

**Toronto
Port
Authority**



**Administration
Portuaire
de Toronto**

Geoffrey A. Wilson
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July 15, 2013

Via Email

Mr. Joseph Pennachetti
Chief Financial Officer & Treasurer
City of Toronto
Toronto City Hall
7th Floor, East Tower
100 Queen Street West
Toronto, ON M5H 2N2

Dear Mr. Pennachetti:

Re: Payments in Lieu of Taxes: Billy Bishop Toronto City Airport (“Airport”)

I am writing to you in connection with the July 9, 2013 report from the City Solicitor and the City Treasurer which apparently is to be considered *in camera* during the July 16th meeting of Council. This appears to follow our July 3, 2013 formal request for a new Dispute Advisory Panel¹, a request that should have been expected given our earlier public statements on the matter²³.

We are not aware of the contents of the report but recognize the possibility that staff are advising Council of discussions which were initiated by City staff with our working group some weeks ago. At that time, your staff colleagues canvassed the possibility that the TPA would be prepared to accept a new proposal resulting in additional Airport-related Payments in Lieu of Taxes (“PILT”) to the City to the tune of an incremental \$5 million or more over the next few years. Given the possibility that the confidential report is addressing that stillborn proposal I thought it would be appropriate to ask that our position on this incremental financial request also be made known to Council.

Following the decision of Council in April, the outcome of the Airport PILT vote and the various options before us have been discussed among TPA staff and with our Board of Directors. The view of the TPA remains unchanged following our public statement of April 3, 2013 and is simply this: the proposal considered by Council in April, treating the Airport the same as Pearson, reflects the maximum amounts the TPA believes should fairly be paid by the ultimate “taxpayers” – the passengers who use the Airport.

¹ <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/New-Independent-Federal-Dispute-Advisory-Panel-Req.aspx>

² <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Toronto-City-Council-Misses-Opportunity-on-PILT-Vo.aspx>

³ [http://www.torontoport.com/getattachment/bb8dc40c-ccb5-4b24-8e27-b0ed7739669e/Letter-to-Mayor-Rob-Ford-\(2\).aspx](http://www.torontoport.com/getattachment/bb8dc40c-ccb5-4b24-8e27-b0ed7739669e/Letter-to-Mayor-Rob-Ford-(2).aspx)

I think it is regrettable that the parties have not been able to put this issue behind us. However, unless a per passenger arrangement is put in place commensurate with that proposed in April of this year, we see no reason not to continue to proceed to a Dispute Advisory Panel hearing on the matter.

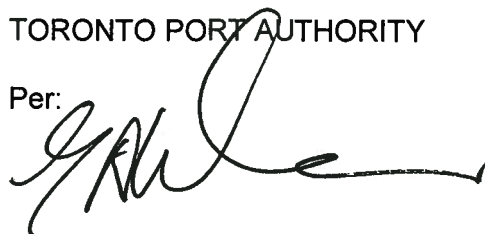
The January 2013 City Staff Airport PILT proposal, which the TPA agreed to and received the support and recommendation of the Government Management Committee on February 25, 2013, is no less fair today to the City and Airport passengers than it was when it first passed Council on April 3, 2013; before being inexplicably reversed two minutes later. To ask passengers to pay another \$5 million or more, based upon an MPAC analysis that City Staff themselves call "erroneous"⁴, is not something we believe is fair to ask of Airport passengers.

The feedback we've received from our mutual stakeholders to our recent PILT ad campaign regarding the appropriate quantum of PILTs that Airport passengers should pay has only reinforced this view.

Yours truly,

TORONTO PORT AUTHORITY

Per:



Geoffrey A. Wilson
President & Chief Executive Officer

/kf

c:

Ms. Diana Dimmer
Mr. Angus MacKay
Ms. Guiliiana Carbone, City Treasurer
Mr. Casey Brendon, Director of Revenue Services, City of Toronto
Ms. Anna Kinastowski, City Solicitor
Mr. Mark McQueen, Chairman, Toronto Port Authority
Mr. Geoffrey Wilson, President & Chief Executive Officer, Toronto Port Authority
Mr. Alan J. Paul, Vice President & CFO, Toronto Port Authority
Mr. J. Mark Richardson, Vice President & General Counsel, Toronto Port Authority
Mr. Phillip L. Sanford, McCarthy Tétrault
Mayor Rob Ford
Councillor Paul Ainslie
Councillor Paula Fletcher
Councillor Denzil Minnan-Wong
Councillor Maria Augimeri
Councillor Doug Ford
Councillor Ron Moeser

⁴ City Council Meeting, Tuesday, May 7, 2013 Item: EX31.27

Councillor Ana Bailão
Councillor Mary Fragedakis
Councillor Frances Nunziata
Councillor Michelle Berardinetti
Councillor Mark Grimes
Councillor Cesar Palacio
Councillor Shelley Carroll
Councillor Doug Holyday
Councillor John Parker
Councillor Raymond Cho
Councillor Norm Kelly
Councillor James Pasternak
Councillor Josh Colle
Councillor Mike Layton
Councillor Gord Perks
Councillor Gary Crawford
Councillor Chin Lee
Councillor Anthony Perruzza
Councillor Vincent Crisanti
Councillor Gloria Lindsay Luby
Councillor Jaye Robinson
Councillor Janet Davis
Councillor Giorgio Mammoliti
Councillor David Shiner
Councillor Glenn De Baeremaeker
Councillor Josh Matlow
Councillor Karen Stintz
Councillor Mike Del Grande
Councillor Pam McConnell
Councillor Michael Thompson
Councillor Frank Di Giorgio
Councillor Mary-Margaret McMahon
Councillor Adam Vaughan
Councillor Sarah Doucette
Councillor Joe Mihevc
Councillor Kristyn Wong-Tam
Councillor John Filion
Councillor Peter Milczyn