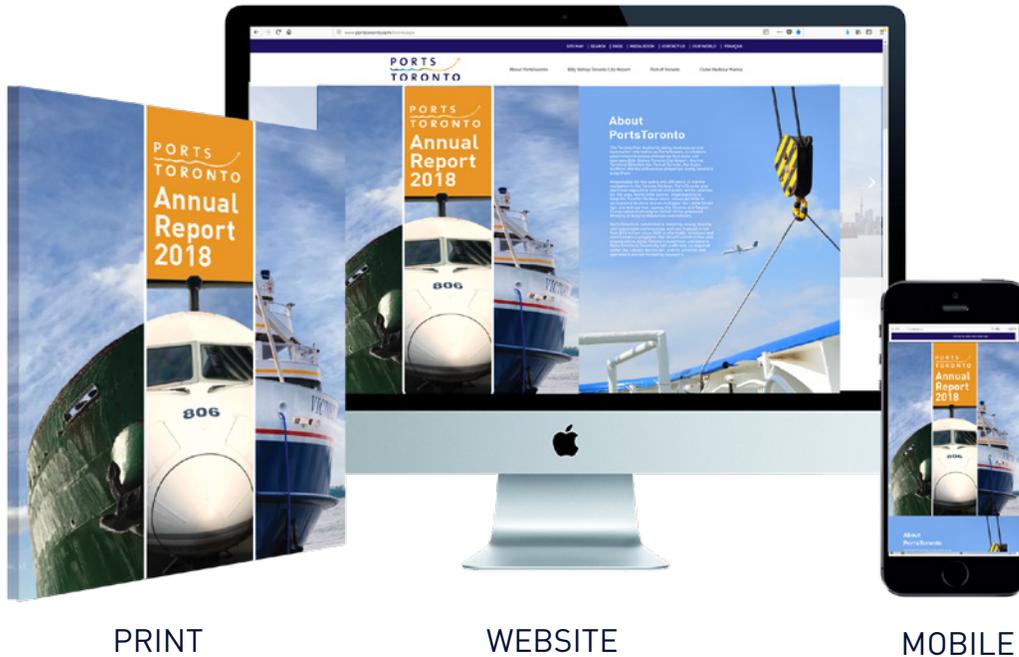


PORTS
TORONTO

Annual Report 2018



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207 Queens Quay West, Suite 500, Toronto,
Ontario, M5J 1A7 Canada

The Toronto Port Authority, doing business as PortsToronto since January 2015, is a government business enterprise operating pursuant to the Canada Marine Act and Letters Patent issued by the federal Minister of Transport. The Toronto Port Authority is hereafter referred to as PortsToronto.

To obtain additional copies of this report please contact:

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About PortsToronto

The Toronto Port Authority, doing business as and hereinafter referred to as PortsToronto, is a federal government business enterprise that owns and operates Billy Bishop Toronto City Airport, the Marine property including Warehouse 52 within the Port of Toronto, the Outer Harbour Marina and various properties along Toronto's waterfront.

Responsible for the safety and efficiency of marine navigation in the Toronto Harbour, PortsToronto also exercises regulatory control and public works services for the area, works with partner organizations to keep the Toronto Harbour clean, issues permits to recreational boaters and co-manages the Leslie Street Spit site with partner agency the Toronto and Region Conservation Authority on behalf of the provincial Ministry of Natural Resources and Forestry.

PortsToronto is committed to fostering strong, healthy and sustainable communities and has invested more than \$11 million since 2009 in charitable initiatives and environmental programs that benefit communities and organizations along Toronto's waterfront and beyond. PortsToronto is financially self-sufficient, as required under the Canada Marine Act, and its activities and operations are not funded by taxpayers.





Mission

PortsToronto's mission is to effectively manage Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina and its real estate properties on a self-sustaining basis, allowing PortsToronto to reinvest funds into marine safety, environmental protection, community programming and transportation infrastructure. Through the successful pursuit of this mission, PortsToronto plays an important city-building role in the economic growth and sustainable future of Toronto.

Vision

As a guardian and steward of Toronto's waterfront resources, PortsToronto works closely with the broader waterfront community to ensure these assets will provide prosperity and enjoyment for future generations.

Message from the Chair



Welcome to PortsToronto's 2018 Annual Report, an important document that details the financial performance of PortsToronto in addition to highlighting key initiatives and achievements for the year, including strong growth and profitability in all of our business units. This success was due in part to the fact that the Port of Toronto experienced another record year of cargo imports and benefitted from new long-term leasing contracts with companies such as Cinespace; the Outer Harbour Marina benefitted from a growth in client numbers and strong revenues; and the Real Estate and Investment portfolio saw increases in profitability.

Billy Bishop Toronto City Airport also had another strong year with six of the 12 months breaking new records for passenger growth. Strong passenger numbers combined with the strategic investment in facilities such as the three-year airfield modernization project and upgrades to the passenger terminal further validated the long-term future for the facility as a valuable transportation asset to the City of Toronto.

As an urban airport located in the heart of one of the world's great cities, Billy Bishop Airport is a source of great opportunity. The airport drives business by connecting Toronto to global markets such as New York, Ottawa, Montreal, Washington and Boston. It encourages tourism by bringing people to Toronto from destinations throughout eastern North America. It supports the health of Ontarians by providing a base for Ornge Medevac services to facilitate urgent patient care.

It generates revenue and provides jobs for the region and invests in the community to build infrastructure and support charitable organizations. Billy Bishop Airport plays an integral role in servicing Toronto and contributing to what makes this city world class.

In 2019, Billy Bishop Airport celebrates its 80th Anniversary. The airport opened in 1939 in the days leading into the Second World War. During the war it served an important military purpose including hosting the Royal Norwegian Air Force and providing military training for Canadian troops. After the war the airport grew into a regional base of operations for commercial airlines such as Air Canada, as well as providing a base for general aviation and flight schools. But it wasn't until 2006 when the true potential of the airport was realized with the introduction of Porter Airlines.

The significant progress of the airline and passenger growth at the airport was not without early growing pains. However, in the last five years considerable energy, effort and expense have gone into making the airport cleaner, greener and quieter for the community, while driving award-winning efficiency, convenience and customer service for our passenger and partners. This was achieved through consistent infrastructure investment, regular public consultation, and policy improvements to address irritants such as noise and traffic which ultimately drove a 46 per cent decrease in complaints from 2013 to 2018. It came from welcoming new passenger terminal owners in Nieuport Aviation



that would invest in services and amenities such as enlarging the lounges to accommodate past growth and introducing new food and beverage concessions to keep passengers well fed on their journey. It came from investing in a three-year airfield upgrade to resurface the main runway, reconfigure taxiways, and introduce new technology and sustainability upgrades to modernize the airfield for the safety and efficiency of our passengers.

In the near future we hope to bring U.S. Customs and Border Protection (CBP) preclearance to Billy Bishop Airport to make our airport even more efficient for the passenger and unlock new markets and economic opportunities for trade and tourism to the U.S. Interestingly, our first commercial flight 80 years ago was an aircraft from the U.S. carrying renowned band leader Tommy Dorsey. Our airport has been serving the U.S. for 80 years and we would like to continue to do so with the increased efficiency and opportunity that preclearance offers.

PortsToronto's vision for Billy Bishop Airport is for it to be the global leader for how a modern airport operates in an urban environment. The last part of this vision is perhaps the most important as it relates to the unique opportunities and challenges that are before this airport due to its close proximity to Toronto's city centre.

As such, our mission at Billy Bishop Airport is to invest in the areas that are meaningful to our passengers, community and stakeholders. With a focus on sustainability and innovation, Billy Bishop Airport is committed to continuous improvement in noise mitigation; environmental protection and air quality improvements; passenger service and convenience; community initiatives and engagement; and, technology development to make what is already great even better.

Much has been accomplished in the last five years to get us closer to our vision and mission for Billy Bishop Airport. Much more will take place in the future to help us achieve our vision of being the global leader in how a modern airport operates in an urban environment. Innovation will be key to achieving our goals. This means innovation as it pertains to all areas of our business including environmental protection, passenger efficiency and operation impact mitigation. It also means harnessing innovation in new technologies such as the introduction of electric and hybrid aircraft in the future.

In 2019, Billy Bishop Airport will release an updated Master Plan which will serve as an important component to achieve our vision, together with the practices and policies we have put in place to consult with our community, operate in a transparent manner and strike a balance between commercial imperatives and the community interest. We are on a journey and the Master Plan will be part of the navigation needed to get us to our destination.

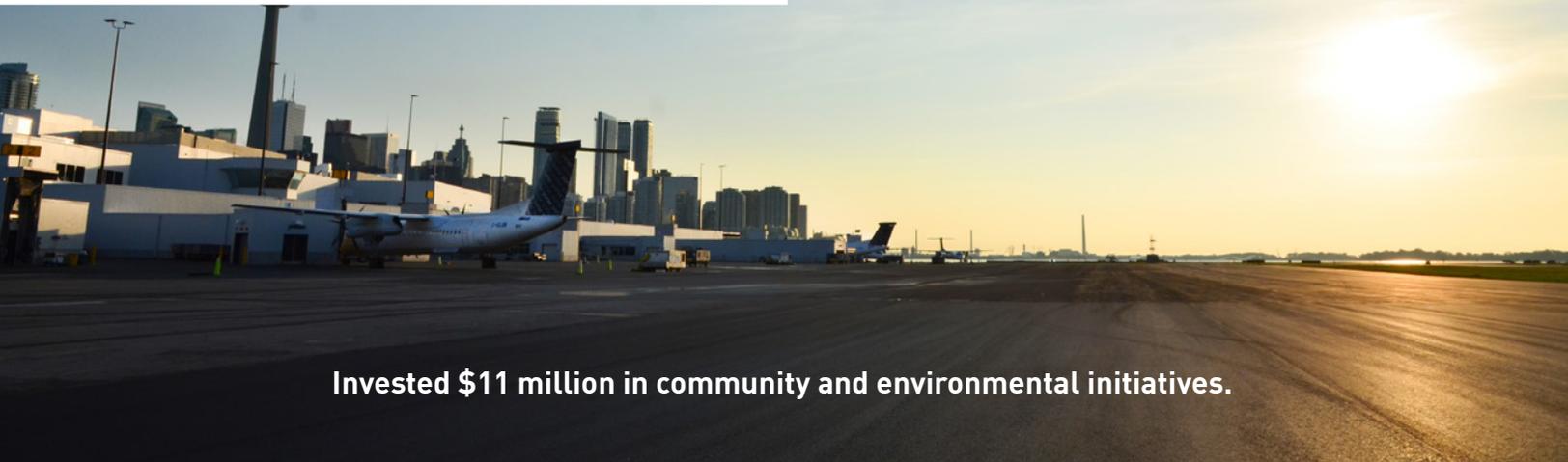
As we move into 2019 I would like to take this opportunity to thank the talented and dedicated PortsToronto management team and staff for their commitment to this organization and their myriad achievements in 2018. I would also like to thank my fellow board members for their commitment and insight, our stakeholders and community partners, as well as our government partners, especially Transport Canada, the City of Toronto and the federal government.

The year ahead looks bright for PortsToronto as we build on our past years' successes. I am privileged to chair the Board and work with the PortsToronto management team to deliver on our vision and mission for the airport and all of our business units so that we can continue to support and serve the City of Toronto and the role it plays in the province, country and world.

Robert D. Poirier
Chair
PortsToronto



Message from the Chief Executive Officer



Invested \$11 million in community and environmental initiatives.

The year 2018 can be best described as a year of successful completions and promising beginnings... with a whole lot of work in between. The successful completions came in many forms including the culmination of several large infrastructure development projects. For example, in October, PortsToronto's three-year airfield rehabilitation project wrapped up and delivered an enhanced and modernized airfield complete with a resurfaced runway, new taxiways and aprons, and a more sustainable and effective lighting system. A month later, airport passenger terminal owners Nieuport Aviation Partners, completed a two-year terminal upgrade and unveiled new passenger lounges that were larger and equipped with new amenities and food services to better serve our passengers.

In the category of promising beginnings, in early 2018 PortsToronto announced that Cinespace Studios would be setting up shop at the marine port property, we began a dock wall restoration program that included an enhancement of the West Gap south dock wall, and our airport team kicked off a process to update the Master Plan for Billy Bishop Airport.

These endings and beginnings were important to the operational efficiency of our organization and contributed to impressive financial results stemming from our best year in more than a decade at the marine Port of Toronto and record passenger numbers at Billy Bishop Airport.

Strong financial performance is important to any company and is one of the key measures of an organization's success. For PortsToronto our strong financial position is particularly important to our operations given that PortsToronto is mandated to be financially self-sufficient and self-sustaining and does not receive funding from any level of government. As such, our operational activities, infrastructure development projects, environmental initiatives and community investment program are all dependent on our ability to maintain profitability, as there are no taxpayer dollars or backstops supporting any part of our business.

PortsToronto has a public service mandate yet operates with a private business rigor and structure. In fact, unlike most port authorities in Canada, PortsToronto chooses to own and operate all of our businesses. This makes us somewhat unique, but also presents an excellent opportunity to align public and private imperatives with a focus on generating revenue in order to reinvest in the local community in which we serve. More specifically, this takes the form of providing integral transportation networks to the City of Toronto through Billy Bishop Airport, a local gateway that connects Toronto to the world, and the Port of Toronto that welcomes both cargo and passengers into its marine facilities each year driving both trade and tourism. This also takes the form of infrastructure investment with such projects as the pedestrian tunnel,

PortsToronto provides integral transportation networks to the City of Toronto through Billy Bishop Airport, a local gateway that connects Toronto to the world, and the Port of Toronto that welcomes both cargo and passengers into its marine facilities each year driving both trade and tourism.



the Ground Run-up Enclosure (GRE), and harbour maintenance. It also fuels our community investment with millions of dollars provided to organizations such as Lake Ontario Waterkeeper, Waterfront Neighbourhood Centre and Ireland Park Foundation.

We are therefore very proud to announce our 11th consecutive year of profitability in 2018 with net income of \$3.5 million on revenue of \$60 million, with all of our business units reporting growth and profit.

Billy Bishop Airport continued to be the dominant business unit in our portfolio in 2018, delivering on its promise to connect Toronto to the world by providing efficient, convenient service only minutes from downtown. Operating revenue generated from the airport remained strong at \$43.7 million, which included \$17.6 million in revenue from Airport Improvement Fees (AIF). In 2018, 2,807,208 million passengers travelled through Billy Bishop Airport, up from 2,765,761 million passengers in 2017. Looking forward, passenger growth is expected to remain fairly constant as PortsToronto continues to employ a managed growth approach to ensure balance with our mixed-use waterfront.

As forecast, revenue from the Airport Improvement Fee – or AIF – decreased in 2018 as a result of PortsToronto's decision to reduce the AIF to \$15, down from \$20. The reduction in the AIF at Billy Bishop Airport was strategic and appropriate for a variety of reasons and we are proud to have taken the lead in ensuring that our AIF is aligned with our business needs and respects costs to our passengers. Steady passenger growth over the last decade has led to a consistent and strong stream of AIF funds that have been reinvested into infrastructure and operations projects such as the pedestrian tunnel, the noise barrier, the Ground Run-up Enclosure and the airfield rehabilitation project. With these big projects complete, and with passenger numbers continuing strong, PortsToronto was in a position to reduce the fees charged to the consumer to ensure the strongest value proposition possible for our passengers.

The travel experience at Billy Bishop Airport is regularly recognized for its efficiency and excellent customer service. In fact, in 2018 the airport was once again named one of the world's best airports at the Skytrax World Airport Awards. Reducing the AIF at the same time that we introduced a modernized airfield and our terminal partners Nieuport Aviation unveiled an enhanced

terminal demonstrates our unyielding commitment to making Billy Bishop Airport the best in its class in the world.

PortsToronto's other three business units also reported a strong year in 2018. The Port of Toronto continued to be a vital gateway providing Canadian and international businesses with a convenient, sustainable and cost-effective way to bring people and goods into the heart of the city. PortsToronto's marine terminal operations recorded the best year in more than a decade with approximately 2.2 million metric tonnes of cargo passing through the terminals. In addition, the Cruise Ship Terminal saw a record 17 passenger ships enter port carrying more than 6,000 passengers. The Port reported operating income from all sources of \$3.6 million, up from \$1.1 million the year prior due to property leases, cargo handling and storage revenues at the formerly underutilized Marine Terminal Property that resulted in an increase in net income.

In March of 2018 PortsToronto announced that Cinespace would be leasing Marine Terminal 51 and a portion of the Cruise Ship Terminal to develop a film and television studio. With productions such as *A Handmaid's Tale* and *The Shape of Water* to its credit, Cinespace is one of the foremost production houses in North America and is a key driver of the film and television industry in Toronto. This is further evidenced by the 2019 announcement that Netflix would be establishing a production hub in the leased space bringing even more jobs and opportunity to the industry and city.

Importantly, Cinespace's film and television production activities do not affect or displace industrial port operations and cruise ship activities on PortsToronto's property. With 2018 being one of its best years in more than a decade, the Port of Toronto has effectively re-configured its operations and land use to accommodate this additional business, which is good for the city and economy.

Marine cargo handled at the Port of Toronto generated \$377.7 million in economic activity and 1,566 jobs in Ontario. Of these 1,566 jobs, 482 jobs are directly generated by the marine cargo and vessel activity at the marine terminals at the Port of Toronto. Combine these figures with the fact that Toronto's film sector is a \$2 billion industry, supporting over 30,000 jobs and it becomes clear that the Port of Toronto is an important



Marine cargo handled at the Port of Toronto generated \$377.7 million in economic activity and 1,566 jobs in Ontario.

economic district for the city.

Moving from ships large to small, the Outer Harbour Marina's operating income increased to \$1.9 million on revenues of \$4.5 million and increased its occupancy levels to 91 per cent in 2018 versus 85 per cent in 2017. For the eighth consecutive year the Outer Harbour Marina achieved a 5 Green Anchor Gold rating from the Ontario Marine Operators' Association and maintained its exceptionally high satisfaction rating from clients.

Our fourth business unit, Property Holdings and Other, which includes leasing revenues from properties such as Pier 6 and 5 Queens Quay West as well as water lots throughout the harbour, reported operating income of \$0.20 million on revenues of \$0.4 million, down due to the sale of 60 Harbour Street/30 Bay Street property which sold in 2017. This also includes \$0.08 million in revenue that would normally be charged to Harbourfront for its use of our water lots for its commercial docking business, but that has been waived given Harbourfront's current financial uncertainties. The Other category is made up of investment income and reported revenue of \$2.3 million, up from \$0.62 million the year prior.

In 2018 our financial results enabled PortsToronto to continue to make important contributions and investments in our community and along the waterfront, balancing commercial pursuits with community and environmental priorities. In fact, since 2009, PortsToronto is proud to have contributed more than \$11 million in community and environmental initiatives.

Many of these initiatives are featured in our 2018 Sustainability Report which was released in February of this year and represents our fourth such report.

The year ahead is set to be another exciting one as we continue to work towards achieving our goals for our business units, community investment, environmental stewardship and city building. One of the most significant initiatives for PortsToronto in 2019 will be the delivery of the updated Master Plan for Billy Bishop Airport. This initiative formally began in 2018 with a process that included vigorous public consultation that resulted in more than 90 meetings with community members, elected officials, neighbourhood associations, waterfront stakeholders and First Nations communities.

This also included three formal public meetings and the release of a draft report with a 30-day comment phase.

The final plan will report on such areas as land use planning, transportation, and infrastructure improvements and will provide a long-term vision for the built environment which guides the appropriate use of lands and assists airport management in making informed decisions regarding future development. Traditionally airport Master Plans are updated every five years and we look forward to realizing the opportunities that are presented in the 2018 plan to ensure the airport continues on its successful trajectory and remains a valuable asset for the City of Toronto and its aspirations for trade, tourism and business.

As I reflect back on 2018, I would like to take this opportunity to recognize the dedication of our employees, the support and commitment of our board of directors, and the co-operation and feedback of our stakeholders and community partners, all of whom contributed to our achievements. The waterfront is an active and interesting mixed-use community and we look forward to continuing to work with all of our partners including Transport Canada, City of Toronto, Waterfront Toronto, Toronto and Region Conservation Authority and the Mississaugas of the Credit First Nations in the year ahead to ensure our operations remain strong and within balance. I look forward to building on our foundations of success and working together with stakeholders, our community and our partners to continue to service the people and businesses of Toronto, and work to entrench Toronto as one of the world's best global cities.



Geoffrey A. Wilson
Chief Executive Officer
PortsToronto



1959



PORTS TORONTO

For more than 100 years PortsToronto has worked with our partners at the federal, provincial and municipal levels to enhance the economic growth of the City of Toronto and the Greater Toronto Area. Billy Bishop Airport and the Port of Toronto serve as urban transportation hubs for Canadian and international businesses to gain easy, convenient and cost-effective access to the heart of Canada's most populous city and province.

2018



Corporate Governance



The board of directors is appointed as follows:



One appointee nominated by the federal Minister of Transport



One individual appointed by the City of Toronto



One individual appointed by the Province of Ontario



Six individuals appointed by the federal Minister of Transport in consultation with the below industry groups.

- Commercial
- Airport
- Port-related activities/operations
- Recreational business

All individuals nominated by the Minister of Transport are appointed by the Governor in Council.

PortsToronto is the successor agency of the Toronto Harbour Commissioners (THC), which managed the Toronto Harbour from 1911 to 1999. As part of a broad strategy developed by the federal government to modernize the administration of ports, the Toronto Port Authority, now PortsToronto, was established in 1999 to operate the port, marina, airport and its land holdings.

Established under the *Canada Marine Act*, PortsToronto is a government business enterprise that is mandated to be financially self-sufficient and receives no federal, provincial or municipal funding. PortsToronto operates in accordance with the *Canada Marine Act* and Letters Patent issued by the federal Minister of Transport in addition to a series of specific policies and procedures. The Letters Patent include requirements related to PortsToronto's board of directors and outlines the activities that can be undertaken by the organization.

PortsToronto is accountable to the federal government through Transport Canada, and is guided by a nine-member board of directors composed of individuals appointed by all levels of government—federal, provincial and municipal. Six members of the board are appointed by the Minister of Transport in consultation with committees representing four identified user groups—commercial, recreation, airport and port operations. The City of Toronto and the Province of Ontario have a direct governance relationship with PortsToronto via their appointees to the PortsToronto board of directors. The PortsToronto board met 20 times in 2018.

The following four standing committees oversee various organizational matters, various facets of our operations and assess recommendations from management:

- Audit and Finance
- Governance and Human Resources
- Communications and Outreach
- Pension

The board relies on these committees to facilitate business and guide its decisions. During 2018, the committees met 28 times.

For more information about PortsToronto governance, please visit our website.

Board of Directors



DARIN E. DESCHAMPS

HELLEN SIWANOWICZ
(appointed June 2018)

ROBERT D. POIRIER
Chair of the Board

AMANDA WALTON

JAN INNES

DON MCINTYRE
(appointed June 2018)



CRAIG MANUEL
Vice President and
General Counsel

ALAN J. PAUL
Senior Vice President
and Chief Financial
Officer

Senior Management



CHRIS SAWICKI
Vice President of
Infrastructure,
Planning and Environment

DEBORAH WILSON
Vice President of
Communications
and Public Affairs

GEOFFREY A. WILSON
Chief Executive Officer

GENE CABRAL
Executive Vice President,
PortsToronto and Billy
Bishop Airport

BILLY BISHOP

TORONTO CITY AIRPORT

\$470 million in
Gross Domestic
Product (GDP).



4,800
Orange air
ambulance
flights.



**2.8 million
passengers**
Billy Bishop Airport
served 2.8 million
passengers in 2018.

\$150 million

The airport also boosts the local economy, with visitors coming through Billy Bishop Airport spending approximately \$150 million a year on accommodation, transportation, retail and food and beverage.



Billy Bishop Airport supports 4,740 jobs, including 2,080 directly associated with airport operations.



Billy Bishop Airport generates more than \$470 million in Gross Domestic Product (GDP).

Billy Bishop Toronto City Airport

Billy Bishop Airport is Canada's ninth-busiest airport and welcomed 2,807,208 business and leisure travellers in 2018. The airport offers service to more than 20 cities in Canada and the U.S. with connection opportunities to more than 80 international destinations via our airlines' networks. As Canada's sixth-busiest airport with passenger service to the United States, Billy Bishop Airport is an important international gateway and a key driver of Toronto's economy. Each year, the airport generates more than \$470 million in Gross Domestic Product (GDP) and supports 4,740 jobs, including 2,080 directly associated with airport operations.

A base for award-winning commercial air carriers Porter Airlines and Air Canada, Billy Bishop Airport is known throughout the travelling community for its world-class customer service and convenience. The airport's proximity to downtown in conjunction with the state-of-the-art pedestrian tunnel, enhanced shuttle service, shorter lines and newly unveiled passenger lounges have made Billy Bishop Airport the travel hub of choice for business and leisure travellers alike.

The airport has been recognized with a series of passenger driven awards, including being named one of the top airports in North America by Airports Council International's (ACI) Airport Service Quality Awards and one of the top airports in the world by Skytrax World Airport Awards, the premier international airport awards voted on by 13.8 million passengers worldwide.

Billy Bishop Airport has also been ranked as the fourth Best International Airport by Condé Nast Traveler and has been recognized as having one of the Top Ten Most Beautiful Airport Approaches in the world by PrivateFly for five consecutive years.

Billy Bishop Airport serves as a base for Ornge, an air ambulance service, two Fixed Base Operators, Heli Tours, and is home to a personal/general aviation community that includes approximately 50 private planes and one flight school. The airport is also home to several non-terminal commercial carriers such as FlyGTA that offers service to Niagara, Waterloo, Muskoka, Barrie and Wiarton.

Billy Bishop Airport continues to be a key facilitator of business travel and tourism, a creator of high-quality employment, and a significant economic engine for the GTA. Through direct and indirect economic benefits, the airport continues to support Toronto's key sectors including technology and commerce, life sciences, food and beverage, and travel and tourism. The airport also boosts the local economy, with visitors coming through Billy Bishop Airport spending approximately \$150 million a year on accommodation, transportation, retail and food and beverage.



CANADA

UNITED STATES

TORONTO

St. John's

Stephenville

Moncton

Fredericton

Halifax

Saint John

Québec City

Mont-Tremblant

Montreal

Ottawa

Burlington

Boston

New York

Timmins

Sudbury

Thunder Bay

Sault Ste. Marie

Windsor

Chicago

Washington, D.C.

Myrtle Beach

Orlando-Melbourne



BILLY BISHOP

TORONTO CITY AIRPORT





Billy Bishop Airport won the ACI-NA Environmental Achievement Award for Best Innovative Project for the airport's successful implementation of the Airfield Rehabilitation Program.



Billy Bishop Airport won the Airports Council International (ACI-NA) Environmental Achievement Award for its Noise Mitigation Program.

Airfield Rehabilitation Project

In September 2018, PortsToronto announced the completion of the Billy Bishop Airfield Rehabilitation Program – a significant three-year initiative that included the reconstruction of the airport's runways, taxiways and apron, as well as a complete lighting and signage LED retrofit that has reduced energy consumption by 75 per cent. The project also incorporated sustainable design features such as higher-friction runways that aid in reducing carbon emissions by allowing aircraft to slow down in less time. Additionally, the specialized grooving acts to direct water on the runway surface more quickly, reducing the potential for flooding and aircraft hydroplaning.

As part of the rehabilitation program, PortsToronto commissioned the construction of a Ground Run-up Enclosure (GRE) facility designed to dampen the noise associated with high-power aircraft engine ground run-up operations. The GRE, only the second of its kind in Canada, has had a significant and positive impact on our noise mitigation program by virtually eliminating noise complaints related to engine testing. This is particularly significant given that five years ago, complaints related to engine run-up testing made up 32 per cent of the airport's overall noise complaints.

In order to avoid disrupting the community with construction related noise and activity, PortsToronto implemented various measures throughout the course of the project to mitigate potential disturbances such as noise and lighting. These measures included an innovative barging operation that not only eliminated

noise and traffic in the surrounding airport community but removed the equivalent of approximately 6,000 trucks off neighbouring roads, casting construction lighting downward and away from the city to avoid disturbing those in residential buildings and implementing a policy to reduce the use of vehicle back-up alarms to further eliminate noise.

As a result of these measures, comprehensive community and stakeholder engagement and collaboration with our airport partners, this complex project was completed ahead of schedule and with virtually no disruption to our passengers and the community. In fact, the successful implementation of the Airfield Rehabilitation Project was recognized by Airports Council International (ACI-NA) for the positive environmental results achieved by the program, as well as for the unique measures implemented over the course of the project to reduce the impact of construction on the community. In April 2019, ACI-NA awarded Billy Bishop Airport the Environmental Achievement Award for Best Innovative Project in North America, representing the second time in the past two years that the airport has won an ACI-NA Environmental Achievement award.

The Billy Bishop Airfield Rehabilitation Program was completed at a cost of \$35 million—paid for by PortsToronto's Airport Improvement Fee and not taxpayers – and will ensure the airport continues to serve as an economic engine for the city as well as provide efficient service and connectivity to passengers.

TORONTO'S CITY AIRPORT

Billy Bishop Airport is an award-winning gateway offering a world-class experience, less than 3 kilometers from downtown Toronto.



15 min.

Billy Bishop Airport has a complimentary shuttle—departing every 15 minutes to Union Station.



Less than 3 km.

Billy Bishop Airport is located less than 3 kilometers from downtown Toronto.



12 min.

509 TTC departing every 7 minutes to Union Station.*



11 min.
2.5 km

Airport to Union Station along the Martin Goodman Trail*



2.8 million passengers

Billy Bishop Airport served 2.8 million passengers in 2018.

TORONTO'S CITY AIRPORT

Voted Top 10 Most Beautiful Airport Approaches in the World.




Thank you

FOR HELPING US REACH NEW HEIGHTS.

WORLD AIRPORT WINNER SKYTRAX AWARDS 2018

Top Ten Airport in the World
(under 5 million passengers)



Completed a successful three-year airfield rehabilitation project.

MASTER PLAN 2018

Public Consultation for Master Plan 2018



BILLY BISHOP TORONTO CITY AIRPORT

80 YEARS YOUNG

*Approx. travel time through google maps.
PortsToronto | Annual Report 2018



Billy Bishop Airport operations are powered by 100% Bullfrog Power.



The S-Shape chairs in the airport lounges are not only made from recycled fibre but are GREENGUARD Certified, which means that they have been tested and scientifically proven to have low chemical emissions.

Terminal Upgrades

In October 2018, Nieuport Aviation Infrastructure Partners — owner and operator of the airport's passenger terminal — completed a significant upgrade to the passenger lounges at Billy Bishop Airport designed to improve the experience for travellers. The upgrade included enlarging the passenger lounges, the introduction of additional amenities such as food and retail services as well as an 11th gate to further enhance the airport's world-class, award-winning passenger experience.

Billy Bishop Airport Electric-Ferry

PortsToronto announced is developing a plan to convert the Billy Bishop Airport *Marilyn Bell I* ferry to electric-power, which represents a unique technological advancement in the airport's fleet as the new vessel would be the first 100 per cent electric lithium-ion powered ferry in service in Canada.

The vessel's propulsion system would be entirely powered by battery and fueled by 100 per cent Bullfrog Power® renewable electricity, enabling the electric-ferry to reduce greenhouse gas emissions from the airport's ferry operation by 100 per cent. In addition to operating more efficiently and eliminating related emissions, the retrofitted vessel will further complement the airport's Noise Management Program as it will cross the Western Gap smoothly and quietly, dramatically reducing noise from ferry operations on the surrounding community.

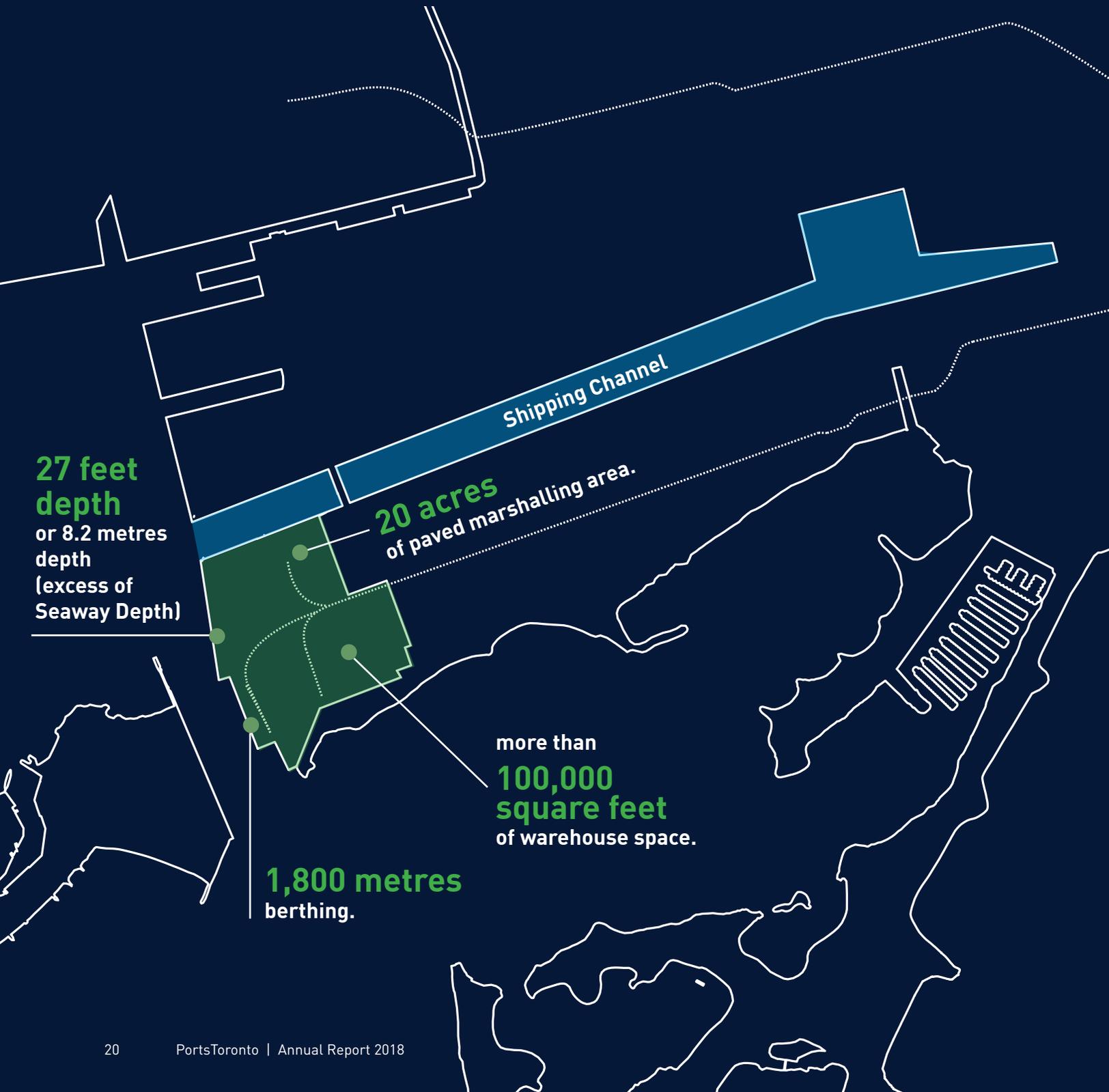
As part of PortsToronto's sustainability program, a phased approach to greening the airport's ferry operations began in 2018 when the Marilyn Bell I was converted from diesel to bio-fuel, which resulted in the reduction of approximately 20 tonnes of greenhouse gas emissions last year. The new electric-powered ferry is expected to reduce greenhouse gas emissions associated with ferry operations by 530 tonnes, significantly reducing the airport's carbon footprint and setting our organization on a clear path toward achieving PortsToronto's overall emissions target.

The airport's ferry operation not only transports passengers, airport staff and essential supplies to and from Billy Bishop Airport, it also serves as a vital link for City of Toronto service vehicles to gain access to the Toronto Islands. The conversion of the airport ferry to electric-power is one of Billy Bishop Airport's capital projects and will cost approximately \$2.5 million. Plans are still being finalized and the goal is to have the conversion complete in 2020.

PORT OF TORONTO



52-acre
property.



27 feet
depth
or 8.2 metres
depth
(excess of
Seaway Depth)

20 acres
of paved marshalling area.

more than
100,000
square feet
of warehouse space.

1,800 metres
berthing.



The Port of Toronto moved approximately 2.2 million metric tonnes of cargo in 2018.



178 ships visited the Port of Toronto.



Highest level of steel moved through the port in 20 years.

The Port of Toronto

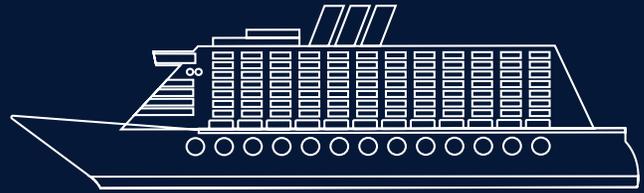
The Port of Toronto is situated on the northwest shore of Lake Ontario. Primarily a bulk cargo destination, the Port of Toronto is uniquely located minutes from downtown Toronto. The port handles global cargo from destinations as far away as Germany, Turkey, Australia, South America and the rest of North America.

In 2018, the Port of Toronto moved 2,179,795 metric tonnes of cargo, surpassing the record-breaking year the port experienced in 2017. Sugar, road salt, cement, aggregate and steel were brought directly into the heart of the city by 178 ships that visited the port over the course of the last year. The port received steel products including rebar, merchant bar, steel plate and coils totalling 69,281 metric tonnes, representing the highest level of steel product moved through the port in 20 years. In addition, the port recorded 14,391 metric tonnes in warehousing storage, the highest level recorded since 2011. Cement cargo imports remained strong for another year at more than 610,400 metric tonnes, and stone, aggregate and sand cargo levels continued to increase, ending the year at 189,133 metric tonnes. Salt and sugar imports at 735,948 and 560,625 metric tonnes respectively remained consistent with 2017 tonnages.

PortsToronto is also the owner and operator of the Marine Terminal property at 8 Unwin Avenue. PortsToronto's 52-acre facility has more than 100,000 square feet of warehouse space and over 20 acres of paved marshalling area. Due to its strategic location minutes from Toronto's downtown core, the port is a natural fit to serve varied shipping and supply chain needs. The Port of Toronto's location means the sugar, salt, cement and steel cargo has only a few kilometres to travel to reach its final destination.

In addition to their economic impact, increased imports through the port have a positive impact on the environment and traffic congestion, given that the approximately 2.2 million metric tonnes of cargo delivered by ship took approximately 54,000, 40-tonne trucks off Toronto's already congested roads and highways.

PORT OF TORONTO



The Port of Toronto welcomed more than **6,000 cruise ship passengers** in 2018.



THE GREAT LAKES 94,250 Square Miles of Fresh Water.

The Great Lakes Cruise Routes



*Blount Small Ship
Adventures*



Victory Cruise Lines



Pearl Seas Cruises



17 Cruise Ships
visited the Port of
Toronto in 2018.



The Port of Toronto is also a growing hub for tourism with thousands of passengers arriving in Toronto each year on cruise ships and often staying for six or seven nights and frequenting the city's restaurants and attractions.

Toronto Cruise Ship Terminal

In 2018, the port welcomed 17 passenger cruise ships carrying approximately 6,000 passengers, highlighting the importance of the ever-growing Great Lakes cruise ship business and the role it plays in contributing to Toronto's tourism industry. The port is expecting this number to more than double in 2019 with 35 cruise ships coming to Toronto in the summer and fall, bringing 12,000 visitors to the city.



MV Victory II Inaugural Voyage on the Great Lakes and First Visit to Toronto

In August 2018, PortsToronto welcomed the MV Victory II, a 200-passenger luxury cruise ship, into the Port of Toronto, marking the ship's first visit to the city and inaugural voyage on the Great Lakes. As one of Canada's largest major inland ports, which is only minutes from the downtown core, the Port of Toronto is becoming an increasingly popular cruise destination as it offers a unique urban experience for travellers making their way through the magnificent Great Lakes.

This burgeoning industry plays an important role in supporting Toronto's booming tourism sector as thousands of passengers arrive in Toronto each year on cruise ships and often stay for six or seven nights, frequenting the city's restaurants, shops, and countless events and attractions.

PORT OF TORONTO



SALT
Cleveland
Windsor
Goderich



AGGREGATE / STONE
Port Colbourne
Bruce Mines
Prescott



SUGAR
Paranagua
Santos
Recife
Maceio
Puerto Quetzal
Henecan
Puerto Cortes
Corinto
Punta Morales
Veracruz
Coatzacoalcos
Acajutla



CEMENT
Picton
Bath



CARGO
Electric Transformers
[Yokohama, Japan]
Steel Plate
[Dangjin, Korea]
Steel Pipe [Gemlik, Turkey]



In February 2019, Cinespace announced that it had partnered with streaming giant Netflix on a long-term deal to establish a Production Hub that will bring thousands of new jobs to the Toronto area and surrounding region.

Supporting Canada's Film Industry

According to the City of Toronto's plan entitled *Spotlight on Toronto: A Strategic Action Plan* for the Film, Television and Digital Media Industry, the film sector is a key economic driver for Toronto and continues to experience significant year-over-year growth. Home to a diverse array of filming locations and a widely respected pool of on and off-screen talent, Toronto has many of the key market fundamentals needed to succeed as one of the leading global centres for film, television and digital media. In fact, the screen-based industries have grown to become one of Toronto's key economic drivers, contributing a record-breaking investment of over \$2 billion to the city's economy in 2016 and supporting an estimated 30,000 jobs.

With access to some of the best views in Toronto, the Port of Toronto continues to be a popular filming location for major television dramas and big-screen blockbusters. In what was another strong year for the industry in Toronto, filming activity at PortsToronto's properties generated more than \$90,000 in revenue in 2018. Several productions, including *Designated Survivor*, *Private Eyes*, *In the Dark* and *Streets of Yesterday*, were filmed on PortsToronto properties in 2018.

Cinespace

In March 2018, Toronto Mayor John Tory and Cinespace Film Studios—the largest private owner and operator of studio space in North America—announced the signing of a multi-year lease with PortsToronto to occupy and develop Marine Terminal 51 and portions of the Cruise Ship Terminal into film and TV production facilities that will support jobs in the Canadian film industry for years to come.

Cinespace's Toronto studio facilities are known for housing award-winning productions such as TV series *A Handmaid's Tale*, and 2018 Best Picture Oscar winner, *The Shape of Water*. This long-term agreement enables PortsToronto to support a successful Canadian company, a burgeoning local film industry and the City of Toronto's vision for the Port Lands as an important economic district.



OUTER HARBOUR Marina

10 minutes from the
downtown core.

Outer Harbour
Marina equipped
with
**heated
indoor boat
storage.**

**5 Green Anchor
Gold Rating.**

**625 extra-wide
slips**
that can accommodate
boats up to 100-foot long.





In 2018, 674 new permits were issued to boaters, with 7,248 active permits currently held by boaters.



New amenities include, free Wifi, showers and laundry facilities.

Outer Harbour Marina

Just outside the Toronto Harbour and a short walk from Tommy Thompson Park and nature preserve, the Outer Harbour Marina (OHM) is located just 10 minutes from the downtown core. With breathtaking scenery and a world-class marina, the OHM offers a unique escape from city life without actually having to leave it.

As one of the largest freshwater marinas in Ontario, the OHM has more than 625 extra-wide slips that can accommodate boats up to 100 feet long. As well as being the only docking facility of its kind in Toronto, the OHM also boasts heated indoor boat storage.

In addition, the OHM provides best-in-class amenities. When not out on the water, boaters and their families enjoy free WiFi, access to a newly renovated washroom facility that includes showers and laundry, as well as a spacious BBQ pavilion and picnic area with

ample green space. The OHM has a reputation for excellence, especially when it comes to environmental stewardship. In 2018, it earned a 5 Green Anchor Gold rating from the Ontario Marine Operators Association for the ninth year in a row—one of the highest rankings attainable for marinas that follow environmental best practices.

Every recreational boater operating a powered vessel within PortsToronto's jurisdiction, which extends from the mouth of the Humber River to Victoria Park Avenue, is required to have a Powered Vessel Operator's Permit. PortsToronto's Powered Vessel Operator's Permit education program, which includes on-water testing, takes place at the Outer Harbour Marina from May to September. In 2018, 674 new permits were issued to boaters, with 7,248 active permits currently held by boaters.



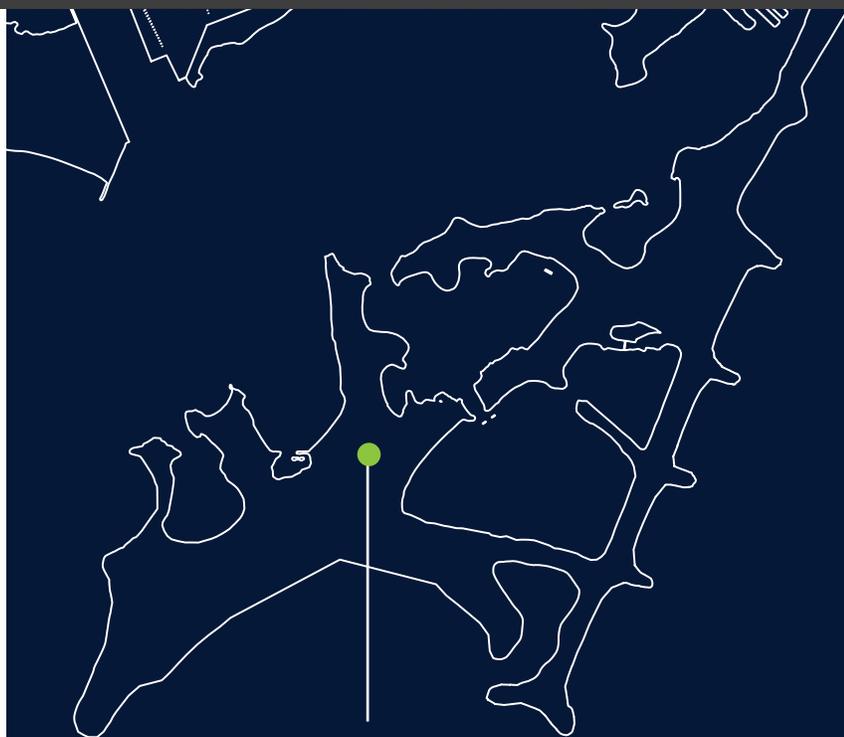
REAL ESTATE AND PROPERTY HOLDINGS



In 2018, property and other holdings reported operating income of \$0.2 million on revenues of \$0.4 million which include leasing revenues from properties such as Pier 6 and 5 Queens Quay West.

Real Estate and Property Holdings

Property and holdings are a small component of PortsToronto's business and include the Leslie Street Spit, 5 Queens Quay West, Pier 6 and various additional water and land lots. These properties are leased to other businesses, and some have the potential for redevelopment.



Tommy Thompson Park

Extends five kilometres into Lake Ontario, and is more than 250 hectares in size.

As a member of Aquatic Habitat Toronto (AHT), PortsToronto undertook this work to improve and restore aquatic habitat in support of the Toronto Waterfront Aquatic Habitat Restoration Strategy and the objectives of the Great Lakes Water Quality Agreement (GLWQA 2012) as well as the Canada-Ontario Agreement on Great Lakes Water Quality and Ecosystem Health (COA 2014).



CITY BUILDING

COMMUNITY

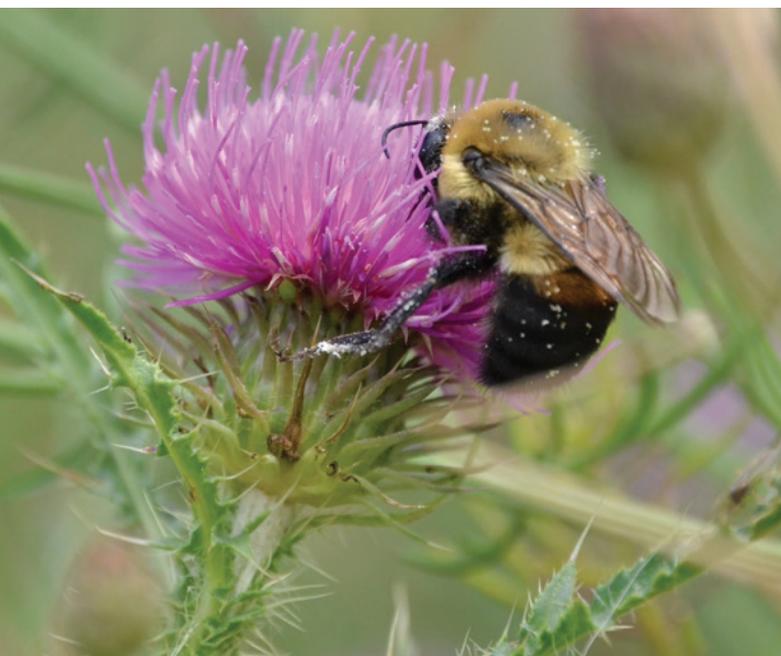
ENVIRONMENTAL

FINANCIAL



Four Pillars

PortsToronto has built its organization on four pillars to ensure an efficient, successful and relevant approach to its business and activities. City building, community investment, environmental stewardship and financial sustainability are equally important in ensuring that PortsToronto serves its key stakeholders and continues to play an important role in building a strong and vibrant waterfront that reflects both commercial and community interests.





City Building



PortsToronto reinvested over \$15 million in waterfront and transportation infrastructure in 2018.



PortsToronto removed the dilapidated East Gap Pier to ensure the safe navigation of vessels through Toronto's harbour.



Investing an additional \$500,000 toward the rehabilitation of the Western Channel dock wall (south of Ireland Park) which is owned by the City of Toronto.

As the largest employment cluster in the country with over half a million jobs concentrated in the city core, more and more people are making downtown Toronto their home. With population growth projected to double* in the downtown core over the next 20 years, the need for future investment in transportation infrastructure will be essential to support the demand.

Innovative, well-planned infrastructure not only keeps us connected but also creates jobs and strengthens communities. Since the beginning of the twentieth century, PortsToronto has made strategic investments to support key city-building initiatives. In 2018, PortsToronto reinvested over \$15 million in waterfront and transportation infrastructure. Some of these initiatives include:

- The final year of the Billy Bishop Airport Airfield Rehabilitation Program that has modernized the airfield and will ensure the airport continues to serve as an economic engine for the city and provide efficient service and connectivity to passengers;
- The removal of the dilapidated East Gap Pier, which is owned by the federal government, to ensure the safe navigation of vessels through Toronto's harbour; and,
- Investments in components of the City of Toronto-led Bathurst Quay Neighbourhood Plan to address access issues in the vicinity of the airport and improve the public realm for the enjoyment of passengers, the public and visitors alike.

Dock Wall Enhancement

PortsToronto shares responsibility with the City of Toronto, Create TO (formerly Toronto Port Lands Corporation) and private companies in upgrading and maintaining our respective sections of the port's dock walls and harbour infrastructure.

In June 2018, PortsToronto announced three projects that it will fund, in whole or in part, to restore dock walls within Toronto's harbour. These projects include:

- In addition to funds committed by the City of Toronto, PortsToronto will contribute \$500,000 toward the rehabilitation of the western channel dock wall (south of Ireland Park) which is owned by the City of Toronto. This dockwall is located in close proximity to PortsToronto's ferry slip and provides connections for service vehicles to the Toronto Island and services Billy Bishop Airport.
- Repairs to the south dock wall in the Western Gap which is owned by PortsToronto; including plans to make it into a public space that can be enjoyed by passengers, staff and the community; and,
- The removal of the crumbling pier in the East Gap harbour entrance, which was completed in the fall of 2018. Although not owned by PortsToronto, the pier was removed by PortsToronto in an effort to maintain a safe and navigable harbour.

*City of Toronto TOCore Report 2015



Canadian airports, including Billy Bishop Airport, contributed \$19 billion in GDP, 194,000 jobs and \$6.9 billion in tax revenue to all levels of government.



Canadian airports, including Billy Bishop Airport, contributed \$48 billion in economic output.

Job Creation

The Port of Toronto continues to be a vital connection to the world, not only boosting tourism and trade, but also providing sustainable employment for terminal workers and other jobs related directly to the shipping industry. Additionally, the Port of Toronto supports indirect job creation by providing businesses with a convenient, environmentally responsible and cost-effective way to get goods and people into the heart of downtown Toronto.

According to a September 2018 Martin and Associates report*, marine cargo arriving and managed at the Port of Toronto generated \$377.7 million in economic activity and 1,566 jobs in Ontario in 2017. Data from the study also indicates that marine cargo and vessel activity from the Port of Toronto's marine terminals created 482 direct jobs and generated \$24.5 million in wages and salaries. The results in this report were part of wider regional study released in July 2018 —Economic Impacts of Maritime Shipping in the Great Lakes — that confirmed cargo shipments to ports on the Great Lakes St. Lawrence River waterway generated 181,000 jobs in Canada and \$26 billion in economic activity in Ontario and Quebec.

Economic Impact of Airports

Billy Bishop Airport is an important international gateway and a key driver of Toronto's economy, generating more than \$470 million in Gross Domestic Product (GDP) and supporting 4,740 jobs, including 2,080 directly associated with airport operations. Construction projects related to the final year of the Airfield Rehabilitation Project and the passenger terminal upgrade continued to foster job creation in 2018. The airfield project generated more than 100 local jobs per year for the duration of the program. The terminal project created local employment for more than 1,500 people during the construction phase with 100 full-time staff now employed in the new lounge concessions.

Canadian airports, including Billy Bishop Airport, are key drivers in the economic landscape, helping to provide connectivity that will attract tourists and facilitate trade and investment.

In 2016, with 140 million passengers* travelling through Canada's airports (up 112% from 1988), airports directly contributed \$48 billion in economic output, \$19 billion in GDP, 194,000 jobs and \$6.9 billion in tax revenue to all levels of government.

* Economic Impacts of Maritime Shipping in the Great Lakes (2018) was carried out by economic consultants Martin Associates of Lancaster, Pennsylvania, retained to conduct this analysis by a coalition of Canadian and American Great Lakes and St. Lawrence marine industry stakeholders. The methodology for this study is based on analysis of a core group of 40 Canadian and U.S. Great Lakes-St. Lawrence River ports. The study team conducted detailed interviews with marine terminal operators, service providers, railroads, port tenants and other stakeholders at each port.



SOAN airports facilitate more than 52 million passengers, general aviation services, maintenance and repair organizations (MRO), or flight training activities.



In the past five years, the technology industry in Toronto has grown by more than 50 per cent, employing roughly 241,000 and outpacing other North American technology hubs such as San Francisco, Seattle and Washington D.C.

The Southern Ontario Airport Network

The Southern Ontario Airport Network (SOAN) was formed by 11 commercially significant regional airports to meet the challenges of increasing travel demand. SOAN looks to address the demand for air travel by identifying opportunities to have airports specialize and work together to free up capacity. SOAN's goal is to enable the region's airports to accommodate all the air service needs of the region, and continue to be drivers of local and regional economic opportunities.

- In 2016, 49 million passengers and more than 470,000 tonnes of cargo flowed through Southern Ontario's airports.
- By the mid-2040s, the regional air travel volume is expected to reach 110 million passengers annually.
- The current regional air travel capacity across all airports in Southern Ontario is estimated to be around 90 million passengers per year, even taking into account already planned capacity investments at Toronto Pearson.

Facilitator of Tourism and Trade

The unique downtown locations of Billy Bishop Toronto City Airport and the Port of Toronto make them key urban transportation hubs for Canadian and international businesses to gain access to the heart of Canada's business capital.

Since its opening in 1939, Billy Bishop Airport has become an important international gateway and significant economic engine for the GTA. The airport boosts Toronto's tourism economy, with visitors coming through Billy Bishop Airport spending approximately \$150 million a year on accommodation, transportation, retail and food and beverage.

Through direct and indirect economic benefits, the airport continues to support Toronto's key sectors including the financial services, life sciences, the food and beverage sector, travel and tourism, and the film and television industry.

In the past five years, the technology industry in Toronto has grown by more than 50 per cent, employing roughly 241,000 and outpacing other North American technology hubs such as San Francisco, Seattle and Washington D.C. Already North America's fourth largest technology talent market, Toronto's tech sector will continue to grow, attracting the increased presence of global brands and technology giants such as Amazon and Google.*

With these companies choosing Toronto to base operations, Billy Bishop Airport will play a more vital role than ever before, connecting businesses in Toronto to key technology markets in the U.S. such as New York and Boston. Further, with regional carriers such as FlyGTA now serving markets such as Kitchener-Waterloo, the technology corridor is growing ever stronger as fast, efficient and daily connections can be made between the two technology hubs.

*Based on information from the Bank of Montreal's Blue Book for Winter 2019, published February 5, 2019.

Community Engagement



Hope Air client Allie and her mom at Billy Bishop Airport



In 2018, Hope Air facilitated more than 1,000 flights for patients travelling to/from Billy Bishop Toronto City Airport.

Of these flights Hope Air patients most frequently travelled for organ transplants, cancer, musculoskeletal, nervous system and gastrointestinal disorders.

With a long tradition of working with community members and organizations to foster strong and sustainable communities along Toronto's waterfront, PortsToronto provides donations, sponsorships and in-kind contributions to local initiatives and events each year. These initiatives and events share a common goal of promoting healthy, sustainable and empowered communities. In 2018, PortsToronto funded community initiatives and organizations including:

- Evergreen School Ground Greening Program
- Redpath Waterfront Festival
- The Bentway Conservancy—Bentway Park
- Aloha Toronto (Benefiting children with autism)
- Set Sail for Hope (Benefiting Camp Trillium children living with cancer)
- Beaches International Jazz Festival
- Ireland Park Foundation
- Global Forum
- CivicAction
- Heritage Toronto
- Moorelands (Benefiting youth living in under-served neighbourhoods)
- Lake Ontario Waterkeeper
- Billy Bishop Home and Museum
- Emily's House and Philip Aziz Centre for Hospice Care (Supporting adults and children living with life-limiting illnesses)

- Waterfront Neighbourhood Centre (Room 13 and Community Garden)
- Make-A-Wish Foundation
- Hope Air (Medical travel assistance)
- Sugar Shack
- Windward Co-operative Homes
- Broad Reach Foundation
- ALS Canada

Ice Breakers

Ice Breakers, a winter-themed public art exhibition, enticed over one million Torontonians to rediscover the city's lively waterfront during the winter months.

The Bentway

The Bentway had another successful season, welcoming over 30,000 skaters to the trail over the course of the winter months. The Billy Bishop Airport free skate nights were especially popular with 2,200 people skating the trail over the course of three nights.



More than 8,000 people and 50 boats attended Sail-In Cinema.



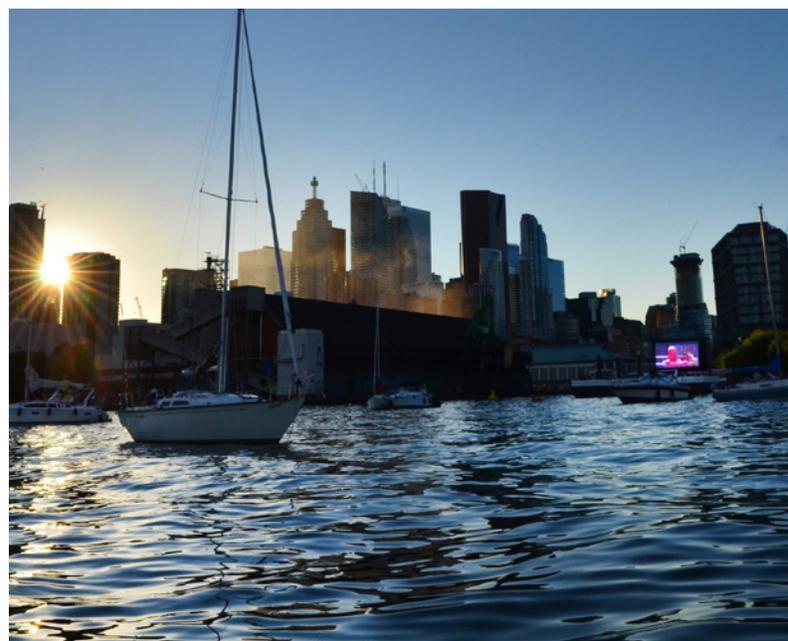
Sail-In-Cinema featured a three-storey HD LED floating screen anchored to a barge in Lake Ontario.

Sail-In Cinema

In 2018, more than 8,000 people and 50 boats attended Sail-In Cinema as PortsToronto continued to give back to the local community through this free event, connecting with residents and spreading awareness about our role on the waterfront. The eighth annual Sail-In-Cinema featured a state-of-the-art, three-storey double-sided HD LED floating screen anchored to a barge in Lake Ontario. Pre-show activities included henna tattoos, face-painting, trivia, and free snacks for moviegoers.

Doors Open

In May 2018, Billy Bishop Airport opened its doors to a record 24,000 people as part of Toronto's annual Doors Open event. Doors Open included activities for the entire family as part of a 'behind-the-scenes' self-guided tour of the airport. Activities included the opportunity for kids of all ages to explore the airport's state-of-the-art safety vehicles; a staging area from which to view the airport's runway operations and aircraft up close; the Ornge hangar, which featured emergency response helicopters, EMS vehicles and life-saving demonstrations; and the opportunity to meet the animals who play a role in the airport's wildlife management program.





The Plane Pull to End ALS event raised more than \$90,000 for ALS research and awareness.



WATERLICHT at The Bentway Park simulated a virtual flood and called attention to rising water levels along Toronto's shoreline.

Plane Pull to End ALS

On October 20, 2018, Billy Bishop Airport hosted the eighth annual Plane Pull to End ALS where fourteen teams raced against the clock to pull a 37,000-pound Porter Airlines plane by hand for 100 metres. The event raised more than \$90,000 for ALS research and awareness.

WATERLICHT

In October 2018, PortsToronto was proud to sponsor WATERLICHT, a large-scale light installation underneath the Gardiner Expressway at The Bentway Park that simulated a virtual flood and called attention to rising water levels along Toronto's shoreline.

WATERLICHT RADIO, an audio recording of local stories about Toronto's waterfront—including one by PortsToronto's Harbour Master Emeritus Angus Armstrong—accompanied the installation and served as a stirring call-to-action for a city-wide conversation around clean water initiatives and climate change.





PUBLIC MEETINGS IN 2018

Community Liaison Committee

- February 28, 2018
- May 30, 2018
- September 25, 2018
- November 27, 2018

Noise Management Sub-Committee

- July 25, 2018
- November 7, 2018

Annual General Meeting

- June 11, 2018

Public Outreach and Meetings

As part of our ongoing efforts to further engage with the residents and businesses surrounding Billy Bishop Airport, PortsToronto established a Community Liaison Committee (CLC) in 2010. The CLC gives our neighbours a forum to discuss issues and concerns related to airport development, activities and operations. The committee also enables airport management to communicate operational activities and information with stakeholders and the broader community.

Key representatives from neighbourhood community groups, local businesses and stakeholders, as well as local city councillors and members of provincial and federal parliaments, make up the membership of the CLC. The committee follows best practices of community engagement, meeting four times a year and addressing matters such as airport noise management, air quality and transportation access. The CLC's quarterly meetings are open to the public and minutes taken by third-party consultant Lura Consulting are posted to the PortsToronto website. In 2018, 31 meetings of the CLC were held.

In late 2017, a Noise Management Sub-Committee of the CLC was formed to further research, understand and address noise impacts from airport operations. The Noise Management Sub-Committee consists of four community members, two staff members from PortsToronto, one staff member from the City of Toronto and a facilitator from LURA Consulting. The committee has two co-chairs, one from the community and one from PortsToronto. The committee met twice in 2018 and has met 3 times so far in 2019 with a commitment to meet 3 more times.



Billy Bishop Airport has met with more than 700 people from community groups including the Waterfront school, building residents and associations, agencies including First Nations and stakeholders as part of the Airport Master Plan outreach activities.

Airport Master Plan Public Meetings

- February 7, 2018
- June 25, 2018
- June 12, 2019

Airport Master Plan 2018

In August 2019, Billy Bishop Airport will release its updated Master Plan. The plan provides a long-range vision for the airport, which in turn assists airport management and other stakeholders in making informed decisions regarding future development. Master Plans are customary for most airports and are usually updated every five years. The new Master Plan for Billy Bishop Airport is an update of the 2012 Master Plan, which is available on the PortsToronto website.

The primary purpose of an airport Master Plan is to establish an orderly development concept for the airport that establishes priorities and options for the airport's operation and development over an extended period, while at the same time allowing the airport to avail itself of new opportunities to serve the needs of the community and operators. An airport Master Plan is not a regulatory document but rather a planning tool intended to deliver a long-term strategy for the airport that provides a framework for planning and development. The typical planning horizon for an airport Master Plan is 20 years.

The planning process for the Billy Bishop Airport Master Plan kicked off in late 2017 with a comprehensive public consultation process that has included public meetings with more than 700 people and 90 groups including neighbourhood and community associations, elected officials, government agencies and First Nation communities, as well as both waterfront stakeholders and airport stakeholders, tenants and the general public.

The draft Master Plan was presented to the public on June 12, 2019 which kicked off a 30-day comment period where stakeholders and members of the public can provide comment that will be contemplated and considered in finalizing the draft. The finalized Master Plan will be released following the comment period and is expected in August 2019.

Regular project updates are provided on social media and at www.BillyBishopAirportMasterPlan2018.com.



Canadian ports currently handle more than 60 per cent of Canada's commercial cargo and are vital to the domestic and global movement of goods.



The Port of Toronto moved 735,948 metric tonnes of salt in 2018.

Canadian Ports Modernization Review

Canadian ports currently handle more than 60 per cent of Canada's commercial cargo and are vital to the movement of goods. In 2018, the Port of Toronto moved approximately 2.2 million metric tonnes of cargo that is essential for Toronto, providing salt for our roads, sugar for our food industry, and concrete, steel and aggregate for our booming construction industry.

In early 2018, Transport Canada launched the Canadian Ports Modernization Review to study areas such as innovation, trade logistics, safety, security, community engagement and sustainability. The initiative presented a unique opportunity for Canadian ports to work together with Transport Canada and the Minister's office to share best practices and information to ensure that Canadian ports remain competitive, collaborative and innovative.

PortsToronto has long adhered to best practices around governance, financial reporting, executive and board expense disclosures, sustainability, security and community investment and engagement. The Ports Modernization Review provides the occasion to identify opportunities for greater innovation, growth and investment so that the Port of Toronto can remain an important asset for the City of Toronto, play an important role in the national transportation system, and be an important contributor to the Canadian economy.

PortsToronto put forward a submission detailing advancements in areas such as sustainability and community engagement for the Review. The submission is available on the PortsToronto website. Findings of the Canadian Ports Modernization Review are expected later in 2020.



When you only have a weekend to spend together, you want to be there as soon as possible!



Billy Bishop is awesome and gets me home sooner than other airports, allowing me to spend more time with my wife and kids.



Billy Bishop Toronto City Airport keeps us connected to our daughters who both live in Toronto. So convenient and the lounge is wonderful and relaxing. #YTZconnect



Billy Bishop Toronto City Airport make it so easy for us as we are a 10 minute walk to the terminal. Flying off on a nice vacation or to see loved ones is painless and we can always enjoy our trip. #YTZconnect



17.4% growth on our Facebook pages.



71.4% audience growth on our Instagram accounts.



Connecting Online

With more than two-thirds of all Ontario residents using social media, PortsToronto continues to engage with the public through a variety of social media platforms. In 2018, PortsToronto grew its presence on social media year-over-year with a 17.4 per cent growth on our Facebook pages, a 9.1 per cent increase in followers on our Twitter accounts and a 71.4 per cent audience growth on our Instagram accounts. Our social media accounts are used to promote various community and PortsToronto-related events, as well as to respond to questions from airport passengers and the local community.

A real-time update of our key social media accounts is also available on the PortsToronto website. News and information relevant to our stakeholders and the community is also posted on the site. Executive correspondence, the governance manual, news releases, project updates and FAQs are regularly updated to ensure transparency and promote greater awareness of PortsToronto and our activities.

In operating three business units and our property holdings, PortsToronto is in constant contact with our partners, stakeholders and the community, and we pride ourselves on our ability to quickly and efficiently connect with anyone who contacts us. To better encourage this connection, the website includes a feedback portal that enables passengers, residents and stakeholders to quickly and easily contact us with their feedback,

concerns and questions. This system also provides an opportunity to track common concerns and trending topics that help us best address the needs of our local community. PortsToronto prioritizes fostering and maintaining positive relationships and strong connections with our neighbours and stakeholders.

YTZ Connect

In 2018, Casey and Howard Yeung contacted us with their story about how Billy Bishop Airport kept them connected even when they lived in different cities. We were moved by Casey and Howard's story and asked them to participate in a special Valentine's version of the "It's My Airport" campaign. You can watch their video on our website.



Billy Bishop Airport kept them connected.



Overall Noise Complaints decreased by 19% in 2018, with 228 complaints in 2018, versus 271 in 2017.

100% 

100% reduction in complaints related to engine run-ups in 2018.

Noise Management Office

Billy Bishop Airport's Noise Management Office includes dedicated staff who collect, analyze and respond to noise complaints and monitor daily operations. Staff utilize Vortex, a customizable tracking and logging software platform designed specifically for the needs of an airport environment to track, document and respond to noise complaints. In 2018, all complaints received were handled within the five-day window that the airport adheres to as part of our commitment to the community.

The Noise Management Office continues to offer free access to WebTrak, which enables anyone with a computer, smartphone or tablet to gather information on any aircraft activity they may hear overhead. This service, combined with our three Noise Monitoring Terminals (NMTs), provide ongoing noise-level data to the airport's Noise Management Office. The data is used in long-term noise mitigation planning and to aid in responding to noise complaints from the surrounding community. The data transmitted by the NMTs is also viewable through the WebTrak website.

Billy Bishop Airport releases a detailed Annual Noise Management Report to the community which is available on our website. In addition to reporting on an annual basis, the Noise Management Office also produces a monthly noise report that is posted to the PortsToronto website.

2018 Noise Report

The 2018 Noise Management Report for Billy Bishop Airport was released in February 2019. The report reflected an overall 19 per cent decrease in noise complaints last year, with 228 complaints submitted in 2018, versus 271 in 2017. The report also showed that as a direct result of the Ground Run-Up Enclosure (GRE) facility that went into service in April 2017, no complaints related to scheduled engine-runs were filed in 2018.

The report found that while construction work continued on improvements to airfield infrastructure from winter to early fall 2018, there were no noise complaints related to the Billy Bishop Airport Airfield Rehabilitation program last year. In addition, noise complaints related to the terminal upgrade completed by Nieuport Aviation in September 2018 also decreased. These positive results can be attributed to measures that were implemented at the airport to minimize noise associated with idling aircraft, including modifying flight schedules and adding greater buffer times.

Over the course of the year, PortsToronto continued to work in concert with the public and the airport's air carriers to develop enhanced programs, procedures and infrastructure aimed at mitigating the airport's noise impact on the surrounding community. For example, after the Toronto Islands community cited an increase in noise disturbances related to new regional routes at the airport in 2017, Billy Bishop Airport worked with regional carriers to alter flight paths and minimize flights over the Toronto Islands.



Ward's Island saw a 53% decrease in noise complaints in 2018.



Three Noise Monitoring Terminals (NMTs), provide ongoing noise-level data to the airport's Noise Management Office.

As a result, in 2018, community noise complaints related to flights over Algonquin and Ward's Islands decreased by 36 and 53 per cent respectively.

While we saw a decrease in noise complaints in many of the surrounding airport neighbourhoods in 2018, we have seen an increase in noise complaints in the Bathurst Quay neighbourhood. The communities in closest proximity to the airport have cited ground noise disturbances generated by aircraft maneuvering on taxiways and apron areas. With this in mind, we will begin work on a Ground Noise Activity Assessment study in 2019 and continue to work in collaboration with the Noise Management Sub-Committee of the Community Liaison Committee (CLC) to identify solutions to mitigate noise in this area.

Air Quality

At the May 2017 Community Liaison Committee (CLC) meeting, Toronto Public Health presented findings related to air quality in the vicinity of Billy Bishop Airport based on the November 2013 Golder Report. With regard to the airport's environmental impact to the local air shed, Toronto Public Health found that there are no health concerns as a result of the airport's operations and that air pollution levels in the surrounding area are below provincial standards.

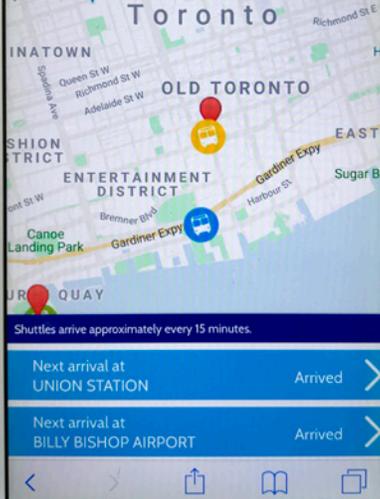
The report noted that the largest contributor of pollutants in the vicinity of Billy Bishop Airport is not the airport but rather vehicle emissions from the surrounding road network

including the Gardiner Expressway. PortsToronto continuously seeks out new and innovative measures to complement sustainable practices and infrastructure already in place with the aim of mitigating emissions from all of its operations. In 2019, PortsToronto will upgrade its vehicle fleet at the port, as well as begin the process to convert the biodiesel fuel-powered airport ferry to electric power, which will significantly reduce emissions and noise.

Calm Wind Trial

Billy Bishop Airport requested that NAV CANADA undertake a Calm Wind Runway trial that began in August 2018 and will run until end of June 2019. To determine if the procedure should be implemented to further complement the airport's comprehensive Noise Management Program, aircraft take off and land at the airport from west to east.

The trial occurs during the morning start-up routine and when traffic levels permit during periods of calm wind (wind speed of less than five knots). As part of the trial, the public is encouraged to submit feedback pertaining to aircraft noise to the Noise Management Office or through WebTrak. Once feedback has been compiled and studied, the results of the trial will be presented to the community.



In 2018, the mobile shuttle website saw 69,031 active users.



41% of travellers choose to walk, bike, take the shuttle bus or public transit from the airport.

Traffic Management

Rapid condominium development and attractions such as the Rogers Centre, along with the popularity of the airport, have resulted in increased traffic in the area. For its part, Billy Bishop Airport continues to encourage travellers to take sustainable modes of travel to and from the airport. Efforts are proving to be successful as a 2018 *Dillon Consulting study confirmed that 41 per cent of travellers choose to walk, bike, take the shuttle bus or public transit from the airport, representing one of the highest overall percentages of non-automobile use at any airport in North America. With the modal split at Billy Bishop Airport recorded at 27 per cent in 2013, this represents a 52 per cent increase in non-automobile usage at the airport over the last five years.

In addition, the report indicates that 29 per cent of passengers depart Billy Bishop Airport via the complimentary airport shuttle to access Toronto's Union Station, which highlights the important role the airport plays in not only connecting people to the heart of downtown Toronto but in providing convenient access to the region's overall transportation network. The survey also indicates that only 2 per cent of passengers drive and park at the airport.

Finally, the study shows that the Billy Bishop Airport pedestrian tunnel continues to have a positive impact on dispersing passenger and vehicle traffic flow at the airport. The tunnel, which opened in 2015 and connects passengers to the airport from the mainland pavilion, not only provides convenient and efficient access to the airport but plays a vital role in significantly reducing surges in traffic demand at the mainland terminal and along Eireann Quay.

In December 2018, a reconfigured approach to passenger and vehicle traffic operations was implemented as part of a pilot project. Later in 2019, the impact and efficacy of the reconfiguration will be evaluated to assess improvements to traffic flow in the vicinity of Eireann Quay and the potential for full-time adoption of the program.

*The study conducted by Dillon Consulting was undertaken during airport peak hours and focused on conditions related to traffic volumes, modal splits and taxi occupancy levels for travel to and from the airport. The data gathered will continue to provide background information to measure future conditions related to traffic volumes.



PortsToronto will implement a Bicycle Maintenance Station in 2019.



Overall BikeShareTO ridership at Billy Bishop Airport has increased by 108% year-over-year.

Bike Racks

As part of continued efforts to reduce vehicle traffic associated with the airport, PortsToronto has incorporated bike racks that are conveniently located on both the island and mainland. The four covered racks on the island enable cyclists to leave their bikes for the duration of their trip, knowing their bikes are secure and safe from the elements. PortsToronto also worked with the City of Toronto to install new bike racks near the mainland ferry terminal. Primarily used by employees, these bike racks encourage staff to choose more sustainable forms of transportation for their commute. PortsToronto is in the process of implementing a Bicycle Maintenance Station for cyclist convenience that will be installed in 2019. The Bicycle Maintenance Station will include tools for manual tire replacement and an air pump for on-the-go and preventive maintenance.

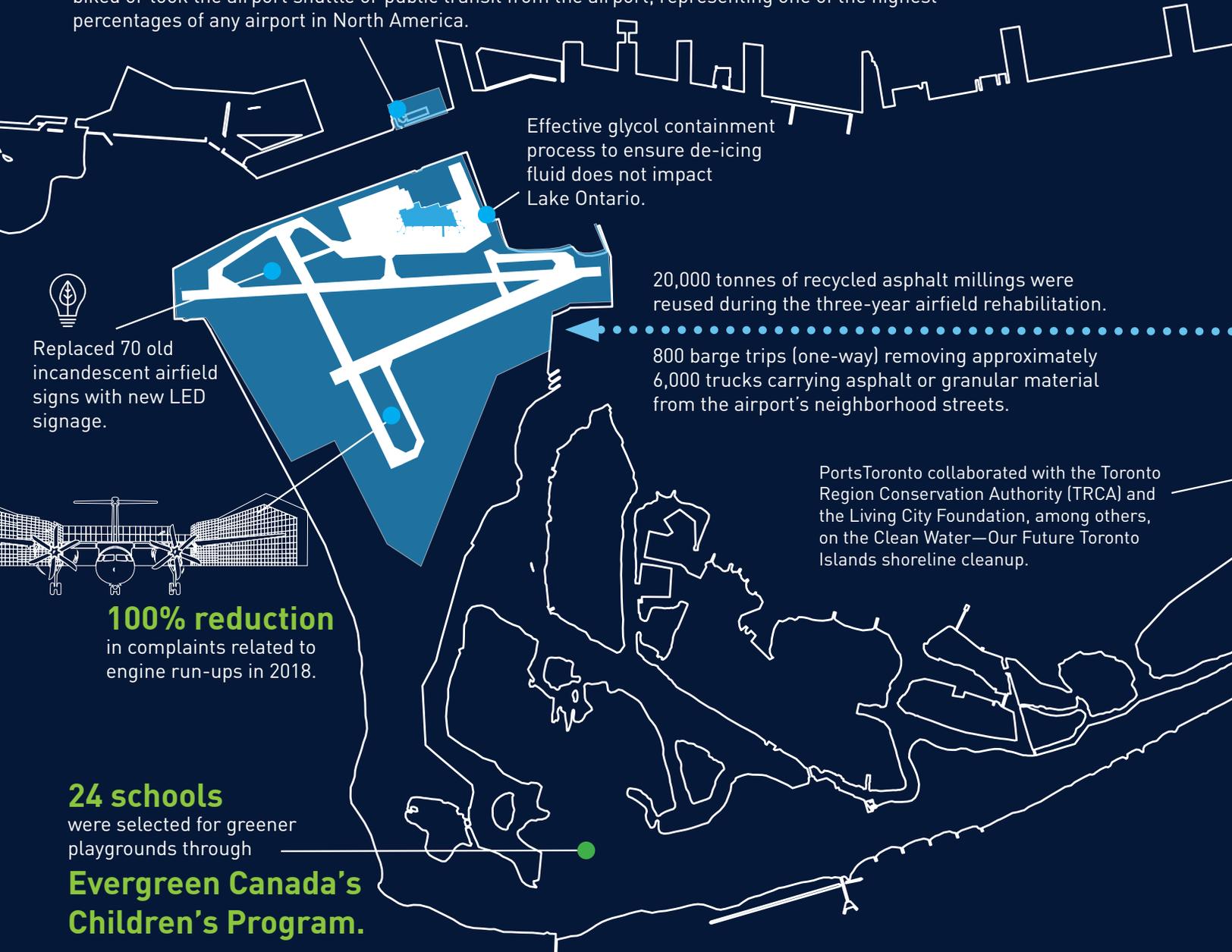
BikeShareTO

The popularity of biking to the airport has made the Bike Share station at the Bathurst Street and Eireann Quay intersection one of the 10 busiest in the city's network. During peak cycling season in 2018, approximately 182 rides per day were generated from this Bike Share location with an even split between rides starting at the station and ending at the station. Ridership continued in the winter months with 42 rides generated per day from this location. Overall, ridership at this location increased by 108 per cent year-over-year. The station was expanded in early 2018 due to its popularity, and another station to accommodate the demand for increased bike sharing in this area is being considered.



2018 PortsToronto Sustainability Snapshot

On average, 41 per cent of travellers observed during a 2018 *Dillon Consulting study walked, biked or took the airport shuttle or public transit from the airport, representing one of the highest percentages of any airport in North America.



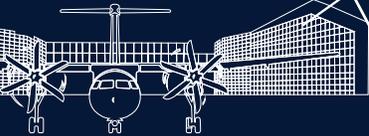
Effective glycol containment process to ensure de-icing fluid does not impact Lake Ontario.

20,000 tonnes of recycled asphalt millings were reused during the three-year airfield rehabilitation.

800 barge trips (one-way) removing approximately 6,000 trucks carrying asphalt or granular material from the airport's neighborhood streets.

PortsToronto collaborated with the Toronto Region Conservation Authority (TRCA) and the Living City Foundation, among others, on the Clean Water—Our Future Toronto Islands shoreline cleanup.

 Replaced 70 old incandescent airfield signs with new LED signage.


100% reduction
in complaints related to engine run-ups in 2018.

24 schools
were selected for greener playgrounds through
Evergreen Canada's Children's Program.



Since joining the bullfrogpowered community, PortsToronto has displaced more than 19,282 tonnes of CO₂—equal to diverting more than 6,112 tonnes of waste from the landfill.

\$6 million toward environmental initiatives since 2009.

PortsToronto removed 123 metres of the dilapidated pier in the East Gap harbour entrance. Although PortsToronto does not own the East Gap Pier, which was built by the federal government Public Works Department in the 1890s, the project was undertaken to ensure the safe navigation of vessels through the East Gap and improve and restore aquatic habitat.

Through the Green Bins Growing program, organizations have the capacity to reduce carbon emissions by over two tonnes.



In 2018, PortsToronto crews responded to 27 calls reporting debris and spills to the Harbour Hotline.

Shipping Channel

PortsToronto worked with Alvéole to install urban bee hives to support the local bee population.

Port of Toronto: Green Marine Level 4 Status in Sustainability and Environment

Outer Harbour Marina: 5 Green Anchor Gold Rating



PortsToronto added 239 plants to its existing garden and installed pollinators in the native bee and butterfly garden located at the Outer Harbour Marina.

In 2018, the Outer Harbour Marina opened new modern washroom facilities that included auto-sensor LED lighting.

In 2018, PortsToronto removed more than 25,000 cubic metres of sediment material from the mouth of the Don River. This process took PortsToronto's tug, the Iron Guppy, and scow barge 133 trips to the Leslie Street Spit Confined Disposal Facility (CDF).

Tommy Thompson Leslie Street Spit Fish and Wildlife Habitat.

PortsToronto proudly sponsors Lake Ontario Waterkeeper's Swim Guide, a website and smartphone app that delivers real-time, water-quality information to Swim Guide users for over 7,000 beaches, lakes, rivers and swimming holes in Canada and around the world... including Toronto's harbour and waterfront.



Environmental Stewardship



Investing \$11 million in community and environmental initiatives since 2009, supporting such organizations as Lake Ontario Waterkeeper, Evergreen Brickworks, Waterfront Neighbourhood Centre and Ireland Park Foundation.

Environmental Stewardship

As the owners and operators of Billy Bishop Airport, the Port of Toronto and the Outer Harbour Marina, keeping the Toronto Harbour clean and protecting the waterfront environment are among PortsToronto's most important priorities. We recognize that a sustainability plan inclusive of environmental protection and green operations is important to our long-term future as a business and the role we play in making connections between Toronto and the world.

PortsToronto Sustainability Committee

At PortsToronto, all employees are responsible for conducting business in an environmentally sustainable manner and are encouraged to look for areas of improvement within their day-to-day activities. Now in its third year, the PortsToronto Sustainability Committee comprises of staff from each business unit. The committee meets regularly to share ideas and strategies for sustainability while employing environmental best practices throughout PortsToronto's business units and operations.

Some of the 2018 initiatives put forth by the Sustainability Committee include the implementation of a new battery disposal system and the introduction of a unique composting initiative. The committee also continued to mark special events with initiatives for PortsToronto employees to engage in including the Clean Water—Our Future—The Toronto Islands cleanup, the airport's annual Foreign Object Debris Pick-Up and the City of Toronto's Annual Corporate Cleanup.



MIKE DWYER Outer Harbour Marina	SARAH SUTTON Communications and Public Affairs	MIKE DAVID Infrastructure, Planning and Environment	JESSICA PELLERIN Communications and Public Affairs	REBECCA DIANA Works and Environmental Services	MIKE LAMONT Works and Environmental Services	JOHN HUGGETT Health and Safety	MIKE RIEHL Port of Toronto	ANGELA HOMEWOOD Infrastructure, Planning and Environment	GARY COLWELL Billy Bishop Airport	ANGIE STEWART Outer Harbour Marina
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PortsToronto 2018 Sustainability Report Won a Gold National Award of Excellence for Best Annual Report.

2018 Sustainability Report

PortsToronto released its fourth annual Sustainability Report in February 2019 as part of our commitment to build upon the strong foundation set out in our inaugural sustainability report and to report on progress and targets achieved in 2018. The report, which won a Gold National Award of Excellence from the Canadian Public Relations Society in June 2019, details progress in the priority areas that define sustainability for PortsToronto, including environmental stewardship, community engagement and economic performance. This year's report also includes a fourth priority area—People and Culture—which speaks to PortsToronto's commitment to health and safety in the workplace.

New in this year's report is a comprehensive performance summary that provides a detailed overview of the organization's achievements as they relate to the work PortsToronto does to employ environmental best practices throughout its operations. This summary clearly defines PortsToronto's future goals in sustainability and identifies areas for improvement as the organization continues to measure the impact of its efforts and determine where more can be done. Some of PortsToronto's sustainable initiatives include:

- Continuing to choose 100% green electricity from Bullfrog Power across all operations—the airport, port and marina;

- Completing a significant \$35 million-dollar project to modernize the Billy Bishop Airport airfield, including replacing all of the airfield lighting and signage with energy efficient LED and the construction of a Ground Run-Up Enclosure that has all but eliminated noise complaints related to engine testing;
- Forming a community-based Noise Sub-Committee to further understand and mitigate noise from airport operations;
- Removing millions of pounds of debris from Toronto's Harbour to prevent flooding and create natural habitats to increase biodiversity;
- Diverting electronic waste from unsafe disposal by introducing an expanded recycling program;
- Launching a PortsToronto Staff Wellness Program to promote both physical and mental health in the workplace; and,
- Investing \$11 million in community and environmental initiatives since 2009, supporting such organizations as Lake Ontario Waterkeeper, Evergreen Brickworks, Waterfront Neighbourhood Centre and Ireland Park Foundation.

In September 2018, Billy Bishop Airport launched its own Sustainability Report which highlights the important work the airport does to conduct operations in a sustainable manner and reduce its carbon footprint.



Since joining the bullfrogpowered community, PortsToronto has displaced more than 19,282 tonnes of CO₂.



This is the equivalent of taking 4,069 cars off the road for one year.



It is the amount of carbon that would be sequestered by more than 7,390 hectares of forest in one year.

Renewable Energy

Since 2010, PortsToronto has reduced its environmental footprint by choosing 100 per cent green energy from Bullfrog Power® to power all of our operations with clean, renewable electricity. Through our agreement, which was renewed last summer for another five years, Bullfrog Power's generators inject renewable electricity back into the grid on our behalf to match the amount of electricity used by PortsToronto's operations. In 2018, PortsToronto reduced emissions by approximately 10 per cent using Bullfrog Power's clean energy, which comes exclusively from a blend of EcoLogo^M-certified wind and low-impact hydro power*. These percentages are even greater when tenant emissions are included (13 per cent in 2018) as PortsToronto also purchases Bullfrog Power on behalf of our

tenants. PortsToronto and Billy Bishop Airport are the only port authority and airport in Canada to be powered entirely by renewable electricity across all operations and facilities, including the airport's 853-foot pedestrian tunnel and connecting buildings.

In addition, the new electric-powered airport ferry is expected to reduce greenhouse gas emissions associated with ferry operations by 530 tonnes, dramatically reducing the airport's carbon footprint and setting our organization on a clear path toward achieving PortsToronto's overall emissions target and in support of the Canadian Government's 2030 emission reduction target.

*Electricity grid emission factors, which are used to calculate GHG emissions, are published annually by Environment Canada. Emission factors are always published in a two-year time lag.



The Port of Toronto supplies laid-up ships with electrical power, reducing emissions associated with the ship's generator.



In 2017, PortsToronto set a 2030 emission goal of 35 per cent below 2015 levels.

Energy Audit

In 2017, PortsToronto engaged Mooney Solutions — a Toronto-based energy consulting firm — to undertake the organization's first Level II energy audit. PortsToronto selected managed facilities from Billy Bishop Airport, the Port of Toronto and Outer Harbour Marina to complete the energy assessment over the course of several months. Mooney Solutions collected data at each facility and provided metering support in order to determine peak demand and identify where energy savings could be made. Energy output was measured in areas including lighting, controls systems and Heating, Ventilation and Air Conditioning (HVAC) systems. Over the next year, PortsToronto will begin to strategically implement solutions and recommendations in order to continue progressing toward our carbon reduction goals.

The resulting report from the energy audit identified both behavioural and equipment replacement measures that could be strategically implemented to reduce organizational greenhouse gas emissions. Measures to reduce energy consumption as well as costs include modernizing electrical systems to reduce amperage needs, upgrading lighting to LED bulbs and installing motion-sensing lights in areas such as the port's warehousing where continuous lighting is not required.

Climate Change Vulnerability Assessment

In 2018, PortsToronto engaged global consulting firm AECOM to conduct a Climate Change and Extreme Weather Vulnerability Assessment of all business units that will aid with future planning within the framework of a changing climate. AECOM collected data from each facility and conducted interviews with each business unit to better understand their operation, and how they would be affected by climate change and extreme weather under varying scenarios (best, worst, or mid-case) including extreme weather events.

Measures that were identified in the Climate Change and Extreme Weather Vulnerability Assessment will be carefully considered by PortsToronto to increase the life cycle of infrastructure and further reduce greenhouse gas emissions relating to operations.



PortsToronto replaced aging sewage infrastructure with a biodisk. This will have a positive impact on the environment because this sewage will not be directed to the City of Toronto's Ashbridges Bay Sewage Treatment Plant and there will be no opportunity for this material to overflow into Toronto's waterways during floods.

Sustainable Procurement Policy

In early 2019, PortsToronto implemented a sustainable procurement policy applicable to new and existing suppliers. PortsToronto recognizes that its impact is not limited to its facilities and operations—the purchasing choices it makes also have impacts as part of its value chain. In an effort to ensure that impacts are positive, PortsToronto's sustainable procurement policy seeks out businesses that share our commitment to sustainability. To influence our impacts both upstream (e.g. purchasing) and downstream (e.g. product waste), the policy adopts the following guiding principles to consider when procuring goods and services:

- I. Limit demand on raw natural resources;
- II. Avoid non-natural substances to limit material produced by society;
- III. Source material that limits degradation of the natural environment; and,
- IV. Ensure health and safety of society to meet human needs

Sustainable Sewage Solutions

As part of the Sanitary Sewer Connection at the Port of Toronto, PortsToronto replaced aging sewage infrastructure with a Rotating Biological Contactor (RBC) biodisk. The biodisk breaks down sewage into biodegradable soil, which is not hazardous to the environment. This will have a positive impact on the environment because this sewage will not be directed to the City of Toronto's Ashbridges Bay Sewage Treatment Plant and there will be no opportunity for this material to overflow into Toronto's waterways during floods.



133
round
trips

In 2018, PortsToronto removed more than 25,000 cubic metres of sediment material from the mouth of the Don River. This process took PortsToronto's tug, the Iron Guppy, and scow barge 133 trips to the Leslie Street Spit Confined Disposal Facility (CDF).

Dredging and Wetland Creation

Thousands of tonnes of sediment build up every year where the Don River empties into the Keating Channel. This sediment, if not removed, could cause the river to back up and result in flooding. For this reason, maintenance of the river mouth is imperative to prevent siltation and debris from spilling into the harbour. In 2018, more than 25,000 cubic metres of sediment material was removed from the mouth of the river through PortsToronto's dredging process.

Dredging removes sediment in order to achieve a navigable river depth and allow the smooth flow of water and ice through the Keating Channel. Along with preventing flooding and debris from entering the harbour, the dredging process also provides a home to marsh birds, turtles, small mammals and fish. Once removed, the natural sediment is transported by dump scow barges to the Leslie Street Spit for containment in one of the specially designed cells or Confined Disposal Facility (CDF). The cells were specially designed by PortsToronto to properly contain the natural materials dredged from the channel and other parts of the harbour. PortsToronto and the Toronto and Region Conservation Authority (TRCA) completed the Cell 1 Wetland Creation Project in 2007. The CDF was converted into a seven-hectare coastal wetland that has significantly increased fish populations, with reports of pike and walleye returning to the harbour. The Cell 2 wetland was officially

completed in September 2016. This cell provides an additional 9.3 hectares of habitat for a variety of fish and wildlife and more green space for the recreational enjoyment of the surrounding communities. The remaining cell will continue to be used for dredged materials for the next 30-40 years until its capacity is reached. Once capped, a further 700 to 800 hectares of wetland will become part of Tommy Thompson Park.

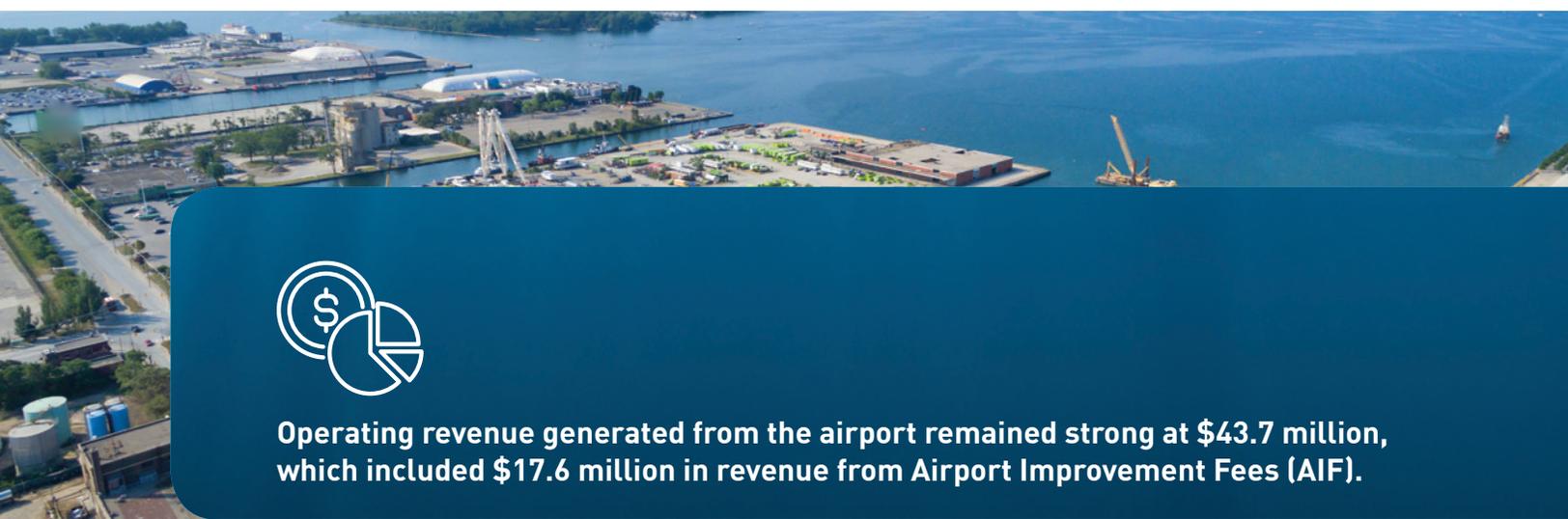
PortsToronto provides support to the City of Toronto, the Toronto and Region Conservation Authority and Waterfront Toronto to naturalize the Don River and protect the Port Lands from flooding. This includes ongoing support as members of technical working groups, providing operational advice and ensuring continued navigation safety of the Toronto Harbour.

Flood Prevention Project

In 2018, through its partnership with EllisDon and McNally Marine, PortsToronto was contracted to dredge as part of the Don River Mouth Naturalization and Port Lands Flood Protection project. Construction to extend the dock wall around the worksite resulted in a mud wave that altered the depth of the water level in the area and became a navigational hazard. PortsToronto removed the sediment material from this site to help restore the appropriate water level and maintain safe navigation in the Toronto Harbour.



Financial Sustainability



Operating revenue generated from the airport remained strong at \$43.7 million, which included \$17.6 million in revenue from Airport Improvement Fees (AIF).

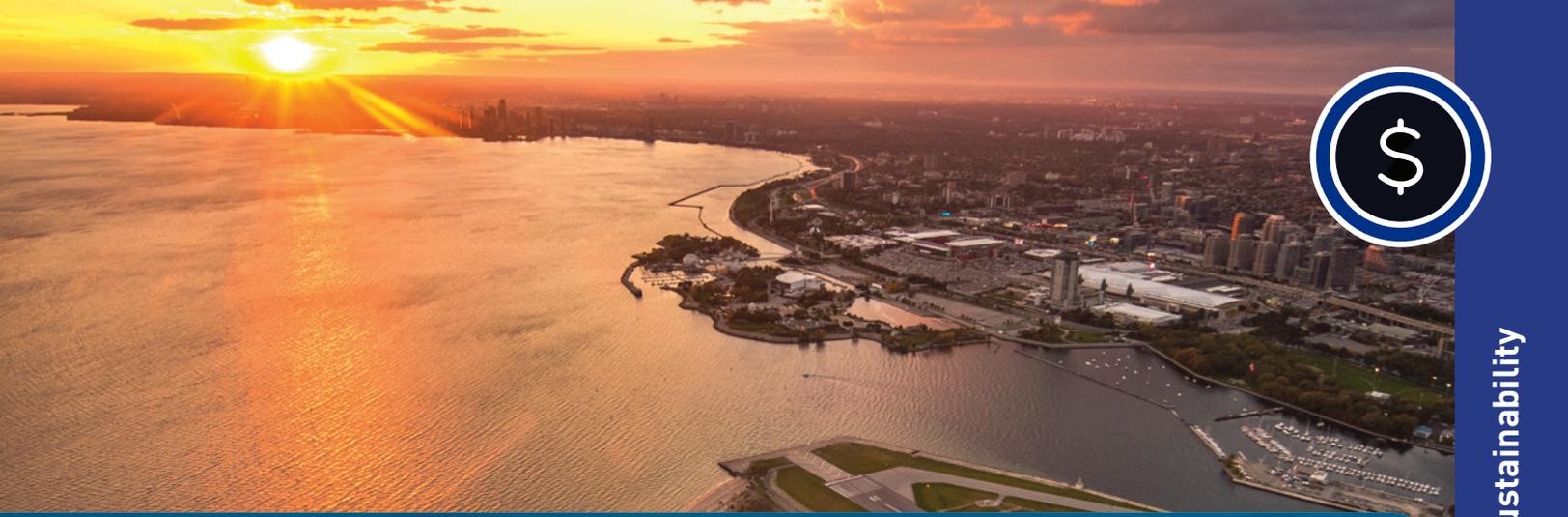
Financial Sustainability

As PortsToronto is a financially self-sufficient government business enterprise that receives no public funding from any level of government, revenue is generated through PortsToronto's four core business operations; Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina and Real Estate and Property Leasing. Profits from PortsToronto businesses are reinvested to continue improving the infrastructure and services that make Toronto a world-class city and a great place to live, work and play. No taxpayer dollars are used to finance the organization's activities or operations.

In 2018, PortsToronto contributed \$3.3 million in Payments in Lieu of Taxes (PILTs) to the City of Toronto, as well as paying \$2.6 million toward realty taxes and \$3.0 million to the federal government for the gross revenue charge. This resulted in a total contribution of slightly under \$9 million that can be used to benefit taxpayers in Toronto and across the country.

2018 marked eleven consecutive years of profitability for PortsToronto, with operating net income of \$3.5 million and all business units reporting strong results.

Billy Bishop Airport welcomed 2,807,208 million passengers in 2018 and generated revenue of \$43.7 million, which included \$17.6 million in revenue from Airport Improvement Fees. As forecast, revenue from the Airport Improvement Fee (AIF) decreased in 2018 as a result of PortsToronto's decision to reduce the AIF to \$15, down from \$20. The reduction in the AIF at Billy Bishop Airport was strategic as it aligns with our business needs and respects costs to our passengers. Steady passenger growth over the last decade has led to a consistent and strong stream of AIF funds that have been reinvested into infrastructure and operations projects such as the pedestrian tunnel, the noise barrier, the Ground Run-up Enclosure and the airfield rehabilitation project. With these big projects complete, and with passenger numbers continuing strong, PortsToronto was in a position to reduce the fees charged to the consumer.



Investment income was \$2.3 million, up from \$0.62 million in 2017.



The port and its activities reported revenues of \$9.1 million.

In 2018, 2.2 million metric tonnes of cargo from around the world was delivered directly into the heart of the city through the Port of Toronto. The record shipping year through the Port of Toronto helped to support the city's booming construction industry and demonstrates the port's position as a vital part of Toronto's economic infrastructure. The port and its activities reported revenues of \$9.1 million and operating income from all sources of \$3.6 million, up from \$1.1 million the year prior due to higher property, cargo handling and storage revenues at the Terminal Property.

The Outer Harbour Marina's operating income increased to \$1.9 million on revenues of \$4.5 million in 2018. The marina's summer berthing occupancy rate was 91 per cent in 2018 up from 85 per cent in 2017. Property and other holdings also reported operating income of \$0.2 million on revenues of \$0.4 million which include leasing revenues from properties such as Pier 6 and 5 Queens Quay West. Investment income was \$2.3 million, up from \$0.62 million in 2017.

PortsToronto's 2018 audited financial statements were prepared in accordance with International Financial Reporting Standards and were audited by Deloitte LLP. Complete financial statements and the Auditor's Report are available on PortsToronto's website.





PortsToronto

Statement of Revenue and Expenses

(as extracted from the Financial Statements) (in thousand of dollars)

	Year ended December 31				
	2018	2017	2016	2015	2014
REVENUE					
Port operations	\$9,109	\$6,453	\$6,319	\$6,416	\$5,969
Outer Harbour Marina	4,483	4,248	3,891	3,596	3,263
Billy Bishop Toronto City Airport and net Airport Improvement Fees	43,689	48,541	47,373	44,763	39,567
Property rental and other	432	1,041	1,941	2,074	1,353
Investment income	2,316	622	172	272	363
	\$60,029	\$60,905	\$59,696	\$57,121	\$50,515
EXPENSES					
Port operations	5,464	5,361	4,746	4,715	4,687
Outer Harbour Marina	2,579	2,400	2,355	2,140	1,833
Billy Bishop Toronto City Airport	20,122	19,855	19,268	19,353	13,653
Property rental and other	269	389	892	772	729
Corporate services	8,685	7,447	7,018	6,712	6,358
	\$37,119	\$35,452	\$34,279	\$33,692	\$27,260
NET INCOME FROM OPERATIONS BEFORE THE FOLLOWING	\$22,910	\$25,453	\$25,417	\$23,429	\$23,255
Payments in lieu of taxes	(3,155)	(3,275)	(3,249)	(6,343)	(2,932)
Amortization of capital assets	(8,065)	(7,435)	(7,069)	(4,987)	(2,359)
Interest expense	(5,277)	(5,379)	(5,251)	(3,298)	(601)
Charge on gross revenue	(3,000)	(3,033)	(3,294)	(2,748)	(2,425)
Gain (loss) on interest rate swap	112	146	130	(156)	(51)
NET INCOME for the year before the following item	\$3,525	\$6,477	\$6,684	\$5,897	\$14,887
Gain on sale of 30 Bay/60 Harbour property	-	88,471	-	-	-
NET INCOME	\$3,525	\$94,948	\$6,684	\$5,897	\$14,887

Fly with us down Memory Lane



AÉROPORT DE TORONTO
**BILLY
BISHOP**
TORONTO CITY AIRPORT



AÉROPORT DE TORONTO
**BILLY
BISHOP**
TORONTO CITY AIRPORT

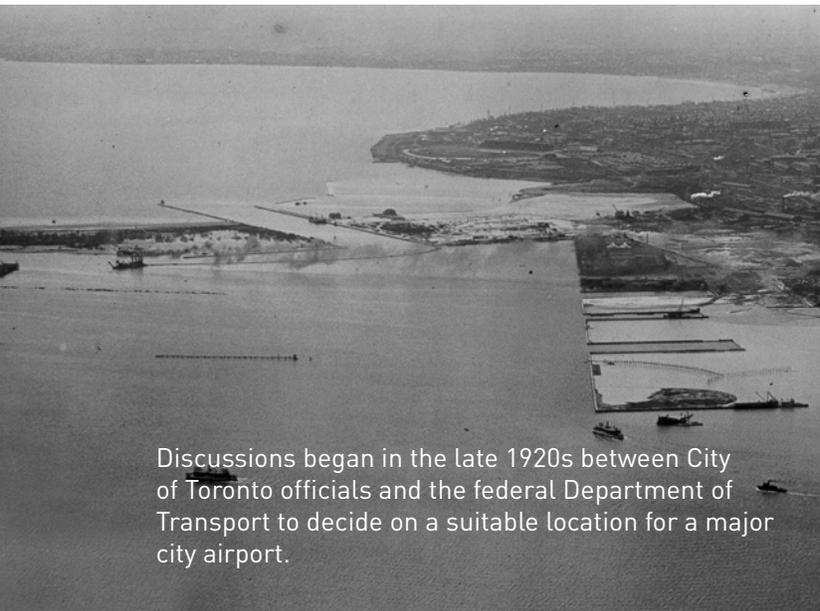


It has been more than 80 years since the first plane landed at Billy Bishop Toronto City Airport on February 4, 1939, piloted by H.F. McLean from Montreal in his Stinson Reliant. Since then, Billy Bishop Airport has established itself as a world-class airport providing 2.8 million passengers each year with convenient access into and out of Canada's largest city, Toronto.

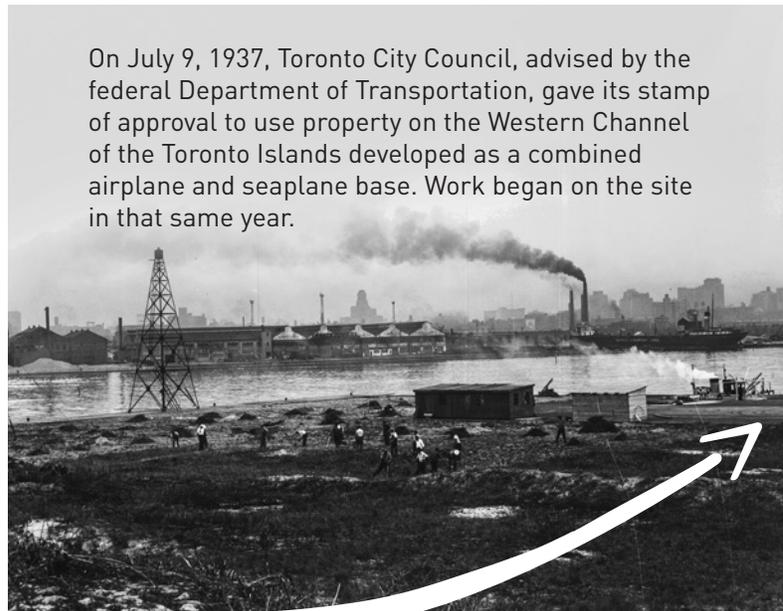
Throughout its history, the airport has served as an important commercial aviation centre, a training ground for both the Royal Canadian and Royal Norwegian Air Forces during World War II, a hub for General Aviation and Medevac services, and as a key driver of Toronto's economy.

Fly with us down memory lane to learn more about why Billy Bishop Airport is one of Toronto's great success stories and most valuable assets.

To view the entire historic photo exhibit, please visit our website at www.BillyBishopAirport.com.



Discussions began in the late 1920s between City of Toronto officials and the federal Department of Transport to decide on a suitable location for a major city airport.



On July 9, 1937, Toronto City Council, advised by the federal Department of Transportation, gave its stamp of approval to use property on the Western Channel of the Toronto Islands developed as a combined airplane and seaplane base. Work began on the site in that same year.



The airport administration building, commonly known as Terminal A, was designed and built by the Toronto Harbour Commission (PortsToronto predecessor) in the spring of 1939—it's twin was built at Malton (now Pearson International Airport) the same year.



H.F. McLean of Montreal in a Stinson SR-9F Reliant piloted the first flight to land at the new Island Airport, on February 4, 1939.

