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**Administration  
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May 2, 2013

Councillor Mary-Margaret McMahon  
City of Toronto  
Toronto City Hall  
100 Queen Street West, 2<sup>nd</sup> Floor  
Toronto, ON M5H 2N2

Dear Councillor McMahon:

Re: Billy Bishop Toronto City Airport

I wanted to write to you today regarding information you have recently been providing to your constituents regarding the Tripartite Agreement, the Toronto Port Authority (“TPA”) and the Billy Bishop Toronto City Airport (“BBTCA”).

As you know, the TPA is aware of the recent announcement made by Porter Airlines. As an independent operation, it is up to Porter to pursue its own business plan for the benefit of its customers, shareholders and employees. The TPA takes no position on Porter's business aspirations. The TPA will not consider any change of use to the airport until a determination is first made by the elected representatives on Toronto City Council regarding Porter's proposed changes to the 1983 Tripartite Agreement.

We are, however, concerned when our fellow stakeholders are provided inaccurate information<sup>1</sup> about the airport and its operating agency. We know that you will want to share only correct information with the residents of Toronto, and appreciate this opportunity to bring these facts to your attention. We understand that you have stated the following to your constituents:

*“[The Tripartite Agreement] has been amended only twice since in its 30 year history, to allow a tunnel to be dug and to permit one additional model of plane to land.”*

*“I cannot support turning a small local airport into an (sic) second major traffic hub.”*

If I may, I'd like to take this opportunity to clear up this misinformation for you and will address each comment in order.

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<sup>1</sup> <http://blog.communityair.org/2013/04/25/councillor-mcmahon-opposes-jets-at-the-island-airport.aspx>

***“[The Tripartite Agreement] has been amended only twice since in its 30 year history, to allow a tunnel to be dug and to permit one additional model of plane to land.”***

The Tripartite Agreement was not amended for the pedestrian tunnel as it was already provided for when the document was drafted in 1983.

Since 1983, the Tripartite Agreement has prohibited a “vehicular” tunnel. It was always silent on the opportunity to construct a pedestrian tunnel, which is what the TPA is currently building via a Public-Private Partnership, financed by the private sector, and ultimately paid for by BBTCA passenger Airport Improvement Fees. Of note, no taxpayer dollars are being used by the TPA for the pedestrian tunnel project.

On July 19, 1985, the Dash-8 aircraft was added to the list of permitted aircraft at the BBTCA by the Minister of Transport via an amendment to the Tripartite Agreement. The 1983 Tripartite Agreement requires that general aviation or commercial aircraft, such as a Bombardier Q400, operate within a calculated noise decibel ceiling when measured from three different angles (flyover, approach and lateral). The Q400 series aircraft currently flown by Air Canada and Porter do meet these prescribed standards and have been certified by Transport Canada for use at the BBTCA. The sound profile of the Q400 series aircraft is actually quieter than the Dash 8-100, which flew from what was then known as Toronto City Centre Airport for over 20 years.

As for the other “amendment”, you might be thinking of the July 14, 2011 tunnel/watermain agreement specifically between the TPA and Toronto City Council (but not the Federal government) that you voted against.

Just as you voted against the 2013 BBTCA PILTs proposal recommended to you by your City Solicitor and Treasurer on April 3, 2013. The July 2011 agreement didn’t involve the Tripartite Agreement, yet saw the two parties work collaboratively to build infrastructure in downtown Toronto. Under the July 2011 agreement, the pedestrian tunnel was combined with the City’s need to upgrade its water and sewage mains.

On July 14, 2011, Toronto City Council approved the pair of motions (24-13) regarding the tunnel and sewer and watermains. It is unclear why you voted against the City Manager’s recommendation to join these two projects, since it led directly to \$10 million of construction cost savings for municipal taxpayers under the terms of the agreement. Had your negative vote prevailed, the TPA tunnel project would still have proceeded, but with a “dogleg” on the City-side of the underground project (and a \$2.5 million cost bump to be shouldered by BBTCA passengers). As well, the municipal taxpayer would have had to pay an additional \$10 million to complete the City water and sewer main project.

For you to vote against the airport tunnel in 2011, knowing that your vote could cost municipal taxpayers an extra \$10 million plus delay the upgrade of a 1930s-vintage City sewer & watermain project started by former Mayor David Miller – when the tunnel’s construction would have proceeded nonetheless – is curious.

***“I cannot support turning a small local airport into an (sic) second major traffic hub.”***

Clearly, a visit to the thriving BBTCA is overdue.

Following World War I, the City of Toronto and Federal Government began to receive advice from a variety of experts that would see the construction of what is now Billy Bishop Toronto City Airport. This group included none other than Victoria Cross holders Billy Bishop and Billy Barker, both of whom came to reside in Toronto following the Great War.

According to the archives, Toronto City Council resolved in July 1937 that the BBTCA would be the “main” airport in Toronto while Malton (which is now Pearson International Airport) would serve as the “auxiliary” airport to be used during foul weather. According to archival records, Malton was “too far from downtown” at the time to serve as the main Toronto airport.

On July 13, 1937, Toronto Harbour Commissioners general manager E.L. Cousins wrote to Col. William A. (Billy) Bishop, VC to inform him that Toronto City Council adopted the report of the city's Board of Control to build two airports, with the main one in the harbour (what is now the BBTCA) and an auxiliary one out in Malton. The City requested that the Toronto Harbour Commissioners (predecessor to the TPA) build both facilities.

The THC began clearing and grading the land for development of the BBTCA in August of 1937. The THC used some 1.8 million cubic yards of landfill to create the additional land for the runways (a byproduct of that dredging was the Long Pond regatta course). The first airplane to land at Toronto Island was February 2, 1939. Interestingly, the failed 1935 airport tunnel project was initiated by the federal government as an unemployment relief effort, as a means of accessing the airport.

But that’s history.

Today, although it is no longer Toronto’s “main airport” as planned, the BBTCA cannot be characterized as a “small local airport”. It is having a huge, positive impact on Toronto’s economy.

The TPA recently had the pleasure of announcing, in partnership with the Toronto Board of Trade, the release of an economic impact study for the BBTCA.<sup>2</sup> The study was conducted by InterVISTAS Consulting Group, a leading management consulting company with extensive expertise in economic and transportation research. According to the study, the BBTCA is a major economic engine for the Greater Toronto Area, generating: \$1.9 billion in annual economic output, overall tax revenue and Payments-in-lieu of Taxes of approximately \$57 million annually, \$640 million of gross domestic product, 5,700 jobs – which includes 1,700 employed directly at the airport; it plays a

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<sup>2</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Billy-Bishop-Toronto-City-Airport-Generates-Nearly.aspx>

"significant role in providing critical regional and continental transportation linkages to support and grow Toronto's economy."

The BBTCA is the fastest-growing airport in Canada and has become its 9th busiest. That means it has more passengers than both Victoria International Airport and St. John's International Airport, each of which serve provincial capitals.

That's no "small local airport."

75% of our passengers are repeat business travellers. And 83% of Porter passengers are "very" or "extremely" satisfied, according to an Ipsos Business Travel Study. 89% of Torontonians call the BBTCA "an asset" to Toronto, according to a separate 2012 Ipsos Reid poll.<sup>3</sup>

But the accolades are not just from your Toronto constituents. A few days ago, Skytrax named the BBTCA as one of Canada's and the world's best airports to travel from.<sup>4</sup> The Skytrax World Airport Awards are based solely on the 12 million passenger surveys collected at over 388 airports across the world, which evaluates the total passenger experience from arrival to departure from the airport.

This success hasn't been without active environmental stewardship, as the BBTCA was the first airport in Canada, beginning in January 2010, to be one hundred per cent powered by green electricity provided by BullFrog Power.

We reiterate the invitation for you to visit the airport to get a firsthand sense of the jobs that depend on the operation and the annual economic impact that flows from the airport.

You might, as well, find it useful to visit the Bombardier plant in Downsview; this plant is Toronto's largest manufacturing employer. This is noteworthy as its ~4,500 CAW jobs were maintained during the recent global financial recession due to the popularity of the BBTCA with airline passengers and the Q400s that were ordered during that period to support the airport's passenger growth.

With or without Porter's new plans, which is a decision for Toronto City Council to consider, this is no "small local airport." Further, you should be interested to note that in 1983, when the Tripartite Agreement was drafted, the airport saw greater than 65% more flight activity than it does today, and without the potential benefit of quieter aircraft technologies that have since developed, or the significant noise management initiatives<sup>5</sup> the TPA has itself since implemented to minimize effects to the community. And, it

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<sup>3</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Survey-Reveals-Most-Torontonians-Agree-Billy-Bisho.aspx>

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

<sup>5</sup> <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Toronto-Port-Authority-releases-results-of-compreh.aspx>

should be noted, at all times the TPA has and continues to operate within the requirements specified under the Tripartite Agreement.

We hope to receive you soon, and to address any other questions or concerns that you may have. In the interim, we trust you will have found this information helpful.

Respectfully,



Mark McQueen  
Chairman