professional services contractor to help analyze the current and future airport supply and demand in southern Ontario and assist in scoping the requirements for a comprehensive study as well as a formal consultation process;
- Announced a commitment for up to \$30 million in funding for a United States
 Customs and Border Protection pre-clearance facility at BBTCA which was first
 announced as a federal policy priority in 2018.

City Land-Use Policy Framework Relevant to RESA

As noted earlier, the waterfront is a complex planning environment.

Official Plan

The airport lands are in the Green Space System on Map 2 (Urban Structure) of the Official Plan, with the majority of the land designated as Parks on Map 18 (Land Use Plan). The water's edge around the airport, and the western portion of the airport are designated as Natural Areas in the Official Plan.

Airport lands include areas of archeological potential, while areas to the west and south of the airport are recognized as part of the Natural Heritage System (Map 9) and includes Environmentally Significant Areas (Map 12A) and is adjacent to a Provincially Significant Wetland (Map 12B).

Multiple chapters of the Official Plan are applicable including but not limited to policies related to Toronto's Green Space System and Waterfront, the Natural Environment, Creating a Strong and Diverse Civic Economy, and Parks and Open Space Areas.

As noted in Chapter 3 of the Official Plan, major facilities such as airports and sensitive land uses such as residences are to be appropriately designed, buffered and/or separated from each other to prevent adverse effects. Both the Provincial Policy Statement 2020 and the new Provincial Planning Statement 2024, acknowledge the importance of airports and protecting them when making land use decisions.

Natural Environment policies in the Official Plan specifically address lakefilling projects in Lake Ontario, indicating that such will only be supported only where the:

- Land created will be used for natural habitat, public recreation or essential public works;
- Project has been the subject of an Environmental Assessment that ensures
 protection or enhancement of water quality and quantity and terrestrial and aquatic
 habitat; and
- Project does not create new or aggravate existing natural hazards.

Parks designated areas generally prohibit development with certain exceptions, including for essential public works. Policies applicable to lands designated Parks discourage the sale or disposal of publicly owned lands in those areas.

The Official Plan directly addresses BBTCA through Site and Area Specific Policy (SASP) 194. SASP 194 requires that the airport operate in accordance with the Tripartite Agreement and notes that revisions to the Tripartite Agreement "may be undertaken, provided that the City is satisfied that improvements to airport facilities and operations can be made without adverse impacts on the surrounding residential and recreational environment."

There are a number of additional SASPs that provide an additional policy direction. At a high level, these include:

- SASP 192 which notes that public transport will be provided to the Toronto Islands year round;
- SASPs 185-188 which allow for parking and access facilities and the Ferry Slip; and
- SASP 189, which outlines policies related to the Bathurst Quay Neighbourhood Plan.

Central Waterfront Secondary Plan and the Downtown Secondary Plan

While the Central Waterfront Secondary Plan and Downtown Secondary Plan do not include the airport lands, both include policies that help to inform the review of changes to the airport lands contemplated to address RESA requirements.

The policies of the Central Waterfront Secondary Plan articulate the vision for development along the Central waterfront including within the area of Bathurst Quay. The Central Waterfront Secondary Plan notes among other things that "waterfront renewal will not be treated as a specific project with a defined finishing point. Rather, it will be managed as an ongoing, phased effort, part of the much larger city-wide context that will carry on over decades." The Secondary Plan is built on four core principles:

- Removing Barriers/Making Connections;
- Building a Network of Spectacular Waterfront Parks and Public Spaces;
- Promoting a Clean and Green Environment; and

Creating Dynamic and Diverse New Communities.

Included in the land use policy framework for the airport lands are directions outlined in the Downtown Secondary Plan which apply to the city centre and are to be read in conjunction with the Central Waterfront Secondary Plan. Various elements of the Downtown Secondary Plan are relevant in the context of BBTCA including policies surrounding connectivity (Policy 3.7 - providing linkages to BBTCA) and mobility (Policy 8.19 - improving transit access to waterfront destinations including BBTCA). The Parks and Public Realm policies of the Downtown Plan are also relevant including the Downtown Parks and Public Realm Plan and initiatives such as the Core Circle and The Blue Park which seek to connect natural features and sustain the long-term health of our natural systems, including the protection of the ecological functions and natural features of the Toronto Islands. More broadly, the Downtown Secondary Plan highlights the vision for downtown as a global hub and an economic driver for the city, region, province and country. The two secondary plans complement each other, and a key aspect of waterfront revitalization will be to support the prosperity and liveability of the downtown, including by ensuring there is space for businesses to grow.

The Next Phase of Waterfront Revitalization

Complementary to the City's land-use policies along the waterfront is the vision set out regarding the next phase of Waterfront Revitalization. On July 19, 2022, City Council endorsed four interconnected priorities to guide this work:

- · Strategic and inclusive economic development;
- Truth, justice and reconciliation, including through Indigenous engagement;
- Equity, inclusion and access, including through housing and community benefits;
 and
- Climate resilience and sustainability.

The four interconnected priorities focus on the societal challenges that matter most today and outline shared public objectives that should guide investments and project planning, design and implementation along the waterfront. More information can be found here: https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.10

COMMENTS

Runway End Safety Areas

In 2021 the Government of Canada published final regulations that mandated Runway End Safety Areas (RESA) at airports across Canada. RESAs are a compact, level and obstacle-free area past the ends of the declared runway distance, and are created to mitigate the impact when an airplane over or under shoots at either end of the runway.

Previous to RESA regulations, airports were required to have a 60-metre safety area. Federal regulations require that RESAs provide an additional 90 metres or more in length at the end of the runways, at twice the width of the existing runway. In total, this means they are to have 150 meters of safety length. These regulations apply to

runways that provide commercial service, and apply to airports that are either listed in the regulations or airports that reach 325,000 passengers per year for two consecutive years. The Government of Canada notes that 150 metres is expected to contain 90% of runway excursions (based on historical data) and that some airports have instituted longer safety areas (300 metres) as per international recommendations.

As per regulations, RESA compliance can be achieved in different ways including:

- Increasing the size of the safety area outside of the runway (i.e., adding additional levelled surface);
- Reducing the declared distance of the runway (i.e., taking some of the levelled surface of the runway and allocating that as a RESA without making any physical changes);
- Installing an Engineered Material Arresting System (EMAS) which is a ground covering material, installed outside the runway ends, that can absorb the energy of an aircraft when it overshoots or undershoots. The material would compress under the weight of an aircraft. Once the material is "used", it must be repaired, and the runway is out of service until the material is restored to full capability; and
- A combination of the above options.

The potential for regulations was first raised by Transport Canada in 2010 with several draft proposals having been circulated to aviation stakeholders before being finalized.

Airport owners and operators are responsible for meeting RESA regulations and they can determine how they would like to meet the federal requirements. On its own, the RESA regulations are a safety requirement and do not require airports to make other changes including those that could improve airport operations or expand or enhance airport capacity.

RESA at BBTCA

Existing conditions at BBTCA include:

- Runway 08-26 provides scheduled commercial service and will be the only one that requires compliance with the new RESA requirements;
- Runway 08-26 has a declared distance of 1,216 metres (3,988 feet) and a width of 45 metres (150 feet); and
- The existing available landmass along runway centerline is approximately 1,430 metres, with approximately 107 metres of available space beyond each of the Runway 08-26 ends.

The difference between the landmass available and the total length required for the safety requirement (150 metres) is approximately 43 metres on each end. In other words, a minimum of an additional 43 metres would be needed on each end (total of 86 metres) either by adding landmass, reducing the declared distance or a combination of the two. Alternatively, an EMAS could be installed, whose design (and size) would be based on its technical ability to stop an aircraft. Due to wave action and ice accretion, PortsToronto has noted that the installation of an EMAS would also require changes to the land mass including breakwaters to protect its function.

A preliminary overview of RESA was outlined by PortsToronto in the BBTCA 2018 Master Plan. While federal regulations were not finalized at that time, the Master Plan noted that draft regulatory proposals for RESA were tabled in 2016 and then went on to outline the options available at BBTCA to implement RESAs. The Master Plan noted several considerations that would need to be taken in making this decision. At the time PortsToronto raised the possibility of requiring an extension to the landmass, identified possible issues related to EMAS implementation, and noted that reducing declared distances of the runway was not feasible due to the impacts on commercial operations.

In comments sent to Transport Canada on the draft federal RESA regulations in 2020, PortsToronto, "outlined the financial challenges it faces in complying with RESA requirements due to its finite landmass, the surrounding marine environment and the inability to reduce or increase existing published declared runway distances." Further in its comments, PortsToronto noted that "EMAS would be Billy-Bishop's most cost-efficient option, evaluated at approximately \$30-35 million" at that time. Billy Bishop commented that it will further explore the EMAS option before a final decision is made on a required landmass expansion."

On July 12, 2024, Transport Canada confirmed to PortsToronto that, as BBTCA had exceeded the passenger levels threshold (325,000 per year for two consecutive years), the new RESA requirements would be triggered. Accordingly, PortsToronto must implement RESAs by July 12, 2027 to meet Transport Canada regulatory requirements. This correspondence can be found in Attachment 1.

The three signatories to the Tripartite Agreement have a role to play to ensure RESA compliance can be achieved. As airport operator, PortsToronto is responsible for determining how they will meet their RESA obligations and is responsible for the costs for doing so. Both PortsToronto and Transport Canada have indicated that implementation of RESA at BBTCA will require amendments to the Tripartite Agreement. The City's approval role is thus focussed on a review of PortsToronto's proposed RESA options.

Early Discussions on RESA Implementation

With RESA implementation required by mid-2027, PortsToronto initiated discussions with City and Transport Canada staff in early 2023. At the time, PortsToronto identified the need to implement RESA and indicated a desire to review other areas of the Tripartite Agreement that it saw as outdated.

In 2023, the parties discussed the need to focus on the RESA compliance deadline of 2027 and the critical path required to get there. This included discussion about the RESA options that could be available (as presented in the 2018 Airport Master Plan), the technical studies that may be required, the PortsToronto approach to Indigenous engagement, and overall public consultation expectations. Staff also sought to understand the processes and approvals that would be required by each party to implement RESA and to identify any terms in the Tripartite Agreement which could be implicated.

In September 2023, PortsToronto issued procurement documents for a RESA Technical Study. In November 2023, a separate request for proposals was issued to initiate studies that could inform a future Airport Master Plan and Managed Growth Strategy. PortsToronto provided updates on these procurements to the Airport Community Liaison Committee.

In late 2023, PortsToronto requested a formalized governance structure with senior staff from both Transport Canada and the City to discuss the path forward for RESA and a broader review of the Tripartite Agreement. It was at this time that PortsToronto requested that the City's Executive Committee be provided a recommendation no later than November 29, 2024, and that a new or amended Tripartite Agreement be signed by the parties by January 31, 2025.

In early 2024 PortsToronto agreed that focus was needed on RESA compliance and that other matters could be addressed at a later date.

In April 2024, Transport Canada acknowledged that RESA implementation would require changes to the 1983 Tripartite Agreement, and noted that the number and breadth of possible, necessary amendments to the Agreement will be brought forward by Ports Toronto as airport owner and operator.

Findings from PortsToronto's RESA Technical Study were provided to City staff in April 2024. In June 2024, following review of the RESA technical study, City staff provided an overview of the City requirements that may apply to RESA (as detailed below).

PortsToronto Technical Assessment and RESA Options

PortsToronto issued procurement documents for a preliminary RESA Technical Study in September 2023 to evaluate various RESA alternatives and inform a subsequent detailed review process that would include public consultation.

The study was meant to investigate RESA and other possible improvements including the ability of an expanded lakefill scope to address noise concerns and improve operations by making changes to airplane taxiways and service roads. The study was not intended to address runway extensions or have any effect on normal runway operations, runway capacity, or aircraft types using the runway.

The study began with six RESA options. As a PortsToronto objective was to preserve the utility and efficiency of the runway for the Dash-8 400 (also known as the Q400), it was determined that reductions in runway distances or a lower level of service would not be considered. As a result, PortsToronto determined that several options were unviable as they would have materially impacted the existing commercial capacity of the airport; for example, the current commercial aircraft (i.e. Dash-8 400) could not use a runway which was shortened to accommodate a RESA on the existing landmass.

As a result, two options were not carried forward for further study: 1) reducing the declared distance of the runway, and 2) reducing the declared distance a smaller amount by moving the thresholds where an airplane can start landing.

Another key parameter of the RESA study was that options were not to impact the Marine Exclusion Zone (MEZ). In other words, RESA implementation was not to further limit boating around the airport. This study confirmed that all the RESA options being considered by PortsToronto required some amount of lakefill activity and that all lakefill could be accommodated within the existing MEZ.

As the RESA study was being completed, PortsToronto received confirmation from the Impact Assessment Agency of Canada that a federal Impact Assessment was not required. As the airport is federal jurisdiction the provincial Environmental Assessment Act also does not apply.

PortsToronto has however begun an Environmental Assessment (EA) process, noting that it was a best practice and was also required to address the City's Official Plan policies related to lakefill and the natural environment. As per PortsToronto, the RESA project at BBTCA is following the environmental requirements and consultation & engagement protocols that are laid out under the Federal Impact Assessment Act, as well as the Provincial Environmental Assessment Act.

PortsToronto has engaged AECOM to lead the study and the Toronto Region Conservation Authority (TRCA) is playing an advisory role on the project team providing data and monitoring services related to lakefill design and associated fisheries habitat compensation requirements in line with Toronto waterfront aquatic habitat restoration priorities. PortsToronto has also met with Aquatic Habitat Toronto to obtain advice on the RESA project and understand aquatic related approvals. Aquatic Habitat Toronto (AHT) is a partnership between agencies with a vested interest in the improvement of aquatic habitat on the Toronto Waterfront. Partners include Fisheries and Oceans Canada (DFO), Ministry of Natural Resources and Forestry, and Toronto and Region Conservation Authority (TRCA) in consultation with City of Toronto.

City staff recommend that the execution of the amendment to the Tripartite Agreement to permit RESA Option 1 be subject to PortsToronto continuing its engagement with Toronto and Region Conservation Authority to leverage their shoreline expertise throughout detailed design and implementation and presenting detailed RESA designs to Aquatic Habitat Toronto for input and advice on habitat compensations strategies that advance the objectives of the Toronto Waterfront Aquatic Habitat Restoration Strategy.

PortsToronto's public consultation and Environmental Assessment are ongoing.

PortsToronto's EA is being done in two phases:

- Phase 1 (June July 2024) Gap Analysis: Determines what is needed relative to what is already known from previous studies. It will identify additional information required to establish environmental baseline conditions and recommend actions to be taken through the next EA phase (e.g., updated field investigations). Previous studies to be reviewed include the EA undertaken in relation to the Porter Proposal, which was within and adjacent to the RESA EA study area; and
- Phase 2 (July December 2024) RESA EA: Includes a comprehensive evaluation
 of the RESA options considering the updated baseline and environmental
 components. PortsToronto aims to publish the final EA Study Report in January
 2025, following 30-day public review.

The final EA Study Report will include an evaluation of potential impacts concerns (e.g., natural heritage, water quality, and marine physical effects) and opportunities related to the following components. It will also include a summary of existing conditions and identification of areas of environmental concerns. Draft EA evaluation criteria have been developed to assess potential impacts and develop mitigation measures for the RESA options:

- Natural Environment (Terrestrial and Aquatic Ecosystems including Species at Risk);
- Marine Physical Environment;
- Water Quality;
- Social Environment:
- Marine Navigation;
- Air Quality;
- Noise:
- Built Form and Land Use;
- Transportation;
- Archaeology and Cultural Heritage; and
- Climate Change Vulnerability.

On July 17, 2024, PortsToronto held a public consultation to present the findings of the RESA Technical Study, to gather feedback on the RESA options, and to solicit input on the Environmental Assessment process. PortsToronto is also directly engaging the Mississaugas of the Credit First Nation and the Six Nations of the Grand River.

The PortsToronto presentation at the first public meeting outlined all six options (including those that reduced runway distances) and proposed that three options were going to be considered for further study. EMAS was originally not considered for further study but was reassessed based on public feedback. According to PortsToronto, EMAS was again ruled out due to:

- The risk associated with using a single, sole-source, non-Canadian vendor;
- Airport serviceability in the event the EMAS is used by aircraft or damaged by vehicles i.e., primary runway would be disabled for a considerable time period were the EMAS used;
- The risk associated with this being applied in a challenging, icy marine environment, particularly wave action on the west end;
- Challenges associated with maintaining the surface;
- This being Canada's first and only EMAS installation; and,
- This being the first EMAS installation in a harsh, northern climate.

Thus the Environmental Assessment and technical studies are focused on three RESA options which are summarized in the table below. Graphics of these options are provided in Attachment 3 of this report.

Figure 2 - RESA Options Being Studied by PortsToronto

	Scope, Cost and Timeline	Additional and Ancillary Elements	Lakefill Required (approx. based on conceptual study)
Option 1	A 'minimum' landmass and lakefill expansion option, to provide level ground to meet the required distance beyond the runways for a RESA. Cost - \$61-64M Estimated Construction Timeline - 2-2.5 years	- A service road around the perimeter of the airport to access the south end of the airfield - Breakwaters to provide further protection from waves/ice	West End -7,850 m ² (52m in length x 145m width) East End - 6,100 m ² (52m in length x 135m width) Total 332,000 tonnes
Option 2	A larger landmass expansion and lakefill undertaking option which would implement level ground for RESAs and allow for taxiway improvements Cost - \$93-97M Estimated Construction Timeline - 3-3.5 years	- A service road around the perimeter of the airport to access the south end of the airfield - Breakwaters to provide further protection from waves/ice - Re-routed taxiways - Relocated and new navigational aids for aircraft	West End -11,800 m² (82m in length x 145m width) East End - 11,300 m² (52 m in length x 160m width) Total 450,000 tonnes
Option 3	A larger landmass expansion and lakefill undertaking option which would implement level ground for RESAs and provide other elements. Note that this option is being refined by PortsToronto. This table reflects City staff's understanding of these refinements, which will be released by PortsToronto at its public meeting on October 15, 2024. Cost - \$169-\$175M Estimated Construction Timeline - 3-3.5 years	- Breakwaters to provide further protection from waves/ice and further flood protection at low lying area at the east end of the airport - Re-routed taxiways - A noise wall on the eastern end of the runway - A service road around the perimeter of the airport to access the south end of the airfield - A utility corridor (outside of the airport security fence)	West End -12,800 m² (82m in length x 150m width) East End - 32,700 m² (66m in length x 270m width) Total 1,500,000 tonnes

The RESA options carried forward do not directly result in an increase in the number of flights that could arrive at the airport. PortsToronto is of the view that Options 2 and 3 could improve airport efficiency and that would also allow for easier and safer access to the south end of the airfield (which is in proximity to Toronto Island Park), which PortsToronto has indicated would also facilitate leasing and revenue-generating opportunities for this currently undeveloped portion of the airport. As noted above, the City-owned land at the airport is primarily at the south end of the airfield.

PortsToronto has also noted that for each option, implementation would be structured so that the works required for RESA compliance would be implemented by the July 2027 deadline (so that compliance is achieved), with ancillary construction works coming thereafter. Further information would be needed by City staff to verify these timelines including detailed designs and a better understanding of construction methodologies.

The three RESA options considered viable by PortsToronto range in estimated cost from \$61-64 million for Option 1 to \$169-175 million for Option 3. EMAS has an estimated cost of \$39-41 million. This costing was based on indicative design (class D estimates) and does not include financing, insurance, project management or other costs that may arise as a result of additional findings from the Environmental Assessment.

PortsToronto has indicated that the project will be funded by PortsToronto (primarily through the Airport Improvement Fee) and may be financed by the private sector. PortsToronto has noted that the larger options (Options 2 and 3) would require longer timeframes for financing and amortization, triggering a request for longer extensions to the Tripartite Agreement.

PortsToronto has also initiated a federal process to increase its borrowing limits as set out under the Canada Marine Act. PortsToronto's borrowing limit is outlined in their letters patent. Currently, their aggregate borrowing cannot exceed \$52.1 million except for borrowing for the Pedestrian Tunnel (which is specifically identified at \$140 million). The federal process to update Port Authority borrowing limits typically takes a full year to complete, and PortsToronto has noted that approvals may be received by Spring 2025. City staff have requested further details on this borrowing request.

A second PortsToronto-led public meeting is scheduled for mid-October where PortsToronto will discuss the emerging findings of the Environmental Assessment, provide updated costing information, and identify their preferred option. The PortsToronto staff final preferred option, to be based on technical reviews, the findings of the environmental assessment and public consultation, and the funding and financing plan for RESA will be presented to the PortsToronto Board of Directors later this fall.

City Review and Public Consultation

As noted above, City staff are recommending approval of the essential lakefill works associated with RESA Option 1. The essential lakefill works can be characterized as the lowest cost and smallest amount of lakefill that would be necessary to achieve

regulatory compliance, as outlined in the RESA options being advanced by PortsToronto.

The City staff recommendation has been informed by several considerations ranging from the City's land-use policy framework, the Council directed approaches to waterfront revitalization, and the need to implement this critical safety improvement. Details of the staff review are provided below.

City staff review and evaluation was focussed on two main considerations: first, ensuring City-decision making conforms to the Official Plan; and second, determining whether proposed changes to the Tripartite Agreement are desirable and aligned with City policies and procedures.

City Official Plan Policies - Lakefill

As noted above, Official Plan policies outline the conditions under which lakefill could be permitted, specifically that lakefill can be supported provided that: the proposal meets the test of "essential public works"; the project is the subject of an Environmental Assessment which ensures that water quality and quantity and terrestrial and aquatic habitat will be protected or enhanced; and that the project does not create new or aggravate existing natural hazards. On these matters specifically:

- City staff have reviewed PortsToronto's RESA's options against the test (and related precedents) of "essential public work." Staff have determined that Option 1 would meet the test (and related precedents) of being an "essential public work". This is because it represents the minimum land mass (volume and length) option that is required to implement the important federal safety regulation for RESA while minimizing the impacts of scope and scale, including impacts to the local community;
- City staff have been engaged in PortsToronto's initial approach to the EA process and are working to ensure the EA criteria and scope will have the information necessary to demonstrate consistency with applicable City policies. Initial staff feedback has been provided through involvement in the project's Technical Advisory Committee, and review of the draft EA Criteria. City staff continue to provide input into the PortsToronto-led EA, including due diligence regarding impacts to water quality, habitats and natural hazards. City staff will provide additional review as more detailed analysis and technical information is provided through the EA Study Report, which may be supplemented with peer reviews by external consultants. In keeping with applicable Official Plan policy, City staff would also be seeking opportunities for appropriate enhancement of terrestrial and aquatic habitat. City staff have natural heritage consultants retained to provide additional technical review and may engage them as part of the peer review process for the EA Study Report. Subject to its satisfactory completion and its final circulation to the City and Transport Canada, City staff are prepared to accept this as meeting the Official Plan requirements related to lakefill; and
- Through the Environmental Assessment process, PortsToronto is expected to ensure that the project does not create new or aggravate existing natural hazards.

If PortsToronto chooses a different scope of work, additional processes and approvals would be required. This would include a site-specific Official Plan Amendment should any of the lakefill works proposed fail to meet the City's Official Plan policy test of supporting lakefill for "essential public works." Staff evaluate requests for site specific Official Plan Amendments through a rigorous process that includes reports to committee and Council, public consultation, and an appeal period. An Official Plan Amendment for example would require submission of an application with a number of information items (plans, reports and studies) that may be required to assess proposals and the completeness of applications.

Review of Other RESA Options

City staff have reviewed the various RESA options including not only the three options being studied by PortsToronto, but also the RESA options which were ruled out such as reducing the declared distances of the runways.

Staff consideration included review of the core priorities of the Central Waterfront Secondary Plan (CWSP), the Downtown Secondary Plan, and the four interconnected priorities for the Next Phase of Waterfront Revitalization as noted above. These policy documents are complementary and acknowledge the importance of the waterfront to the downtown including the need to balance objectives such as improving connectivity, creating dynamic and diverse communities, enhancing climate sustainability and resilience, and advancing strategic and inclusive economic development.

In this context it is important for a near-term decision on RESA to align with these efforts to ensure that they are compatible with the ongoing, phased approach to revitalization efforts. Providing permission for the lakefill required for RESA Option 1 represents a balanced approach that preserves the airport's existing commercial operations (thus maintaining its contribution to the city's economy) while having the lowest possible incremental impacts to livability on Toronto's waterfront. City Council approval of the lakefill required for Option 1 would in effect be a continuation of 'status quo' from a waterfront revitalization perspective.

City staff recognize that the other RESA options such as reducing declared runway distances may be able to help advance the principles of waterfront renewal, albeit in different ways. City staff are not recommending a decision that would result in a premature and material impact to airport operations, such as, reducing declared runway distances, implementing an Engineered Material Arresting System (EMAS) option, or taking 'no position' on RESA compliance.

These options represent more uncertain and/or significant changes and are not recommended at this time:

- Reducing the declared distance of the runway would require a substantial revision to airport operations, representing a material change to the airport's business case and having larger city building impacts in need of further evaluation;
- Implementing EMAS would reduce the lakefill required to meet RESA compliance, even further reducing community impacts as it would only require a landmass extension 14 metres in length on the west end (1,750m² of lakefill). However, City

- staff acknowledge the operational uncertainties regarding EMAS, including the possible temporary closure of the airport if it needed to be replaced; and
- As noted below RESA Options 2-3 include ancillary elements, including service roads, a utility corridor and re-routed taxiways. Further assessment is required to understand costs/benefits.

It is important to note that the full range of issues related to the airport have not been studied by the City and others since the Porter Proposal in 2014. Beyond RESA compliance, it would be premature to make any substantial decisions until a holistic discussion, and associated studies related to economic, environmental and social outcomes, is completed.

A holistic discussion in the context of an airport master plan is the best way to consider substantial changes at the airport and their alignment with City-wide revitalization priorities. Further detail is noted below.

City Review of Ancillary Elements Proposed by PortsToronto

As noted above, Options 2-3 include additional land mass expansion and/or ancillary works that are non-essential to either the existing safe operation of the airport or to meet RESA requirements. These include proposed amenities such as a new noise wall, and airport operational and safety improvements such as relocated taxiways and navigational aids, a service road around the perimeter of the airport to access the south end of the airfield, and a utility corridor (outside of the airport security fence).

City staff have conducted a preliminary review of these elements to understand their implications. Many of these initiatives require further study for the public and staff to adequately consider their costs/benefits. At this point, City staff do not recommend proceeding with added scope given that these would be better considered as part of a holistic airport master planning process, and since it adds additional risks to RESA implementation.

City staff review has been based on information provided by PortsToronto and additional technical details are required before they can adequately be considered. City review has also considered Site and Area Specific Policy 194 which notes that revisions to the Tripartite Agreement "may be undertaken, provided that the City is satisfied that improvements to airport facilities and operations can be made without adverse impacts on the surrounding residential and recreational environment."

Related considerations are:

- Measures to improve resiliency of Toronto Islands Investments to improve resiliency of airport lands, through breakwaters and other measures, would mirror ongoing work by the City and Toronto Region Conservation Authority on Toronto Island. Staff note that these outcomes were considered in all RESA options and that climate resiliency work could and should be undertaken at the airport regardless of the RESA option that is selected;
- New noise wall on the eastern end of the runway PortsToronto is undertaking further study to determine the anticipated benefits of the new noise wall that is

proposed in Option 3. It is important for the community to understand the benefits that could be realized, other noise mitigation projects that could achieve similar outcomes, and weigh them against the additional lakefill that would be required. City staff will continue to work with PortsToronto and with its Airport's Noise Sub-Committee (which includes community representatives) to assess the merits of noise mitigation measures;

New utility corridor to Toronto Islands - PortsToronto has had initial discussions with Toronto Hydro on Hydro's need to upgrade ageing infrastructure that provides power to the Toronto Islands, and the potential for this upgrade to be routed underground through additional landmass created beyond the footprint of the RESA. Toronto Hydro has noted that the existing infrastructure has reached its life expectancy. The utility corridor could also benefit other users. The airport pedestrian tunnel demonstrates a precedent for such collaboration, where City water and wastewater infrastructure was routed through the pedestrian tunnel resulting in cost savings and mutual benefits. Further technical information is required by staff to understand the drivers of this need and determine the implications of this proposed utility corridor, including the implications of possible installation of public and/or private utilities through the City-owned portion of the airport lands which are to the south of the runway. City staff will need to carefully consider implications of providing new private servicing and access over/through City-owned lands at the south end of the airfield, as this may enable an intensification of airport uses and development resulting in potential land use and environmental impacts;

Perimeter Service Road:

Safety - Thousands of vehicles cross the runways on an annual basis, including airport users, City of Toronto divisions, public agencies, contractors and other public users. Runway crossings are often prompted when the City's vehicle ferry (the Ongiara) is out of service or for vehicles that are oversized. It is important to note that the existing operation of the airport, and these routine runway crossings, are currently done in a safe manner. PortsToronto has noted that an access road which does not cross the active runway and thus does not require a call to the control tower when crossing would provide an incremental improvement to airport safety and efficiency and address a runway incursion risk that has been identified as an area of concern by the Transportation Safety Board.

With this objective in mind, City staff note that a more fulsome evaluation and discussion is required to assess the ways in which the airport and the community could reduce runway crossings and potential runway incursions. This is a discussion that is larger than the RESA project and could include analysis of a consolidated and dedicated vehicular ferry service as contemplated in the airport's 2018 Master Plan and the 2021 Marine Use Strategy, and dedicated service vehicle ferries from the Port Lands to Hanlan's and Ward's Landings as was noted in the recently adopted Toronto Island Park Master Plan. Also possible is a review of operations to explore coordinated approaches to serving the park, businesses and residents as was also noted in the recently adopted Toronto Island Park Master Plan;

- Access to the south airfield PortsToronto has noted that the access road creates a ring road that allows for improved access to all airport lands and provides 'modest development opportunities for the south airfield.' The Tripartite Agreement currently permits aviation and aviation related uses on airport lands, and past proposals for the south airfield included airplane parking, hangars and maintenance related infrastructure. Given much of it is City-owned land and is adjacent to Toronto Island Park, further considerations will be needed to assess any proposed uses including possible City approvals which may be required. Staff note that the development of the south airfield is better determined via an airport master planning exercise and should not be presumed in advance of further due diligence nor rushed to meet the RESA construction timelines;
- Potential Future Public Pathway At its July EA public meeting PortsToronto shared a concept for a roadway or public path that could potentially provide for public access around the airport. PortsToronto recently confirmed to City staff that this is no longer being contemplated or provisioned for. PortsToronto will provide an update on this issue at the time of the next EA public meeting; and
- Airport operational improvements, through re-routed Taxiways, relocated navigational aids - City staff acknowledge that the noted investments could improve airport efficiency and operations. As with the access road, these aspects should be considered holistically in the context of an updated airport master planning exercise and should not be presumed in advance of further due diligence nor rushed to meet the RESA construction timelines.

In sum, many of these initiatives require further study to adequately consider their costs/benefits. City staff do not recommend proceeding with them as they are best considered and dealt with as a part of an updated airport master plan and related future discussions.

City-led Public Engagement

Amendments to the Tripartite Agreement, triggered by the requirement for RESA, would represent a significant decision on a major City lease with city-wide implications for economic development, the ongoing revitalization of Toronto's Waterfront, and continued local impacts in the Bathurst Quay Neighbourhood. A key component to evaluating the RESA proposal was an independent City-led consultation to gather input on such an important city-wide decision. This was organized to be sequenced with, but separate from, PortsToronto's own public process.

On Tuesday, September 24, 2024, the City hosted an in-person public meeting at the Enercare Centre at Exhibition Place to share information and seek public feedback to inform the City's consideration of the RESA options at the Billy Bishop Toronto City Airport. The meeting was facilitated by Third Party Public, a Toronto-based public engagement consultant. A survey was also conducted.

There were about 250 participants. Many had a long history of being engaged on Island Airport issues, while others said they were attending their first public meeting on the topic. The participants speaking during the plenary discussion, and the clapping and

support expressed by many others in response to their comments, focused almost exclusively on concerns about the Island Airport (and the current negative impacts they experience as neighbouring residents) and/or PortsToronto. Participants supportive of current and/or future airport operations were also participating, sharing their thoughts at small table discussions and through written feedback forms. Others said that they support the airport as it functions today, but do not want to see it expand.

Participants were first asked, "What do you see as the top 1-2 factors for the City of Toronto to consider when reviewing Runway End Safety Area options? Why?"

As further outlined in the summary in Attachment 4, the public provided comments on the RESA decision making process, the need for additional information, and identified a range of issues which should be considered by the City including impacts to the environment, costs, economic benefits and impacts, safety, noise, health, impacts on the queer community, the viability of the airport, waterfront revitalization and construction impacts.

Participants were also asked, "In the coming months, the City of Toronto will be engaging with PortsToronto as it updates its plans for how the island airport will operate and function in the future. What kind of issues do you think should be considered during this discussion? What is your overall vision of Toronto's waterfront?"

As further outlined in the summary in Attachment 4, the public shared their vision for the waterfront and the airport lands, and noted the City should consider a range of issues in future discussions about the airport including its current negative impact on residents, alternative uses of the lands, how other cities are developing their waterfronts and downtown airports, access to the Toronto Islands, the convenience of the airport to travellers, environmental concerns, Indigenous perspectives, the viability and need for the airport and the cumulative impacts of construction.

A feedback summary was prepared that reflects perspectives shared at small tables, in the plenary discussion, and in writing through a participant feedback form available at the meeting. This feedback summary is attached to this report as Attachment 4.

Third Party Public wrote the summary based on participant feedback from each of the small table discussions, analyzed to identify similar topics and themes in feedback across different tables. The topics and themes were then ordered according to which ones were raised most frequently across all table discussions. This feedback was summarized and cross-checked against notes taken in the plenary discussion and completed feedback forms.

The Impacts of Construction and Possible Mitigation Measures

Significant construction works are anticipated for the RESA project over a two-and-a-half-year period requiring a large amount materials, equipment and people to be brought to the Toronto Islands. This includes the potential for truck traffic through areas of the Port Lands and downtown Toronto. As the airport will be in operation during construction, overnight work is also anticipated.

Construction impacts at the airport are a long-standing concern for the local community in Bathurst Quay and were again raised at the City-led public consultation. This includes issues related to air quality, noise and traffic impacts of construction vehicles and overnight work, and that PortsToronto as a federal entity undertaking government work is not subject to the City's noise by-law. With these challenges in mind, it is important that work is done in a sensitive manner even while working to meet the pressing federal compliance deadline.

Along with the requirements to complete the Environmental Assessment and continue working with Toronto and Region Conservation Authority, it is recommended that the proposed amendment to the Tripartite Agreement to permit landmass expansion for Option 1 be conditional on PortsToronto submitting for staff approval, a construction management plan that requires proactive consultation with the community and local businesses on anticipated works and makes best efforts to minimize community impacts by employing measures such as limiting overnight work, following best practices for noise and sound induced vibration mitigation similar to the requirements in the City's noise by-law, and transporting materials and equipment from the Port Lands over water using barges as much as possible. It is also recommended that a traffic management plan be required for construction activities given the impact to the Port Lands and/or downtown Toronto, and due to the proximity with other large construction projects such as the Gardiner Expressway and transit related projects. PortsToronto has successfully employed a number of these measures on previous occasions including barging from the Port Lands during the airfield rehabilitation program which was well received by the local community.

In addition to community impacts of construction, City staff have conducted a preliminary review of the impact of RESA construction on the City-owned dockwall and lands that are at the southeast end of the airport. All of the RESA options being studied by PortsToronto, include lakefill that will abut against this dockwall and will require appropriate due diligence to protect this City asset. This matter will be further considered as RESA designs and construction plans are advanced.

The Length of the Tripartite Agreement

As noted above, PortsToronto has requested that Transport Canada and the City amend the Tripartite Agreement so that it run for 48 years from 2025, meaning an extension of term from 2033 to 2073 (an extra 40 years). Among the evidence provided is that this is the length of time needed to finance a RESA project that could cost approximately \$200 million. It was also noted that airports across Canada typically have 50-60 year lease terms to allow for long-term planning.

The City has requested information on the amortization period that is required for other RESA options, including the City's recommended Option 1 which is anticipated to cost approximately \$61 million-\$64 million. This information has not been provided, as PortsToronto has said that its analysis and borrowing request of Transport Canada was based on the highest cost option (required for Option 3) which could be pursued.

In order to assess possible amortization periods for smaller RESA options, City staff reviewed available information. Analysis undertaken by City staff included a review of

precedents (i.e. the airport pedestrian tunnel which was \$82.5 million and has a 20-year concession agreement with a private sector consortium), review of municipal practices for borrowing (which are typically 20-30 years), staff led analysis of PortsToronto's financial statements and ability to pay, and external research on the typical practices of airport operators.

Given the available information, it is not recommended that a term extension be provided at this time. It is instead recommended that this issue is best considered as a part of an airport master plan update process (noted below).

A term extension which allows for amortization of a \$200 million RESA option would be contrary to the policy review noted above which has resulted in a staff recommendation for RESA Option 1. Further, a change to the term of the Tripartite Agreement is a significant public policy decision requiring due diligence on a full range of issues (which have not been reviewed since the Porter Proposal) and a clear process that includes public consultation. Further, staff are of the view that PortsToronto has both fiscal capacity and tools sufficient to self-finance the associated \$65 million costs of RESA Option 1 based on historical financial performance.

Airport Master Planning and Implications for the Tripartite Agreement

As noted earlier, the last airport master plan was completed in 2018 and included a commitment for plans to be prepared every ten years and updated every five years. With PortsToronto, many stakeholders and the public wishing to discuss matters beyond RESA, an updated airport master plan would provide an effective vehicle for discussions.

It is recommended that the City work in partnership with PortsToronto and Transport Canada on an updated airport master plan and report back in 2025 on a framework to guide discussions, including funding requirements. Tying an updated master plan with a clear process going forward can help ensure that discussions between the City, PortsToronto and Transport Canada unfolds in a coherent and transparent manner and in a way that allows for significant public and stakeholder input.

Airport Master Plan and Managed Growth

Airport Master Plans are documents created by airport operators to guide the management and growth of airports. They provide a planning framework for the long-term development of the airport (20 to 30 years) including its layout, runways, taxiways, terminals, and facilities. The BBTCA's Airport Master Plan was last updated in 2018 (released in late 2019) following two years of public and stakeholder engagement. At the time, PortsToronto noted it would prepare an airport master plan every ten years and would update them every five years.

Given the City's interests and property ownership at both the BBTCA and within the adjacent Bathurst Quay neighbourhood, it is important that staff work with PortsToronto to pro-actively ensure compliance with existing arrangements including applicable lease and/or license agreements, the Tripartite Agreement, the Bathurst Quay Neighbourhood Plan, and the Toronto Island Park Master Plan.

As outlined in a 2023 Request for Proposals, PortsToronto began early studies that could inform an updated Airport Master Plan. PortsToronto has taken a positive step in beginning the due diligence required to understand future airport needs and opportunities. This fundamentally differs from the Porter Proposal of 2013 which was a specific request from an air carrier (a user of the airport) for additional runway length and permission to use a specific type of aircraft.

In many cases, PortsToronto has already identified the need to review and build upon City plans, and to engage directly with the City and other stakeholders given the planning work that has gone into waterfront revitalization. This would mirror the City's efforts in 2017-2108 during the last update to the Airport Master Plan.

Another City interest is in managed growth. In the last Airport Master Plan, PortsToronto implemented a phased and voluntary approach to increasing airport activities, with slots for commercial scheduled service increasing at PortsToronto's discretion from about 202 slots/day in 2019 to 246 slots/day in 2023. Note that while 246 slots are available, the airport does not currently operate at these levels as the industry's recovery from the impacts of COVID-19 is still ongoing. PortsToronto has noted that BBTCA, within the Tripartite Agreement, could accommodate approximately 175,000 annual aircraft movements and commercial scheduled service greater than 300 slots/day. In the last Airport Master Plan it was noted that passenger levels were forecasted to reach 3.85 million total passengers by 2033 (including 900,000 connecting passengers that would not leave the airport).

Under the existing Tripartite Agreement, PortsToronto can increase the number of aircraft slots (arrivals/departures) without consultation or approvals if the total aircraft activity will remain within the NEF contour. As noted earlier, City Council considered a more robust managed growth framework in 2014 to address these limitations. At that time, City Council directed staff to negotiate a phased framework for managing growth at the airport including specific caps on the number of peak period and total passengers and flights, which were based on the then forecasted passenger volumes and local road capacity. Proceeding through the phases of growth was to be conditional on successful implementation of capital and operational improvements to address matters such as noise mitigation and traffic modal splits, and monitoring programs related thereto. In essence, the idea was to move away solely from the reliance on the NEF and other metrics to directly measure, manage and reduce community impacts such as those related to traffic/transportation, noise and air quality.

City staff note that based on City Council's 2014 decisions it is important for the airport to identify a clear roadmap that outlines anticipated peak period and total daily/annual increases in passengers and flights (slots), the studies and improvements that will be undertaken by the airport in advance of anticipated increases, outline a clear proactive consultation process with the public before growth is initiated, and to implement mitigation measures before introducing such increases. It is also important for the approaches to managed growth to meet or exceed relevant international best practices (i.e. for other urban airports near their neighbours) and include independent third-party verification to benchmark these efforts. This would be a reasonable expectation for an urban airport that has greatly exceeded original growth forecasts associated with the

1983 Tripartite Agreement, is a part of a local neighbourhood in Bathurst Quay, and which will operate over newly planned revitalized neighbourhoods in the Port Lands.

Next Steps Related to an Airport Master Plan

Given Council's interests related to the airport and the need for an updated airport master plan, it is recommended that staff be authorized to participate in further discussions with PortsToronto and Transport Canada.

Discussions would be centred on developing a framework to guide an airport master planning process and a possible comprehensive review and renewal of the Tripartite Agreement and would lead to a report to City Council in 2025 with recommendations for next steps including an anticipated workplan and funding requirements. For clarity, this report would be focussed on process, and would not be bringing forward any recommendations regarding the Tripartite Agreement.

It is recommended that the City's participation in these discussions take into consideration the City's overall vision for waterfront revitalization and its significant contribution to the City's housing targets. Most notably, the HousingTO Plan sets a tenyear target of approving 65,000 new rent-controlled homes, including 41,000 affordable rental, 6,500 rent-geared-to-income and 17,500 rent-controlled homes. The waterfront, and specifically Villiers Island in the Port Lands, presents a unique opportunity to support this plan given the high proportion of public ownership, the unique and ongoing tri-government partnership, and the ambitious standards for the design and delivery of complete and sustainable communities. Villiers Island is expected to include housing for more than 15,000 residents and is a part of the larger Port Lands area which is projected to be developed with housing for approximately 40,000 people and space for approximately 20,000 jobs.

The last significant airport growth proposal considered by City Council was in 2014 and involved a multi-year process (both before and after the decision by City Council) backed up by robust public consultation, numerous technical studies led by the City and PortsToronto and regular reporting to Committee and Council.

A similar public conversation will be required to effectively consider the future of the airport and a possible comprehensive review and renewal of the Tripartite Agreement. The ongoing due diligence by PortsToronto of future opportunities for the airport is a critical input into this discussion, however additional proposals require a measured approach. Importantly, a re-calibration of the scope and timing of this robust public process will ensure that the process is not rushed nor conflated with unrelated and time-sensitive milestones (i.e. achieving RESA compliance).

City staff will report back in 2025 on this matter and set out the process and timelines anticipated for the discussion ahead.

CONTACT

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416-392-4166

SIGNATURE

Jag Sharma Deputy City Manager, Development and Growth

ATTACHMENTS

Attachment 1: Letter from Transport Canada Confirming July 12, 2027 RESA Compliance Deadline

Attachment 2: Terms Sheet - Amended Tripartite Agreement with the Government of Canada (Transport Canada) and the Toronto Port Authority (operating as PortsToronto)

Attachment 3: Visuals of RESA Options Being Studied by PortsToronto

Attachment 4: Summary of Feedback from Public Meeting Held on September 24, 2024

Attachment 1: Letter from Transport Canada Confirming July 12, 2027 RESA Compliance Deadline

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Transport Canada Transports Canada

4900 Yonge St. 3rd Floor Toronto ON M2N 6A5

Your file Votre référence

Our file Notre référence 5151-1-180 PDIMS Number Numéro de SGDDI 20421640

VIA EMAIL

July 12, 2024

Warren Askew Vice President, Airport PortsToronto #500 - 207 Queens Quay West, Toronto, ON M5J 1A7 WAskew@portstoronto.com

Dear Warren Askew,

Thank you for your letter dated June 28, 2024. Transport Canada appreciates the ongoing efforts by PortsToronto to ensure compliance with the *Canadian Aviation Regulations* (CARs), including regulatory obligations related to Runway End Safety Areas (RESA).

Per the letter of June 28, 2024, Billy Bishop Toronto City Airport (BBCTA) confirmed that it handled more than 325,000 passengers (emplaned and deplaned) in both the 2022 and 2023 calendar years. In addition, on July 4, 2024, Statistics Canada published the Airport Activity Survey, which provides estimates of passengers emplaned and deplaned at Canadian airports. However, Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization. For this reason, the number of passengers emplaned and deplaned at BBCTA was not published.

Consequently, and in accordance with subsection 302.600(4) of the CARs, I am writing to notify PortsToronto that based on information collected by Transport Canada, in partnership with Statistics Canada under the Electronic Collection of Air Transportation Statistics (ECATS) initiative, BBCTA has surpassed the passenger volume threshold during a period of two consecutive calendar years, as set out in subsection 302.600(1) of the CARs. This requires PortsToronto, as the airport owner and operator, to comply with the RESA regulatory requirements within three years of the date of this letter.

Furthermore, in accordance with subsection 302.603 of the CARs, please ensure notification to the Minister of Transport no later than 90 days before the Monday, July 12, 2027, deadline of the manner in which PortsToronto intends to comply with RESA regulatory requirements.

Transport Canada recognizes that RESA implementation at BBCTA is complex.

Transport Canada remains committed to working with both PortsToronto and the City of



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Toronto to advance a path forward. As part of this effort, I look forward to participating in the community consultation sessions on July 17, 2024, being hosted by PortsToronto.

Finally, as you advance with RESA implementation, please do not hesitate to contact Ovais Mateen, Acting Technical Team Lead Operations Specialties via phone at 416-414-0350 with any questions specific to RESA requirements and/or during preparation of the Plan of Construction Operations.

Kind regards,

MEGeorge Marcia George Regional Director

Civil Aviation, Ontario Region

Cc: RJ Steenstra, President and CEO, PortsToronto

Serge Bijimine, Assistant Deputy Minister, Transport Canada Duwayne Williams, Regional Director General, Transport Canada Imi Waljee, Acting Regional Director General, Transport Canada Félix Meunier, Director General Civil Aviation, Transport Canada

Paul Johnson, City Manager, City of Toronto

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Attachment 2: Terms Sheet - Amended Tripartite Agreement with the Government of Canada (Transport Canada) and the Toronto Port Authority (operating as PortsToronto)

Item	Scope of Recommended Amendment
Permit an expansion to the land, to allow lakefill for RESA	 The Lessee (PortsToronto) shall be permitted to expand the lands comprising BBTCA for Runway End Safety Areas and this be limited to the lakefill required to implement Option 1. Note that a description of permitted uses and a map of the RESA construction area will be appended to the Agreement to identify the defined boundary of lakefill permitted and the scope of work is clearly defined for RESA Option 1. The map will be substantially based on RESA Option 1 as shown below, but may have some technical changes as a result of the ongoing Environmental Assessment and technical processes underway. The below map includes the following attributes: West End landmass expansion -7,850 m² (52m in length x 145m width) East End landmass expansion - 6,100 m² (52m in length x 135m width) Total lakefill - 332,000 tonnes
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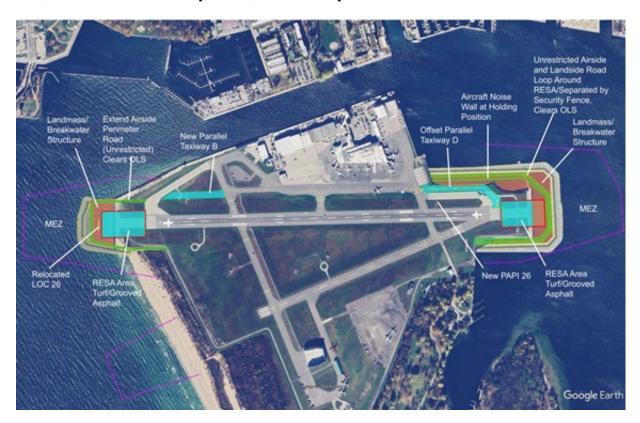
Attachment 3: Visuals of RESA Options Studied by PortsToronto





Option 3

Note that City staff understand from PortsToronto that Option 3 is being refined and that it will be revised to show an access road inside of the security fence for airport uses, and, outside of the security fence, a new 'utility corridor' to the Toronto Island.



Attachment 4: Public Consultation Record