

Building a Better City – Billy Bishop Toronto City Airport Case Study

Remarks to the Economic Club of Toronto

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Good afternoon.

First, let me thank the Economic Club of Toronto for allowing me the privilege to tell the story of our little airport...an airport that isn't so little any more.

This is a happy story, about private and public sectors working together to build important infrastructure.

Many of you are no strangers to Billy Bishop Toronto City Airport. It has become the airport of choice for Toronto business, media, arts and cultural leaders travelling throughout eastern North America from the downtown Toronto core.

More recently, Billy Bishop has become a tourist gateway to destinations throughout Atlantic Canada, Quebec and the US Eastern Seaboard. It is also a life-saving link for Ontario's air ambulance service.

Since it opened in 1939, the airport has faithfully served both commercial and recreational users. We are proud of our General Aviation heritage - an important community that has notably helped train four generations of pilots.

It's hard to believe that in 1961, the *island airport*, as it was commonly called, was the busiest civilian airport in Canada

Fast track to today:

The last six years have probably been among most exciting in the 73 years we've operated. Our little airport went from handling less than 25,000 commercial passengers in 2005, to become one of Canada's top 10 airports in 2011, welcoming nearly 1.6 million passengers.

Put another way: in any given three-day period, Billy Bishop airport welcomes more passengers than it did in the entire year in 2005.

We Are Back...

And we will welcome nearly 2 million in this year.

By every measure, Billy Bishop Airport has become one of Toronto's first great Infrastructure success stories of the 21st Century.

Billy Bishop Airport is helping make this great city, even greater.

When I became the President and CEO of the Toronto Port Authority in late 2009, I had spent most of my professional career managing global transportation firms.

My vantage point as an international manager was from countries that spared little expense to build incredible infrastructure: Ports, Airports, Highways, and yes Tunnels.

I watched as these countries built with the future in mind, and built today, with a sense of urgency, to make things happen.

The explosive growth in global trade, in global airline travel has been all about the ability to make important Infrastructure happen ...and now.

Without it, you have a problem void.

You don't attract entrepreneurs, foster an ability to grow, create jobs and opportunities.

My experience in creating and enhancing critical world-class infrastructure is what drew me to the Toronto Port Authority in 2009.

I saw an organization that was committed to building a foundation for success through modern infrastructure.

I also saw the Port Authority as a leader in the amazing harbour community in the middle of transforming into one of the most attractive mixed-use urban areas in the world. The Port Authority had an important role to play as the transportation partner in this grand revitalization of the waterfront.

We feel urgency. We aren't waiting for ideal conditions to build the infrastructure necessary to make Toronto a transportation leader. We're taking action now, to protect jobs, to build a stronger community, and to build a gateway to the city of which all of us can be proud.

The right time for preparing your business – or your city – for future success is always the same: as soon as possible; now - and with the future, the possible ... always in mind.

The TPA's Board gave me an important mandate in 2009: to deliver on its vision to create and enhance Toronto's waterfront transportation infrastructure.

In doing so, we can foster growth and raise the profile of our all important city-airport, our unique cargo facilities, our marine passenger cruise ship terminal, and our popular recreational marina at the foot of Leslie Street.

...We weren't expecting to become a *media darling* along the way...

Last fall, the CBS "Early Show" ran a travel segment with host Peter Greenberg, saying that Billy Bishop Airport in Toronto was quote: "*one of the coolest urban airports in the world.*"

Perhaps 25-30 million viewers tuned in to that show. This piece set in motion even more laudatory media attention from abroad.

Convenient, yes. Well-managed, definitely. Picturesque and inspiring to fly in and out of ...absolutely.

But I never thought our airport would be known for being “cool.” Neither, I must add, did my teenage sons, who of course were quick to remind me that Greenberg was speaking about the airport and its wonderful carriers.

The cool factor that has caught on with Billy Bishop Airport revolves around one basic truth: *Our airport represents Toronto as an energetic, creative, urban centre on the rise.* It is easily accessible by public transit and has become a shining example of how an airport can fit into and enhance a mixed-use neighbourhood and Community.

Billy Bishop Airport has captured the imagination of Toronto and its movers and shakers. We reflect the image of this city as a dynamic, innovative, urban oasis determined to compete and excel on the world stage with other culture and business centres.

Let’s start with what makes us unique:

The first thing is that we are the only airport in Canada that is run by a Port Authority.

We are the only airport in Canada that operates in a marine environment and must blend into a waterfront community of residents, businesses and recreational features.

We celebrate an important GREEN heritage: we are the only airport in Canada powered 100% by renewable power, courtesy of our important relationship with Bullfrog Power.

On top of that, you cannot simply build an urban airport today. Those that have one, Toronto-Canada, London - England for example, form an exclusive club, and should treasure it.

Aspiring global cities can only look on, long with envy.

Billy Bishop works because it is located in a city that is a one-hour turboprop flight to the greatest commercial and government centres in North America. Billy Bishop is convenient to get to ... and that makes people happy. It is no surprise that 97 per cent of our customers say in a recent Ipsos Reid poll that they are either satisfied or *highly* satisfied with the service we provide.

Billy Bishop is also growing far more dramatically than any other airport in North America. Last year, our passenger activity grew by 30 per cent over 2010. The average growth rate for Canadian airports is 2.8 per cent. In fact we have grown at rates in excess of 30 per cent for each of the past 4 years.

As I said, we expect about 2 million passengers to use Billy Bishop this year.

We are governed by an important agreement, a Tripartite Agreement with the Federal Government and the City of Toronto. Importantly, it limits our size and operation. In 2010, after a comprehensive analysis and traffic assessment, we determined that Billy Bishop could comfortably support a maximum 202 slots a day – a slot being either a landing or takeoff occurrence. Any more than that would cause added passenger congestion in the existing airport facility, an increased disturbance to the surrounding community, and would be close to the capacity limits provided for in our Agreement

With Porter's new service commencing to Washington this month, the 202nd slot will go into operation.

U.S. destinations are becoming increasingly popular with our customers, and we are actively pursuing U.S. Customs and Immigration Pre-Clearance facilities to make these destinations easier to get to. So, for all intents and purposes, we're now at capacity at Billy Bishop in terms of commercial airline activity. From here on in, our growth will depend on the mix and expansion of attractive new destinations from the airport, not flights.

THE BBTCA CASE STUDY

As an airport, Billy Bishop is a success on every level: convenience, service, modern comforts, and friendly staff. We have two amazing commercial partners – Porter Airlines and Air Canada – that have invested wisely in improving their service out of Billy Bishop.

Not only is our airport popular with passengers, but it has enjoyed widespread public support. In polls we have conducted every year since 2007, between two-thirds and three-quarters of Torontonians have enthusiastically supported Billy Bishop Airport, its service and improving its infrastructure.

A couple of points:

The airport can bring people back downtown, to live, work and play.

We have been working together with our community partners in the waterfront neighborhood associations to build bridges of understanding. We strongly believe that the airport can act as a powerful gateway to help bring more people downtown to enjoy the waterfront.

The airport can be a meeting place for community, culture and commerce to re-brand and re-energize a changing city.

Last year, the Port Authority hosted its first Sail-In Cinema event to celebrate our 100th anniversary. It was a great success, with hundreds of people and boaters gathering at Corus Quay over three nights to watch films under starlight.

Billy Bishop Airport played an important role in bringing public attention to the Port Authority and all that we do.

In the coming years, leading up to the 2015 Pan Am Games, Billy Bishop Airport will help welcome the world to our great city.

And Billy Bishop Airport can be a place that blends in and adds a positive dimension to a vibrant waterfront community.

The transformation of our lakeshore under the leadership of Waterfront Toronto is likely to be the most exciting urban development in Toronto for the next half-century.

We have been working closely with Waterfront Toronto to make sure Billy Bishop Airport – and all of the Port Authority's assets – can add value to the mixed-use revitalization underway.

I want to speak about our relationship with Robert Deluce and Porter Airlines.

Eight years ago, in 2004, our airport was outdated, unattractive and little used. There were fewer than 30,000 passengers a year using it for commercial travel. The terminal was outdated; the ferry serving it was rusting away. It was popular with private aircraft operators, but regular scheduled commercial service was spotty and getting spottier.

The TPA owned and operated the airport since its days as an air force training facility in 1939. We were faced with a dilemma: keep the airport as a quaint, money-losing airstrip, or close it down.

There was a third option, one that fit in nicely with the airport's downtown location. But it also fit in with the important – and increasingly imperative – efforts to enhance downtown Toronto as a thriving business centre.

With the right visionary partner, careful planning and execution, and targeted investment in much needed infrastructure improvements, the Port Authority knew the island airport could be successful again.

There was a growing demand for business and tourist travel to cities within 90-minute flying time from Toronto: Ottawa, Montreal, Chicago, New York and Boston. And there was enormous desire for an airport within a 15-minute cab ride of downtown.

With Robert Deluce and Porter Airlines, we found a partner that was not afraid to create a new market, one based on premium service and convenience at a reasonable price.

With Bombardier Aerospace's new generation of Dash 8 turboprops – the Q400s – Porter found a quiet, energy efficient aircraft to get the job done. (A few of you may know: the "Q" designation in the plane's name actually stands for "*Quiet*".)

The combination of this remarkable plane and this remarkable entrepreneur have brought the airport back to life, and on to international attention.

I cannot emphasize enough how crucial Mr. Deluce and Porter have been to the success of Billy Bishop Airport. Without a partner like Robert – an experienced entrepreneur with a successful background in aviation – we would not have been able to make the transition from an underused airport to the *coolest urban airport in the world*.

And, if imitation is the greatest form of flattery, then Air Canada's recent return to the airport using the Q400 says it all. And it is a Win-Win for you, the consumer.

I want to talk a bit about our fantastic Pedestrian Tunnel Project.

In the last two years, we have built a new terminal building, installed noise-reduction barriers and launched a new ferry.

In order to handle our expected two million passengers and maintain our hard-earned reputation for service and convenience, we needed to improve access to Billy Bishop. The Ferry service did a good job, but interrupted natural passenger flow. A consistent, more reliable access-service was needed for a world class airport.

As you know, the TPA has recently begun construction on a pedestrian tunnel that will operate underground beneath the Western Channel to bolster our existing ferry service. This is one of the most exciting new infrastructure projects undertaken in Toronto in many decades.

It's clear that Torontonians are aching for more creative infrastructure solutions. The tunnel project has captured the city's imagination.

When completed in 2014, the tunnel will be 10 stories deep, more than 800 feet long with 1000 feet of moving sidewalks on four tracks, 6 elevator banks on the mainland, and nearly 600 feet of escalators (3 in total) for access to the terminal.

There will be a magnificent glass walled pavilion as an entry point on the mainland, and an atrium providing a spectacular view back to the City from the Island side.

It is an extraordinary project.

The tunnel will not replace the ferry - it will continue to carry vehicles and passengers if they choose. Passengers seem to appreciate the charm and uniqueness of the water crossing. (At least in the summer months...)

The tunnel will create a new dimension to our transportation mix without adding to our carbon footprint. There will be about 40,000 downtown Toronto households whose residents will easily be able to walk – yes, walk – within 20 minutes to catch their flight to the airport.

Of course they don't have to walk. They can also cycle to the airport. Or take a shuttle bus from the Royal York Hotel. Or a streetcar down Bathurst Street. What they *don't have* to do is drive or even take a taxi.

Importantly, it is Billy Bishop passengers who will finance the \$82.5 million cost for this tunnel through a \$20 airport user fee.

The fee compares favourably to other Canadian airports.

It is important to note: Not a single penny is coming from taxpayers and the Public Purse.

The Port Authority found a model to build innovative new infrastructure – and to build it quickly – on time and on budget, because we had to.

And we took the opportunity to work closely with the City of Toronto as our partners, incorporating their own planned tunnel project work into ours, thus saving taxpayers more than \$10 million in costs, and a duplicate construction disturbance in the area.

The result has been exceptional planning and a win for all stakeholders.

The one thing I have learned in my 25-plus years creating new infrastructure is that if civil projects are done right, that is – well thought out, in partnership, and with a long term view to the future, they will pay for themselves.

I'd like to say a word about Pearson Airport.

Many people often ask, how do you expect to compete with Pearson International in the long term?

My reply is that Pearson is not our competitor, so much as an infrastructure partner. Pearson's services complement ours.

More than 33 million passengers go through Pearson every year.

We have worked very closely with Pearson on safety, security, noise abatement, community engagement and sustainable practices. They have been extremely generous with their time and expertise in helping Billy Bishop become a better airport.

We work together because we see benefits for all sides.

In closing I want to say that you don't become the *coolest urban airport in the world* if you're located in a place few people want to visit.

Our airport has been quickly growing but will only be as successful as the city it serves. We have a vital interest in helping to improve our waterfront, expand our cultural attractions and creating a crucible of success for emerging businesses.

We also have a duty and responsibility to make sure the waterfront grows into the kind of community where people and families want to live.

Billy Bishop Airport only succeeds as Toronto succeeds.

I'm proud that Billy Bishop Airport has become such an important icon representing the rebirth of Toronto and its waterfront. And I'm proud that we can provide a template for renewal and innovation for others to look up to.

Thank you to our partners and stakeholders, and thank you for listening.