

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

Tel: 416-338-7200
Fax: 416-392-4540
E-Mail: jlivey@toronto.ca

April 17, 2014

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

Dear Mr. Wilson:

Re: Toronto City Council Decision EX 40.1 (Request to Amend the Tripartite Agreement for Billy Bishop Toronto City Airport) (April 1-3, 2014)

Thank you for your letter of April 15, 2014. Having certain of the Toronto Port Authority's past key commitments reiterated and reaffirmed is useful. However, your letter characterizes the above-referenced, unanimous Toronto City Council decision, as one that requested "further study" instead of one that provided direction on obligations that would need to be met before City staff could report back on possible amendments to the Tripartite Agreement to allow for jet service and accompanying runway extensions. Consequently, the itemized commitments and responses in your letter fall well short of addressing Council's final decision, a copy of which is attached.

Part 4 of the Council decision states that:

City Council request the Toronto Port Authority to submit a letter confirming the agency's commitment to managing growth at Billy Bishop Toronto City Airport through caps and phasing. The Toronto Port Authority should confirm:

- a. its commitment to satisfy the conditions precedent for Phase One; and
- b. its willingness to negotiate required Tripartite Agreement amendments and any other agreement for Phase Two and Phase Three approvals.

Receiving the Port Authority's written confirmation of the above is essential for moving forward.

As noted in my March 19, 2014 supplementary report, without commitment between the Tripartite Agreement signatories to pursue caps at the airport, there is little sense in further consideration of airport expansion beyond the current terms of the Tripartite Agreement.

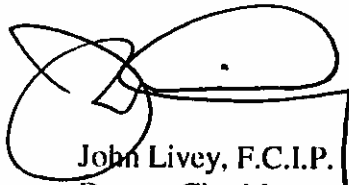
Council's decision endorsed a caps framework for the airport which includes precise limitations in Phases One and Two on annual and peak hour origin/destination passengers, and daily and peak hour flight slots. The City has consistently indicated that the Phase One and Phase Two caps represent firm limitations and this has now been confirmed by Council. I remain willing to discuss how to best incorporate these limitations, along with other appropriate adjustments, into the Tripartite Agreement.

I note that the Toronto Port Authority chose not to make a public verbal or written deputation at the March 25, 2014, Special Executive Committee meeting, or comment in writing to the Council meeting that followed. The Port Authority had proposed an "interim" annual passenger cap of 2.976 million. In addition, TPA staff did express reservations about aspects of the proposed caps and phasing framework, as well as the need to include caps in the Tripartite Agreement. However, the Port Authority chose not to express its concerns when the matter was before Committee and Council.

I acknowledge receipt of the draft RFPs for the Environmental Assessment and runway design projects. The City will have comments on these, as well as on the proposed scope for the revised Airport Master Plan, following receipt of the Toronto Port Authority's written commitment to managing growth at Billy Bishop Toronto City Airport through caps and phasing.

I look forward to your response.

Sincerely,



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

cc: The Hon. Lisa Raitt, P.C., M.P., Minister of Transport
Mayor Rob Ford
Deputy Mayor Norm Kelly
Members of City Council
Joe Pennachetti, City Manager
Rob Rossini, Deputy City Manager and Chief Financial Officer
Brenda Patterson, Deputy City Manager, Cluster A
John Campbell, Waterfront Toronto
Bob Deluce, Porter Airlines

Attachment: Council Decision EX 40.1 (April 1-3, 2014)
Correspondence from Toronto Port Authority, April 15, 2014

**Toronto
Port
Authority**



**Administration
Portuaire
de Toronto**

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

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

Tel/Tél: 416.863.2037 • Fax/Télécopieur: 416.863.0495 • email: gwillson@torontoport.com

April 15, 2014

Mr. John Livey
Deputy City Manager, City of Toronto
11th Floor, East Tower, City Hall
100 Queen Street West
Toronto, Ontario M5H 2N2

Re: Proposal by Porter Airlines for use of Bombardier CS100 jet aircraft at the Billy Bishop Toronto City Airport (the "Porter Proposal")

Dear John:

On April 1, 2014, Toronto City Council debated the Porter Proposal to introduce CS100 jet aircraft to Billy Bishop Airport. Council voted unanimously to further study the proposal and, upon completion, to report back in 2015 with findings and perhaps a staff recommendation regarding the overall feasibility of the concept.

Specifically, Council noted the need and desire to address several outstanding issues specific to the Porter Proposal, as well as the airport's current and future activities. As we read it, Council required that the Toronto Port Authority (TPA) undertake some crucial planning exercises to provide further information and address questions concerning environmental and health effects, local airport traffic patterns, runway extension design and MEZ marker placement – all of which would be undertaken by the TPA and its independent consultants, advisors and engineers. Council also seeks additional flight test data for the Bombardier CS100 aircraft, as well as confirmation that the aircraft in question will meet the noise output specific to the existing terms in the Tripartite Agreement.

The City has previously requested the TPA confirm its willingness to initiate and engage in a comprehensive Master Plan for the airport, and in a Precinct Planning exercise as part of the important initiative to have the airport properly included in the city's Official Plan. These important exercises would be done in concert with the City, and involve appropriate levels of public engagement.

On February 27, 2014, TPA wrote to you to confirm a series of key commitments that the TPA was prepared to undertake in response to our mutual goal of ensuring continued managed growth at the airport and overall benefit to all key stakeholders – the community, the City of Toronto, and our passengers. We also reiterated our key parameters under which we would continue our work and assessment of the Porter Proposal, summarized as a "Do No Harm" approach, to ensure that the airport remains a compatible activity in balance with the City's vision for a successful mixed use waterfront.

In light of the discussion at Council, as well as the motions that were passed on April 1, 2014, it is the TPA's intent to undertake the following activities in direct response to the City's requests with respect to the Porter Proposal, as well as the current and future scale of the airport:

a) New Airport Master Plan

The November 21, 2013 and March 19, 2014 Staff Reports emphasized the need for an updated Airport Master Plan (using our existing 2012 Airport Master Plan as the baseline document) to be provided to the City for input and review. The new master plan would help provide a clear vision and scope for the airport and its future development as an asset benefitting Toronto. Our letter to you dated February 27, 2014 included a technical memorandum that described in some detail the scope of work specific to the project. The TPA recognizes Council's desire to receive an updated Master Plan for the BBTCA reflecting the proposed jet aircraft activity and corresponding runway extension before it can be in a position to consider the proposal. The Master Plan will be completed in accordance with industry best practices and in consultation with the City, as requested. The TPA will provide a draft of such an updated Master Plan to the City as soon as practicable, and will participate in a process of public information meetings in respect of such a plan. It is estimated that the preparation of a revised Airport Master Plan for BBTCA would take approximately three to four months to complete.

b) Precinct Planning and Official Plan Amendments

The November 21, 2013 and March 19, 2014 Staff Reports emphasized the need for amendments to the City's Official Plan to incorporate the Billy Bishop Toronto City Airport (BBTCA) into its future planning. As such, the TPA will also participate with the City in a local airport area city side precinct planning exercise and in such work as is related to amendments to the City's Official Plan.

The City Staff Reports of November 21, 2013 and March 19, 2014 and the city staff Issues List dated February 18, 2014 pointed to several requirements for further information to permit consideration of a change in airport use. These included an environmental assessment of the proposed runway extensions; a detailed design for the proposed runway with taxiway considerations; a method of construction for the proposed facilities; and a confirmation that the design and operating procedures of the airport will not "materially"¹ alter the Marine Exclusion Zone (MEZ), and will fall within the existing strict NEF25 Noise Exposure Forecast (NEF) 25 Contour.

As such, the TPA is required to undertake the following work:

¹ As required under the motion passed by Council at its meeting of May 7, 8, 9 and 10, 2013

c) Environmental Assessment

Our letter to you dated February 27, 2014 laid out the background, legislative requirements, process, consultation and reporting scope of work for an Environmental Assessment (EA) to be undertaken for the Porter Proposal. Environmental protection and sustainability are important to the TPA. We have committed to undertake a robust EA process, with appropriate levels of public engagement, and which would include consideration and assessment of potential effects and appropriate mitigation. TPA expects that the EA process would begin immediately with the release of an RFP for the engagement of experts, and would include an invitation to the City to participate in the review and selection of the project consultant. Selection criteria for the consultant would focus expressly on experience specific to airport runway work, marine environment work, and the project would incorporate industry best practices. The process would be expected to be conducted and completed over a period of 9-12 months.

d) Runway Design (Preliminary)

Issues raised during the Council debate called for additional information specific to the proposed runway design as part of the Porter Proposal, specifically with respect to confirmation that the CS100 is in compliance with the Tripartite Agreement, confirmation of runway expansion configuration and compliance with applicable regulations, runway extension impact on the existing NEF 25 contour in the Tripartite Agreement, and confirmation that the Marine Exclusion Zone as proposed conforms to Transport Canada standards, and that there would be no material encroachment upon the western channel shipping channel. The TPA will undertake a preliminary design for submission in application to Transport Canada for review and comment. The preliminary design submission will be specific to the 200 metre extension as proposed by Porter and include as a subset an appropriate RESA component.

The costs to undertake the above studies (a) through (d) will be borne by the TPA except where the City elects to participate for their own account as indicated. TPA believes we have enjoyed a mutually cooperative effort and productive result in the work leading to up to staff's March 19, 2014 report, and we continue to welcome the City's engagement in these important planning processes to be undertaken.

With respect to a proposed managed growth framework that includes caps on passengers and slots, we outlined a proposal in our letter of February 27, 2014 to implement voluntary interim caps on peak local slot passenger traffic (as this has the greatest single impact on local vehicle traffic flows), and on annual local passenger counts, until such time as the Master Plan could be completed and /or such caps are no longer necessary to address the projected passenger volumes at BBTCA city-side access points. TPA indicated that such interim caps would need to be mutually agreed to by the City and TPA. Further, these restrictions would be in addition to those currently contained in the Tripartite Agreement, which for example prohibit aircraft generating excessive noise and already require the TPA to contain the overall frequency of annual aircraft movements within the official NEF 25 Contour. Such specific restrictions will continue in any case.

The TPA believe that the work accomplished in the above four planning initiatives is required to better inform all parties with respect to what levels of caps might be appropriate for consideration, and will work in good faith on that basis. The TPA believes it would be premature to agree to any particular cap in the absence of having, at hand, the output of the Environmental Assessment and the new Airport Master Plan. Then, and only then, would our two groups be in a position to understand if the caps you proposed on March 19, 2014 are both viable or effective.

In addition to the above, TPA will continue with its other commitments as stated in our letter of February 27, 2014, namely:

- Engine Maintenance and Run Up Noise Housing: To be implemented by the end of 2016 to mitigate the impact of engine test noise on surrounding communities;
- Noise Monitoring System Improvements: Introduction of new tracking and location software, implemented and accessible to the public by summer 2014;
- Waterfront Schools and Community Center: TPA will continue to co-operate with and support the local community, including the Waterfront and City schools, the Harbourfront Community Centre, and the Toronto District School Board, in addressing any adverse impacts on the community attributable to the BBTCA, including traffic, noise and safety concerns. We have received several entreaties from TDSB regarding, we suspect, their desire to vacate their site at Bathurst and Queen's Quay West. As the TDSB's long term ground lease is with the City of Toronto, and not the TPA, we believe that it is incumbent on the City to engage with the TDSB, and not us, on that narrow matter. The TDSB and our team are in regular contact on a variety of collaborations regarding safety, parking and special drop off access, and so forth. We will continue to assist on those fronts, among others, wherever we can.

We look forward to continuing our work with the City on the above projects, and to engaging with and to further providing important information to the public in the process.

I have enclosed drafts of the two key RFPs. It is our intention to issue them on MERX in 7 days' time, and we very much welcome your input on their contents in the interim.

Yours truly,

TORONTO PORT AUTHORITY



Geoffrey A. Wilson
President and Chief Executive Officer

cc: The Hon. Lisa Raitt, P.C., M.P.
Minister of Transport

Mr. Mark McQueen, Chair, Toronto Port Authority