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July 22, 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”); Improvements to City Side Infrastructure.**

Dear John:

In our letter to you of February 27, 2014, the TPA confirmed our commitment to seek funding for improvements to existing city-side infrastructure related to the Porter proposal. Specifically, as we referenced in our February 27 letter, we stated that the TPA had written to the late Hon. James Flaherty, then Minister of Finance, and to the Hon. Denis Lebel, Minister of Infrastructure, on January 20, 2014, noting that a range of groundside infrastructure improvements were considered in the City’s November 2013 Staff Report, and that it appeared that up to \$100 million of funding could be required in order to provide improvements that would address vehicle traffic, access, congestion and transit routes in and around the BBTCA’s immediate neighborhood.

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

Specifically, Council noted the need and desire to address several outstanding issues relating to the Porter Proposal, as well as the airport’s current and future activities.

In that letter to you of February 27, 2014, TPA also confirmed 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, as well as our travellers.

In the wake of City Council's April 1, 2014 votes, we have begun an Environmental Assessment – in consultation with City staff, and representatives from the Toronto Region Conservation Authority and Waterfront Toronto – as well as undertaking a preliminary Runway Design initiative. We are also working on an updated airport master plan, and participating with the City in its recently announced local area precinct planning exercise.

All of this work is needed before City Council could be in a position to revisit the topic at a later date.

At the same time as undertaking these important steps, we also felt it important to continue our previous commitment to seek funding support for the groundside infrastructure improvements that were outlined in the various City reports of 2013. The TPA wrote to the Hon. Denis Lebel, Minister of Infrastructure, and to the Hon. Joe Oliver, Minister of Finance, on May 30, 2014, in follow up to our earlier correspondence of February 2014.

Although Toronto City Council voted to defer its decision on the Porter Proposal, the TPA remains committed to finding a funding solution that addresses the City's report relating to traffic and congestion in the area north of the airport, in the event that the next Council decides to review the Porter Proposal in 2015. The TPA will continue to self-finance improvements to the BBTCA's airside lands to ensure we provide the access and service expected of us, and meet the TPA's obligations under *The Tripartite Agreement*, but as noted in earlier correspondence, the agency is not in a position to fund 100 per cent of the improvements suggested that would be undertaken on city-owned and managed lands. As you know, the lands in question provide access to not only the airport but surrounding public areas, including the Waterfront School, Harbourfront Community Center, Ireland Park, and other spaces. In time, these lands will also provide crucial access to Build Toronto's potential residential/commercial initiative on the Canada Malting site.

In fact, in the event that the Porter Proposal does not come to pass, many of the proposed infrastructure upgrades highlighted in the City Report will be required by Build Toronto for any Canada Malting site redevelopment to succeed given the material increase in vehicle and pedestrian traffic that would be involved with the types of residential and commercial uses anticipated for that particular parcel of land. .

The purpose of today's letter is to share the attached correspondence reply from Ministers Lebel and Oliver dated July 11, 2014. The letter shares the view that it is the City which should make a formal application to secure these funds, since it owns the lands in question, with appreciation to the TPA for initiating the process.

As an update, in addition to the TPA's current EA, Runway Design, updated Airport Master Plan, and participation in the City's Precinct Planning process, the 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, WebTrak, which we are currently implementing and will make available to the public in August 2014. This software system is currently in use at other airports, including Toronto Pearson International. This new package enhances the existing sophisticated noise monitoring system that was installed by the TPA in 2011.
- Waterfront Schools and Community Center: Co-operating with and supporting 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. 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. In fact, one of my staff participates in a regularly scheduled bi-weekly conference call with the Waterfront School and TDSB representatives during the school year. We will continue to assist on those fronts, among others, wherever we can.

Since April's Council meeting, the BBTCA Community Consultation Committee had its 14<sup>th</sup> meeting. The BBTCA Pedestrian Tunnel consultative Committee continues to meet every two months. Minutes of these public sessions are available at [www.torontoport.com](http://www.torontoport.com). Our next community consultation will be in the form of the TPA Annual General Meeting on September 3. Later this fall, I expect the first of several public consultations to begin related to the Environmental Assessment underway for the Porter Proposal.

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. We are hopeful that, should you apply for these funds through New Building Canada Fund as suggested by Ministers Lebel and Oliver, you can secure the funding necessary to develop a permanent and effective solution to the access and congestion challenges in the neighbourhood surrounding BBTCA.

Yours truly,

**TORONTO PORT AUTHORITY**



Geoffrey A. Wilson  
President and Chief Executive Officer

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

Deputy Mayor Norm Kelly  
City of Toronto

Mr. Mark McQueen, Chair  
Toronto Port Authority



Mr. Mark McQueen  
Chairman  
Toronto Port Authority  
60 Harbour Street  
Toronto, Ontario M5J 1B7

JUL 11 2014

Dear Mr. McQueen:

Thank you for your correspondence of May 30, 2014 regarding potential funding under the New Building Canada Fund for a \$100-million infrastructure improvement project around the Billy Bishop Toronto City Airport (BBTCA). This letter was subsequent to the exchange of correspondence on this issue between you and senior Ministers in the Government of Canada earlier this year, including the Minister of Infrastructure and the former Minister of Finance.

At the outset, allow us to congratulate you on the many achievements of the Toronto Port Authority and the BBTCA during your tenure as Chairman. As you know, our Government strongly supports the Toronto Port Authority, and we are pleased to see the success of BBTCA because of the significant positive economic benefits it brings to the Greater Toronto Region. Further, congratulations on the progress of the pedestrian tunnel project thus far; we know this is a very important project for the BBTCA, and we look forward to seeing it completed later this year.

As previously explained, our Government has committed to invest a total of \$70 billion in Canada's infrastructure over the next decade. This commitment includes the \$53 billion New Building Canada Plan that will help finance the construction, rehabilitation and enhancement of provincial, territorial and municipal infrastructure across Canada. This is the largest and longest federal investment in job-creating infrastructure in Canadian history.

The New Building Canada Fund, a key \$14 billion infrastructure program under the New Building Canada Plan, was officially launched on March 28, 2014, and is open to receive applications from eligible project proponents. The program includes two components that could potentially support a project like the one described in your letter:

- The \$4-billion National Infrastructure Component (NIC), which will support projects of national significance. Funding under this component will be determined by project merit.
- The \$10-billion Provincial-Territorial Infrastructure Component (PTIC), which will support projects of national, regional or local significance. Each province and territory is allocated a specific amount of funding under the PTIC. Projects under this component must be prioritized by the province or territory.

Infrastructure Canada would be pleased to consider the proposed project under either component of the NBCF. In order to consider this project, a complete, detailed business

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case that provides all relevant project information should be submitted by the owner of the infrastructure assets. In this case, it would appear that the owner would be the City of Toronto. As you note in your letter, the City of Toronto would be administering and managing the project.

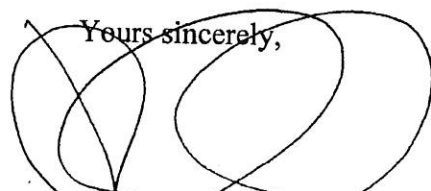
Project applications under the PTIC must be submitted through the Province of Ontario. Should the Government of Ontario prioritize the project for federal funding consideration, it will provide the application to Infrastructure Canada. Under the NIC, project applications can be submitted by eligible proponents directly to Infrastructure Canada. Detailed information on the application process for both components of the NBCF are available online at: [www.infrastructure.gc.ca](http://www.infrastructure.gc.ca).

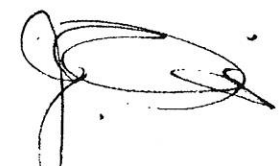
We should note that the NBCF requires that all projects with total eligible costs in excess of \$100 million undergo a P3 screen.

Infrastructure Canada officials are available to answer any questions and provide assistance to project proponents. Inquiries about the NBCF can be sent to Mr. Jeff Moore, Assistant Deputy Minister, Policy and Communications, Infrastructure Canada, at [jeff.moore@infcc.gc.ca](mailto:jeff.moore@infcc.gc.ca).

Further, as previously mentioned, this project could potentially be eligible under the P3 Canada Fund, which has been renewed as part of the New Building Canada Plan, with an additional investment of \$1.25 billion over 5 years. Should the City of Toronto wish to pursue the improvement projects through a P3 arrangement, it may wish to contact John McBride, CEO of PPP Canada Inc., the federal crown corporation responsible for the P3 Canada Fund, to discuss the project's potential for federal funding under that program.

In closing, thank you again for your letter and for your interest in obtaining federal support for this project. We look forward to receiving an application from the City of Toronto.

Yours sincerely,  
  
Denis Lebel, P.C., M.P.

  
Joe Oliver, P.C., M.P.

c.c. The Honourable Lisa Raitt, P.C., M.P.  
Minister of Transport

The Honourable Steven Del Duca, M.P.P.  
Ontario Minister of Transport and Minister of Infrastructure

The Honourable Brad Duguid, M.P.P.  
Ontario Minister of Economic Development, Employment and Infrastructure