

Submission re Island Airport Runway End Safety Areas, Version 2

City Public Input Meeting, Enercare Centre, September 24, 2024

## **Executive Summary**

The City should not agree to any amendment of the Tripartite Agreement in the current RESA process - except, at most, a narrowly-defined permission to do the minimum build-out needed to comply with the federal RESA regulations, nothing more. Much more information is required before even that is granted.

Council should on no account agree to any extension now of the 50 year Tripartite Agreement past its current expiry in 2033. Much further study is required before Council can make an informed decision on the long-term future of the airport. There's no time to do that now.

## The RESA Regulations, Ports Toronto's delays and secretiveness

The federal regulations are described in the background materials. Some kind of RESA structure must be built by July 12, 2027. Ports Toronto has so far not told anyone what it wants to build.

Yet the regulations have been under discussion since 2010, when the Federal government first said it intended to go ahead with them. They were published in final form in 2021, three years ago. The City should not be rushed by Ports Toronto's delay and procrastination.

The key underlying question: does it really make sense go through all this for a duplicative airport used by less than 5% of Toronto's air travelers? Maybe it's cheaper, easier, and less disruptive to consolidate airline operations at Pearson, 20 or so km away.

Council should not agree to any RESA option without detailed drawings and information on what construction disruption, noise and pollution can be expected, and an environmental assessment. Council needs to be clear what it is voting on.

Ports Toronto has held only one public meeting to date, on July 17, 2024. It outlined very briefly what it called "options" for RESA compliance.

Meaningful consultations with the public, and an informed vote by Council, are essentially impossible at this time due to the lack of information from Ports Toronto.

Some preliminary comments can be made:

RESA 1, the so-called "Minimum Landmass" option unveiled at Ports Toronto's meeting on July 17, or alternatively the even-more vaguely defined "Engineering Material Arresting System (EMAS) option, may eventually be acceptable in some form. But how much environmental disruption and chaos is involved in getting it approved and built in a rush?

At least two of the Options (so-called RESA 2 and RESA 3) outlined by Ports Toronto on July 17 are wholly irrelevant proposals to expand the airport far beyond what is required by the RESA regulations. They must be immediately rejected.

## There's no money-related reason to extend the Tripartite Agreement past 2033

The City's Island Airport Update in the on-line background materials to this meeting states:

"Ports Toronto has also indicated that it *would like* an extension to the Tripartite Agreement to provide time to generate the revenue required to pay for the changes required by RESA." [Italics added].

Ports Toronto advised the public tonight of the cost of the three RESA options it presented on July 17. Ports Toronto's approximate estimate of the cost of RESA 1, the "Minimal Landmass" option, is around \$61 to 64 million. Its other "over-and-above-RESA" options range well over \$175million.

Ports Toronto has ample assets to comply with its RESA requirements. It's 2023 financial statements show \$244 million in equity, including around \$110 in cash or near cash: \$4.8 million in cash, short-term investments of \$53 million and long-term assets of \$51 million (statement of financial position, p. 5). Note 3 on page 22 explains that these are all "income securities"- essentially bonds and GICs. That's enough for RESA 1, all the regulations require.

Even if it weren't, Ports Toronto also has an existing \$50 million line of credit, obviously granted by a lender without any assurance that the Tripartite Agreement will be extended past 2033. Ports Toronto has drawn down only \$25 million, about half. That is, it can draw down another \$25 million immediately without even negotiating with the bank (Note 8, p. 32, 33).

Even if all that were not enough, PT has land, buildings and structures, together valued at around \$265 million in its financial statements (Note 6, p. 27). The financials put the value of PT's land at \$15.5 million (p. 27), the notional cost of the land. The actual market value of the waterfront land Ports Toronto owns is far larger. For example, it sold the Toronto Harbour Commissioners Building and surrounding parking lot (only a small

portion of its land holdings) to Oxford Properties in 2017 for \$96 million, massively more than its book value. Ports Toronto recently sold one of its water lots to the City for around \$20 million. If it needs money, Ports Toronto could sell land or borrow against the security of its land holdings as its often done before.

Other on-going capital improvements are already paid for out of the \$29 Airport Improvement Fee (AIF) per passenger, which generated almost \$25 million in 2022 (Note 10, page 35).

Any claim by Ports Toronto that it needs special financial privileges is implausible and must be independently verified.

## Any extension to the Tripartite Agreement past 2033 is inappropriate.

The City should not sign away now the right of the people of Toronto to consider the island's airport future fully before expiry any potential renewal of the Tripartite Agreement in 2033.

As discussed in my paper <u>Does Toronto need two airports?</u>, the City must carefully examine many economic, social and ecological factors, including looking carefully at potential alternative land uses, before it decides on the long term future of the airport.

The issues to be studied include:

**Health, traffic, noise and environmental impacts**: Waterfront population density has massively increased since the Agreement was signed in 1983. The airport's adverse impacts therefore affect far more people. There is a longer track record. For example, evidence of negative environmental and health effects of particulate matter from the island airport has grown, e.g. a recent study by the University of Toronto, Bathurst Quay Neighbourhood Association and Ports Toronto.

**Effect on revitalization**: Waterfront revitalization has brought a network of spectacular parks and public spaces of great and growing economic value to the City. The three levels of government have contributed billions. Does the continued existence of the airport over the next fifty or a hundred years enhance or detract from this long-term investment, as compared with potential airport-consolidation at Pearson?

**Transportation efficiency**: UP Express direct link between Union Station and Pearson opened in 2015, reducing any travel efficiency benefits of the island airport. A TTC link to Pearson is planned. Who uses and will use the airport in future? Why? Is it a frill benefitting mainly a small downtown elite? How much time, if any, do users save compared with the airport-consolidation scenario?

**Usage of BBTCA is declining**: Passenger numbers peaked at 2.8 million but are now down to around 1.7 million. Why?

White elephant risk. Is Porter Leaving? Porter Airlines, the principal airline tenant at the island airport, has moved a substantial part of its business to Pearson, and threatened to leave the island airport altogether due to the high cost of operating there compared with Pearson.

**Infrastructure efficiency:** Would consolidation of airport functions at Pearson, already used by over 95% of Toronto air passengers, increase or decrease travel efficiency and economic benefits? Might airport infrastructure dollars benefit more passengers if spent at Pearson?

**Economic benefits**: Do these still exist in the airport-consolidation at Pearson scenario? What potential economic benefits might other uses of the land bring - such as, for example, something similar to the federal government-led redevelopment of Downsview Airport as a park with housing and other amenities?

**Alternative land uses**: The need for parks, recreational space and housing in downtown Toronto have all much increased. The airport sits on around 210 acres. Might other land uses there be beneficial? It's time to explore the possibilities.

**Effect on development in Port Lands**: To what extent do the Object Limitation Surfaces (OLS) i.e. air space reserved for flight paths prohibit future growth and development of high-density neighbourhoods in important future areas of the downtown such as the Port Lands?

Effect on wildlife, migratory birds, and danger due to bird strikes. There are more bird nesting areas nearby than there were in 1983 because of the greening of nearby areas such as Tommy Thompson Park. What are the consequences compared with the consolidation option?

Ed Hore Chair ejbhore@icloud.com