

May 11, 2017

Norman Di Pasquale  
Chair  
NoJetsTO

*Sent via email*

Dear Mr. Di Pasquale:

It has come to our attention that your organization has concerns about the recent sale of the property at the corner of 30 Bay/60 Harbour Streets. Given that your concerns are based on inaccurate information, I would like to clarify the following.

The property at 30 Bay/60 Harbour is classified as "Schedule C" property in PortsToronto's Letters Patent. That means that this property is **not a federally owned property**, but rather property which is owned by PortsToronto directly and not by the federal government. The Canada Marine Act stipulates that all port authorities, including PortsToronto, must remain financially self-sufficient and cannot receive public funding from any level of government. Each port authority has business and land assets with which to generate revenue to fund operations. The property at 30 Bay /60 Harbour is indeed such an asset and is not owned by the federal government, or any level of government for that matter. It is a private asset owned by the port authority. In fact, the sale of port authority assets is fairly commonplace throughout Canada as property is bought, sold, swapped or leased to address municipal and/or organizational needs.

Further, the proceeds of the sale will not go to the tunnel or any other airport infrastructure or expense. Infrastructure improvements at the airport are paid for through the Airport Improvement Fee (AIF). As clearly stipulated in our communications, the proceeds of the 60 Harbour sale will go towards port and harbour infrastructure including the repair of aging dock walls and warehouse terminals, building "last mile" road and rail access in the Port area, improving navigation in areas of the harbour, and supporting our corporate social responsibility program.

PortsToronto has been providing information on the development of the 30 Bay/60 Harbour property since we first announced the development in March 2012, and it has been a recurring topic/update in our annual reports and at our Annual General Meetings each year. In fact, last year at our AGM there was extensive and productive discussion about the property – a discussion that we were more than willing to continue with any interested parties were they to indicate an interest to do so.

For your reference, I have included a copy of the media release on the announcement which provides more detail on the sale and also states that the historic Toronto Harbour Commission building will be restored and preserved. We trust that you will share this letter with others who might have questions about the true ownership of the property and where proceeds will be directed.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Manuel".

Craig Manuel  
Vice President and General Counsel

60 Harbour Street, Toronto, Ontario, Canada M5J 1B7  
Tel/Tél: 416.863.2000 | PortsToronto.com

PortsToronto owns and operates | PortsToronto possède et exploite :

BILLY BISHOP TORONTO CITY AIRPORT | AÉROPORT BILLY BISHOP DE TORONTO | PORT OF TORONTO | PORT DE TORONTO | OUTER HARBOUR MARINA | MARINA DE L'AVANT-PORT

## **PortsToronto to Sell Head-Office Property at 30 Bay Street to Oxford Properties and CPPIB**

- **Historic Toronto Harbour Commission building to be restored and maintained in any future development planned for property**
- **Proceeds of sale paid to PortsToronto will be directed towards paying down debt and making infrastructure investments**

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Toronto (May 1, 2017) – PortsToronto today announced that it has sold its property at the corner of 30 Bay and 60 Harbour Streets to Oxford Properties Group (Oxford) and Canada Pension Plan Investment Board (CPPIB), who will each own a 50 per cent stake. The historic Toronto Harbour Commission building, which currently serves as headquarters for PortsToronto and is located on the site along with a surface parking lot, will be restored and maintained as part of any future development plan. The sale closed today and the transaction is valued at \$96 million, a portion of which will be payable over the next three years.

The proceeds from this sale will be used to support PortsToronto's federal mandate to manage operations on a self-sustaining basis in order to reinvest funds into marine safety, environmental protection, community programming, and transportation infrastructure. The federal Minister of Transport has granted an amendment to PortsToronto's Letters Patent to enable the sale to close.

"The South Core is a burgeoning area for business and residential development in Toronto given its optimal location, public transit access and amenities," said Robert Poirier, Chair of the Board, PortsToronto. "We are pleased that this sale will provide for future opportunities that will improve utilization of the property which is consistent with PortsToronto's federal mandate and governing Letters Patent. Proceeds from the sale will go towards paying down debt and investing in infrastructure such as the repair of aging dock walls and warehouse terminals, building "last mile" road and rail access in the Port area, improving navigation in areas of the harbour, and supporting our corporate social responsibility program."

"Oxford has been enthusiastic about this site since PortsToronto selected us as their redevelopment partner five years ago," said Michael Turner, Executive Vice President, Canada, Oxford. "This is an exceptional piece of real estate and we will continue to advance the development of the site to maximize its value and associated benefits to the community."

“This acquisition of 30 Bay Street fits well with our Canadian office portfolio strategy, which focuses on key markets such as Toronto,” said Peter Ballon, Managing Director, Head of Real Estate Investments, CPPIB. “The site’s proximity to a major transportation hub and a growing urban residential area make it an attractive future development site. We look forward to partnering with Oxford on this investment.”

The Toronto Harbour Commission building which currently sits on the property and serves as the head office for PortsToronto will be restored and maintained in any future development of the site.

“When the Toronto Harbour Commission building was constructed in 1918 it sat on the water’s edge as was fitting for an organization with domain over the harbour and its commercial activities,” said Geoffrey Wilson, CEO, PortsToronto. “Since then landfill has extended the waterfront south and situated this building on the edge of an expanding financial district. Selling this property has obvious financial benefits to our organization but it also has the benefit of better utilizing the property and ensuring that the building will be restored and incorporated into a new development for the enjoyment of future generations.”

Last week PortsToronto released its [2016 Audited Financial Statements](#) and reported its ninth consecutive year of profitable growth. All four of PortsToronto’s core business operations – Billy Bishop Toronto City Airport (Billy Bishop Airport), the Port of Toronto, the Outer Harbour Marina and Property and Other – were profitable in 2016, generating \$59.7 million in overall revenue, an increase of 4.5 per cent from the \$57.1 million reported in 2015. Net income was up in 2016 to \$6.7 million from \$5.9 million in 2015.

#### **About PortsToronto (<http://www.portstoronto.com>)**

For more than 100 years PortsToronto has worked with its partners at the federal, provincial and municipal levels to enhance the economic growth of the City of Toronto and the Greater Toronto Area. PortsToronto owns and operates Billy Bishop Toronto City Airport, which welcomed more than 2.7 million passengers in 2016; the Outer Harbour Marina, one of Canada’s largest freshwater marinas; and, Terminals 51 and 52, which provide transportation, distribution, storage and container services to businesses at the Port of Toronto. PortsToronto is committed to fostering strong, healthy and sustainable communities and has invested more than \$9 million since 2009 in charitable initiatives and environmental programs that benefit communities along Toronto’s waterfront and beyond. PortsToronto operates in accordance with the Canada Marine Act and is guided by a nine-member board with representation from all three levels of government.

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#### **Media Contact:**

Deborah Wilson, Vice President, Communications & Public Affairs  
PortsToronto  
416-863-2028  
E-mail: [Deborah.wilson@portstoronto.com](mailto:Deborah.wilson@portstoronto.com)