



PORTS  
TORONTO



ANNUAL REPORT 2015

# PORTS TORONTO

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Toronto, Ontario, M5J 1B7  
Canada

The Toronto Port Authority, doing business as PortsToronto, 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.

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# About PortsToronto

PortsToronto is a government business enterprise that owns and operates Billy Bishop Toronto City Airport (hereafter referred to as Billy Bishop Airport), Marine Terminals 51 and 52 within the Port of Toronto and the Outer Harbour Marina.

PortsToronto is financially self-sufficient, as required under the *Canada Marine Act*, and its activities and operations are not funded by taxpayers. PortsToronto operates in accordance with the *Canada Marine Act* and its Letters Patent, and is guided by a nine-member board with appointments from all three levels of government.

In addition to moving 2.5 million passengers through the airport each year, PortsToronto provides transportation, distribution, storage and container services to businesses at the Port of Toronto and owns and operates one of the largest freshwater marinas in Canada.



Jurisdiction of PortsToronto within the  
Port and Harbour of Toronto



Responsible for safety and efficiency of marine navigation in the Toronto Harbour, PortsToronto exercises regulatory control and provides public works services to the area, is responsible for environmental protection in the Toronto Harbour, issues vessel operator permits to recreational boaters and manages the Leslie Street Spit construction site.

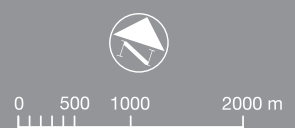
PortsToronto is committed to fostering strong, healthy and sustainable communities, and has invested more than \$8 million since 2009 in charitable initiatives and environmental programs that benefit communities along Toronto's waterfront and beyond.

## Mission

PortsToronto's mission is to effectively manage the Billy Bishop Toronto City Airport, Marine Terminals 51 and 52 within the Port of Toronto and the Outer Harbour Marina on a self-sustaining basis, enabling the organization to reinvest funds into transportation infrastructure, marine safety, environmental protection and community programming. 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 Chairman

We began 2015 with a new name and a new brand that better reflects our approach to business and the vision we have for the future of our organization, including the role it will play in the City of Toronto. The name PortsToronto was chosen after a comprehensive review of where we excel as an organization and how we will grow in the future. In becoming PortsToronto, we pay homage to our 100-year past as the Toronto Harbour Commissioners and Toronto Port Authority, and our role as builders of the Port of Toronto and Billy Bishop Airport; we reflect our present as the successful



owners and operators of these two important transportation links in the city of Toronto; and we look forward to a future of collaboration, community and city building.

Since rebranding, PortsToronto has worked to undertake initiatives that demonstrate our commitment to these three concepts. We opened the pedestrian tunnel to Billy Bishop Airport, which provides an important piece of infrastructure in the city of Toronto at no cost to taxpayers. We made improvements to the airport that addressed community concerns, enhanced the passenger experience and won top industry awards. We worked with the City of Toronto, Waterfront Toronto and other stakeholders to undertake initiatives to study the Porter Proposal to introduce jet aircraft and extend the landmass at both ends of the main runway at Billy Bishop Airport. We engaged in important sponsorships with groups such as Evergreen Canada, Ireland Park Foundation and Harbourfront Community Centre to support our community, and partnered with the Toronto 2015 Pan Am/Parapan Am Games Organizing Committee to bring the Games to Toronto. Importantly, we formalized a sustainability framework to guide our efforts and ensure transparency, measurement and mapping for ongoing success.

Sustainability for us falls into three key areas: environmental stewardship, community engagement and economic performance. Environmental stewardship is a responsibility we take very seriously and we have invested in

initiatives such as powering all of our operations with renewable energy through Bullfrog Power, using hybrid vehicles and conducting all of our operations in a manner consistent with reducing our environmental impact. We also continue with larger projects such as dredging the Keating Channel, cleaning Toronto's harbour, and building fish and wildlife habitats, including our new butterfly garden that was developed and constructed with Evergreen Canada.

With regard to community engagement, we have built on our Community Liaison program that began in 2010 with more meetings and more opportunities to engage with our neighbours and stakeholders. This has included meetings for special projects such as the environmental assessment related to the Porter Proposal and the pedestrian tunnel construction; participation in City of Toronto initiatives, such as the Bathurst Quay Neighbourhood Plan and Expo 2025 stakeholder meetings; and regular briefings held with city staff, councillors and stakeholders.

As for economic performance, we are proud of our financial record – having reported our eighth year of profitability in 2015 – and are pleased that this profitability enables us to invest back into the communities in which we serve. PortsToronto is committed to fostering strong, healthy and sustainable communities and has invested more than \$8 million since 2009 in community initiatives and environmental programs that benefit Toronto communities.



Further, the Payments in Lieu of Taxes (PILTs) paid to the City and Gross Revenue Charge paid to the federal government by PortsToronto can be used to benefit taxpayers in Toronto and across the country.

As a government business enterprise, it is these opportunities for reinvestment that are behind our efforts to work toward continued strong performance. It will be increasingly important in the coming years to secure additional opportunities for revenue generation in order to ensure PortsToronto can undertake essential public works projects and reinvest in waterfront infrastructure, the environment and community organizations.

For example, the 30 Bay Street development project would enable PortsToronto to showcase its historic headquarters in an enhanced public space while also creating a new and exciting commercial office space to support the city's expanding financial services sector and overall growth in Toronto's South Core. As a joint venture with Oxford Property Group and Canada Pension Plan, the project would also be a reliable source of revenue for PortsToronto, which is mandated by the federal government to be self-sustaining, as well as serve as a significant provider of jobs and economic growth.

These are exciting times for the City of Toronto and exciting times for organizations such as PortsToronto. Having first served as a member



of the Board of Directors, I was proud to assume the role of Chair in August 2015. With relevant expertise in all areas of its business, strong governance and industry-leading transparency that includes publishing board and CEO expenses and correspondence, PortsToronto benefits from a highly effective board of skilled professionals. I am privileged to lead this board and work with the PortsToronto management team on delivering on our vision and serving the City of Toronto.

The year ahead looks bright for PortsToronto as we continue to build on the myriad successes of 2015. I would like to thank the PortsToronto management and staff for their commitment to this organization and their achievements in 2015, and my fellow board members for their dedication, particularly Colin Watson and former Chair Mark McQueen who both stepped off the board last year after very successful terms. I would also like to thank our stakeholders and government partners, especially the new federal government under the leadership of Prime Minister Justin Trudeau. We look forward to working with staff and elected officials alike in achieving the mandate of the federal government and realizing the vision of Transport Minister Marc Garneau and others in delivering a safe, reliable and connected transportation network in Canada. For our part, PortsToronto will continue to operate Billy Bishop Airport,

the Port of Toronto, Outer Harbour Marina and our other businesses to provide gateways and infrastructure that will drive the economy and serve the people of Toronto for years to come.



**Robert D. Poirier**  
*Chair*



# Message from the Chief Executive Officer

The year 2015 was without a doubt one of the most significant in the history of our organization as PortsToronto achieved several major milestones and built on the successes associated with growing our business, investing in our community, implementing environmental sustainability initiatives, developing infrastructure and efficiently operating gateways for people and products alike.





The year got off to a great start as we launched our new brand and company name in January and began business as PortsToronto, adopting the tagline “Making Connections” as both a brand promise and corporate descriptor.

The tagline captures our business perfectly given that our primary activity is that of maintaining, operating and optimizing the gateways that connect Toronto to the world. Whether it’s people moving through Billy Bishop Airport en route to destinations for business or pleasure, or products and materials coming through the Port of Toronto, or building a new pedestrian tunnel to link the mainland to our award-winning airport, our business is about making connections.

The PortsToronto name and brand architecture was designed to drive increased awareness and understanding of the organization by strengthening the connection to its consumer businesses – specifically Billy Bishop Airport, the Port of Toronto and the Outer Harbour Marina.

These businesses are the heart and soul of PortsToronto – they drive our financial sustainability and fuel our ability to take on new projects and build important local infrastructure. In 2015, PortsToronto marked its eighth consecutive year of profitability, with net income of \$5.9 million on revenue of \$55.9 million. As a financially self-sufficient organization that does not receive public funding, we are proud of our ability to achieve and maintain profitability,

as this puts us in a position to continue to invest in key infrastructure, initiatives and improvements and give back to our community.

Our four key businesses all reported strong results in 2015. Billy Bishop Airport continued to see ongoing success, serving 2.5 million passengers, up from 2.4 million in 2014. Billy Bishop Airport generated revenue of \$43.5 million, which included Airport Improvement Fees. This is expected to remain stable in 2016, with passenger volumes forecast to increase only slightly as we continue to employ our “managed growth” approach that ensures airport growth keeps pace with the access, infrastructure and needs of the surrounding mixed-use neighbourhood.

This was also a significant year for the Port of Toronto and its terminal operations. The port recorded a strong year due to both the cargo business and passenger cruise ship operations. The port and its activities reported revenues of \$6.4 million and operating income from all sources of \$1.5 million, representing improved performance compared to 2014, when operating income was \$1.2 million. More than 1.6 million tonnes of cargo from around the world were delivered directly into the heart of the city last year through the Port of Toronto. This activity at the port helps to not only support the city’s booming construction industry, but also reaffirms the port’s position as a vital part of Toronto’s economic infrastructure.



The port also welcomed a record 13 cruise ships, carrying a total of approximately 5,000 passengers, to the city of Toronto in 2015. This exciting and burgeoning industry makes use of the Cruise Ship Terminal that had been built for the Rochester Ferry, and continues to serve as an important facility to assist passengers in clearing customs and to connect tourists to land transportation so they can travel to attractions, restaurants and cultural experiences in the GTA.

The Outer Harbour Marina's operating income remained at \$1.2 million on revenues of \$3.6 million in 2015. During the year, PortsToronto continued to make investments in this popular facility, including building a second heated, winter storage building for boats and opening a new retail shop for food and supplies. We also continued to build on our program of environmental best practices, which earned the Outer Harbour Marina a 5 Green Anchor Gold rating from the Ontario Marine Operators Association Clean Marine program again in 2015.

Our fourth business pertains to real estate and property holdings, which recorded operating income of \$1.2 million on revenues of \$2.1 million. This business includes leasing revenue from such properties as 60 Harbour Street, 30 Bay Street, Pier 6 and a property at 5 Queens Quay West, on the west side of the Yonge Street Slip.

This growth and profitability in 2015 enabled PortsToronto to continue making important investments in Toronto's waterfront infrastructure, the environment and community organizations. Since 2009, PortsToronto has



invested more than \$8 million in community and environmental initiatives. In 2015, in addition to supporting many worthwhile community organizations such as Aloha Toronto, Easter Seals Regatta, Harbourfront Community Centre's Youth Arts Program, Set Sail for Hope, Ireland Park Foundation, Second Harvest, CivicAction, Harbourfront Centre, Ontario Disabled Sailing Association, Lake Ontario Waterkeeper and Evergreen Canada, we once again held the popular and award-winning Sail-In Cinema™ film festival for the enjoyment of audiences of all ages. This August film event attracted a record-breaking 11,000 people and more than 100 boats to Sugar Beach over three nights and has become a true community gathering along the waterfront.

This past summer, PortsToronto was also proud to be a sponsor of the Pan Am and Parapan Am Games. The sponsorship was a combination of financial support and value in kind, with PortsToronto leveraging its equipment, infrastructure, personnel and expertise to assist and support the Toronto 2015 Pan Am/Parapan Am Games Organizing Committee in its sport, cultural and torch-relay activities.

In 2015, PortsToronto also continued to invest in our sustainability program to ensure we conduct our operations in an environmentally responsible manner. This included our continued efforts to develop habitat for fish, migratory birds and other wildlife at the Leslie Street Spit and Tommy Thompson Park in co-ordination with the Toronto and Region Conservation Authority, City of Toronto, Fisheries and Oceans Canada and Environment Canada.

We also continue to invest in measures that minimize the environmental impact of our businesses, such as purchasing 100 per cent of our electric power from renewable sources such as wind and hydro through Bullfrog Power. Billy Bishop Airport is the only airport and PortsToronto is the only port authority in Canada to use renewable energy for its entire operations. In early 2016, PortsToronto released the first of what is to become an annual Sustainability Report to provide an overview of our efforts and report on areas such as Greenhouse Gas (GHG) emissions, energy usage and waste management across all operations.

PortsToronto also continued to invest in transportation infrastructure. In 2015, we proudly opened our new pedestrian tunnel to Billy Bishop Airport. This project was built at no cost to taxpayers and was financed using a public-private partnership (P3) model with the tunnel funded through the Airport Improvement Fee paid for by departing passengers. In an innovative agreement between PortsToronto and the City of Toronto, new city water and sewer mains were incorporated into the tunnel structure, saving Toronto taxpayers an estimated \$10 million in duplicate construction efforts. Most importantly, the tunnel now provides fast, convenient and reliable airport access for our passengers while easing traffic congestion stemming from travellers arriving and departing in four ferry "waves" per hour.



PortsToronto also continued to work on its important office tower development. In a joint venture with Oxford Properties and OMERS/Canada Pension Plan, PortsToronto plans to redevelop the 1.82-acre site on the southwest corner of Bay and Harbour streets (referred to as the 30 Bay Development Project), an important element of our long-term financial sustainability. Home to the historic Toronto Harbour Commission Building that houses our head office, the redevelopment would provide new commercial and office space that is well-aligned with the city's vision for a balance of office, commercial and residential space in the South Core area. The development would be a significant provider of jobs during the construction period and a new source of tax revenue for all three levels of government.

Another area of focus for PortsToronto last year was conducting studies required to assess the Porter Proposal to introduce jet technology and extend the land mass at both ends of the main runway at Billy Bishop Airport. Although PortsToronto was not the proponent of this proposal, we believed it was our responsibility as owner and operator of the airport to conduct the studies, as requested by Toronto city council, in order to inform future discussion on the matter. As such, PortsToronto worked to complete an Environmental Assessment, Master Planning Exercise and Preliminary Runway Design that were to be submitted to city staff in order to assist in making a recommendation that would factor into a future council vote on the Porter Proposal. These three initiatives were entirely funded by PortsToronto.



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In November 2015, the then newly elected Liberal government confirmed that it would not re-open the Tripartite Agreement. Given this decision, in December 2015, PortsToronto confirmed that it would not conclude the studies associated with the Porter Proposal.

Through our port and airport operations, PortsToronto offers Canadian and international businesses convenient, cost-effective access to Canada's largest city. PortsToronto is also a significant contributor of taxes, Payments in Lieu of Taxes (PILTs) and employment to the city, and to the overall prosperity and growth of our local, provincial and national economies. With 2016 now upon us, PortsToronto will continue to work to fulfill its mandate and achieve the goals it has set for itself in the areas of business, community investment, environmental stewardship and city building.

I would like to take this opportunity to recognize the dedication of our employees, the support and commitment of our board, and the co-operation and feedback of our stakeholders and community partners, all of whom contributed greatly to our achievements in the last year. In particular, I would like to thank the City of Toronto and Waterfront Toronto with which PortsToronto worked over the past year on a variety of initiatives, not the least of which were the studies undertaken for the Porter Proposal. The waterfront is an interesting mixed-use community and we look forward to continuing to work with all of our partners including the City of Toronto, Waterfront Toronto,

Toronto and Region Conservation Authority and Toronto Port Lands Company in the years ahead to ensure our operations remain within balance.

The year ahead promises to be equally interesting and exciting as we begin a three-year restoration project to repair and refurbish the existing runways and taxiways, work with the City to build a Ground Run-Up Enclosure to further mitigate the impact of noise on the surrounding community, undertake a landscaping project to enhance the appearance of the existing noise barrier along the Western Gap, welcome the community to the airport as part of Doors Open, promote the airport through an exciting new advertising campaign, move forward on our new 30 Bay Development, formalize U.S. Customs Preclearance at Billy Bishop Airport, continue to devote ourselves to sustainable operations and partner with community and charitable organizations to activate the waterfront.

We are fortunate to live and work in a world-class city like Toronto and we at PortsToronto look forward to another year of building, investing and collaborating on initiatives that benefit Toronto.

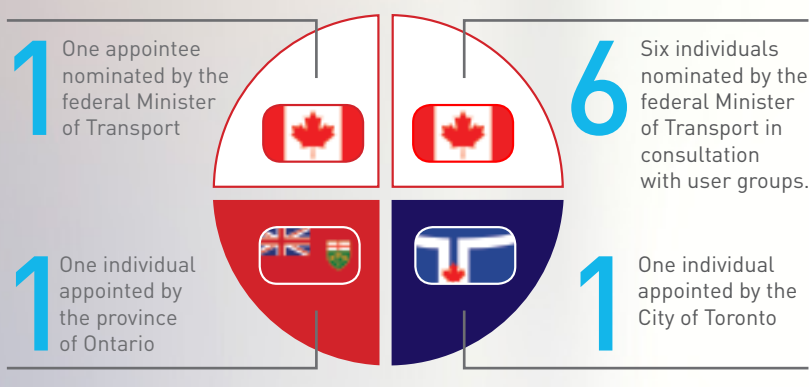


**Geoffrey A. Wilson**  
*Chief Executive Officer*



# Corporate Governance

## Board of Directors Structure



**14**  
Board of Directors meetings in 2015

**20**  
Committee meetings in 2015

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

Established under the *Canada Marine Act* in 1999, 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 our 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 board met 14 times in 2015.

The board of directors are appointed as follows:

- one individual 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 nominated by the federal Minister of Transport in consultation with user groups

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

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

- Board Executive
- Audit and Finance
- Governance, Nominating and Human Resources
- Communications and Outreach
- Pension

The board relies on these committees to facilitate business and guide its decisions. During 2015 the committees met 20 times in total.





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



# Board of Directors

Robert D. Poirier, Chairman of the Board (term as Chair began on August 20, 2015)
G. Mark Curry
Jeremy Adams
Jan Innes
Sean L. Morley
Amanda Walton
Mark McQueen (term ended August 23, 2015)
Colin Watson (term ended August 23, 2015)
James Ginou (term ended April 1, 2015)

## Representation on Board

	<b>Class 1</b> PORT RELATED ACTIVITIES/OPERATIONS: Sean Morley Mark McQueen
	<b>Class 2</b> AIRPORT: G. Mark Curry
	<b>Class 3</b> COMMERCIAL USERS: Jeremy Adams Colin Watson
	<b>Class 4</b> RECREATIONAL BUSINESS: Robert D. Poirier

	<b>Minister's Nominee:</b> Vacant
	<b>Provincial Nominee:</b> Jan Innes
	<b>City of Toronto Nominee:</b> Jim Ginou (term ended April 2015) Amanda Walton (appointed April 2015)

# Senior Management



**DEBORAH WILSON**  
Vice President of Communications and Public Affairs

**CRAIG MANUEL**  
Vice President and General Counsel

**GENE CABRAL**  
Executive Vice President, PortsToronto and Billy Bishop Airport

**GEOFFREY A. WILSON**  
Chief Executive Officer

**ALAN J. PAUL**  
Senior Vice President and Chief Financial Officer

**KEN LUNDY**  
Vice President of Infrastructure, Planning and Environment

**ANGUS ARMSTRONG**  
Harbour Master and Chief of Security

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. Today, 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 populated city and province.



**PORT OF  
TORONTO**



**PORTS  
TORONTO**





# Business Overview



**OUTER  
HARBOUR  
MARINA**



**BILLY BISHOP  
TORONTO CITY  
AIRPORT**

Your Airport  
in the Heart  
of the City



## Billy Bishop Toronto City Airport

Billy Bishop Airport is Canada's ninth-busiest airport and welcomes 2.5 million business and leisure travellers each year. The airport is also Canada's sixth-busiest airport with passenger service into the United States. Offering service to more than 20 cities in Canada and the U.S., with connections to more than 80 international destinations, Billy Bishop Airport is an important international gateway and a key driver to Toronto's economy, accounting for more than \$2.1 billion in economic output each year and supporting 6,500 jobs, including 1,960 directly associated with the airport operations.

Located less than three kilometres from Toronto's downtown core, Billy Bishop Airport has always provided travellers coming into and out of Canada's largest city with a convenient travel option. On July 30, 2015, Billy Bishop Airport reached a major milestone in customer service and ease of access with the opening of a new pedestrian tunnel connecting the island-based airport to Toronto's mainland. The tunnel was built through a public-private partnership (P3) model, meaning no taxpayer dollars were spent on the project.

The tunnel enables passengers to walk between the mainland and the airport, 100 feet beneath the surface of Lake Ontario, in less than six minutes, dramatically improving the convenience and efficiency of the airport.

The airport, which hosts two award-winning commercial air carriers in Porter Airlines and Air Canada, has also gained an excellent reputation throughout the travelling community for its superior customer service, fast processing times, first-class lounge experience and convenient access and location. This is validated by the series of passenger-driven awards the airport has recently received, including being named one of the top airports in North America in both the Airports Council International's (ACI) 2015 Airport Service Quality Awards and Skytrax 2015 World Airport Awards.

In the ACI Awards, Billy Bishop Airport tied for third in the Best Airport – North America Region category, one of only two Canadian airports to make the list along with Ottawa International Airport. The 2015 ACI Awards were based on the results of the ACI's Airport Service Quality Survey, which saw more than 550,000 in-depth passenger surveys conducted at over 300 airports across more than 80 countries.



For Skytrax, the airport was ranked the ninth-best regional airport on the continent. In 2015, the airport was also recognized as one of the Top Ten Most Beautiful Airport Approaches by Private Fly and was a finalist in the World Business Travel Awards.

Billy Bishop Airport continues to be a key facilitator of business travel and tourism, creator of high-quality employment, and a significant economic engine for the Greater Toronto Area (GTA). Through direct and indirect economic benefits, the airport continues to support Toronto's key sectors including financial services, life sciences, food and beverage, travel and tourism, and the film and television industry. 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 is also a base for an air ambulance service, which flew a total of approximately 4,600 flights in 2015, and is home to a sizable personal aviation community that includes approximately 50 private planes and one flight school.

## AIRPORT HIGHLIGHTS

- 2.5 million passengers annually
- 9<sup>th</sup>-busiest airport in Canada
- 6<sup>th</sup>-busiest Canadian airport serving the United States
- 20+ destinations in Canada and the United States with connections to 80 international destinations
- New pedestrian tunnel to the airport
- 3<sup>rd</sup>-best airport in North America as recognized by ACI
- 9<sup>th</sup>-best airport in North America as recognized by Skytrax
- Top 10 Most Scenic Airport as recognized by PrivateFly
- More than 4,600 air ambulance flights at Billy Bishop Airport

YOUR FAVOURITE TRAVEL EXPERIENCE JUST GOT BETTER

- Track flights and receive updates
- Find the latest traffic and weather conditions
- Stay connected with enhanced WiFi
- Catch up on the latest news, lifestyle and sports articles curated for the Billy Bishop Airport traveller.

 BILLY



# Billy Bishop Airport





*Supporting  
Toronto's  
Economic Growth*





## Port of Toronto

Since 1793, the Port of Toronto has served as Toronto's gateway to the St. Lawrence Seaway and to marine ports around the world. Now serving primarily as a bulk cargo facility, the port's unique location minutes from Toronto's downtown allows goods from countries as far away as Germany, Australia, Brazil, China and the United States to easily flow into the city.

In 2015, after receiving a record 2 million tonnes of cargo in 2014, the port returned to normal import levels with more than 1.65 million tonnes of cargo being delivered from around the world. More than 160 ships visited the Port of Toronto in 2015, 43 of which travelled from overseas, bringing sugar, salt, cement, and aggregate, directly into the heart of Toronto. While overall tonnage in 2015 was down 18 per cent, cement imports reached an 18-year high at nearly 600,000 tonnes, representing a seven per cent increase over 2014. Sugar imports continued to be strong with 500,000 tonnes of sugar being delivered via the port. In 2015, the port reported operating net income from all sources of \$1.5 million, up slightly from the \$1.2 million reported in 2014.

In 2015, PortsToronto's efforts to diversify and market Marine Terminal 51 and 52's warehousing and project staging services within the port had another solid year mainly due to the storage of steel rail needed to support upcoming projects for the Toronto Transit Commission (TTC). The outlook for 2016 remains strong with record construction in Toronto expected to continue for the next few years. PortsToronto's 50-acre facility has more than 225,000 square feet of warehouse space and over 30 acres of paved marshalling area.

In 2015, in addition to the traditional marine cargo being delivered to the port, 13 passenger cruise ships carrying a total of approximately 5,000 passengers visited PortsToronto's Cruise Ship Terminal – setting yet another record for cruise ships into the port and representing nearly a tenfold increase in the number of cruise ships that visited the port just two years prior. Two 220-passenger U.S. vessels made frequent visits to the port in 2015 – the newly launched *MS Saint Laurent* visited Toronto nine times, while *MV Pearl Mist* visited three times. The five-star, 440-passenger German *MS Hamburg* also returned to Toronto in September 2015.

With its unmatched vistas of downtown Toronto and proximity to the city's cultural centre, PortsToronto's Cruise Ship Terminal 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 \$130,000 in revenue in 2015. Several productions, including *Suicide Squad*, *Beauty and the Beast* and *Heroes Reborn*, were filmed on PortsToronto properties.

### PORT OF TORONTO HIGHLIGHTS

- More than 160 ships visited the port in 2015
- 1,650,990 tonnes of cargo moved
- 18-year high for cement imports
- 5,000 cruise ship passengers
- 13 cruise ships – more than double the number that visited in 2014



*Relaxation  
Starts Here*

## Outer Harbour Marina

Located 10 minutes from the downtown core, just outside the Toronto Harbour and a short walk from Tommy Thompson Park, the Outer Harbour Marina (OHM) offers an idyllic escape from city life, providing breathtaking scenery and a world-class marina — all without having to leave the city.

The OHM is among Ontario's largest freshwater marinas, with more than 625 extra-wide slips that can accommodate boats up to 100 feet long. In addition, the OHM is the only marina in the GTA with heated indoor winter boat storage. A second heated indoor winter storage building was constructed in 2015 and was available to boaters for the 2015/16 winter.

The OHM also provides best-in-class amenities. When not out on the water, boaters and their families enjoy free WiFi, access to laundry, as well as a spacious BBQ pavilion and picnic area with ample green space. Additionally, a new store offering snacks, refreshments and boating accessories opened for the 2015 boating season.

A survey was conducted at the OHM in 2015 to assess customer satisfaction and identify opportunities to enhance user experience. More than 95 per cent of those who completed the survey rated the staff at the OHM as excellent or very good and all respondents indicated that they would recommend the OHM.

For the sixth year in a row, the Outer Harbour Marina earned a 5 Green Anchor Gold rating from the Ontario Marine Operators Association — one of the highest rankings a marina can attain for following environmental best practices.

Every recreational boater operating a powered vessel within PortsToronto jurisdiction, which extends from the mouth of the Humber River to Victoria Park Avenue, is required to have a Powered Vessel Operator's Permit. Our Powered Vessel Operator's Permit education program, which includes on-water testing, takes place at the Outer Harbour Marina from May to September. In 2015, 737 new permits were issued to boaters, with 7,620 active permits currently held by boaters.

### OHM HIGHLIGHTS

- New convenience store opened in 2015 offering boaters snacks, refreshments and boating accessories
- 7,620 active permits held by boaters in 2015
- Only marina in the GTA to offer indoor heated boat storage
- 95% satisfaction rating for the OHM
- Free WiFi





There's flight  
at the end  
of the tunnel



## Pedestrian Tunnel at Billy Bishop Toronto City Airport

On July 30, 2015, Billy Bishop Airport reached a major milestone in customer service with the opening of a new pedestrian tunnel connecting Toronto's mainland to the island-based airport. The tunnel was built through a public-private partnership (P3) model, meaning no taxpayer dollars were spent on the project. A portion of the \$20 Airport Improvement Fee (AIF) paid by departing passengers pays for the tunnel's \$82.5-million construction cost.

The tunnel allows passengers to walk between the mainland and the airport, 100 feet beneath the surface of Lake Ontario, in less than six minutes, dramatically improving the convenience and efficiency of the airport. The tunnel has also dramatically improved passenger flow and reduced lineups both within the terminal and on the mainland given that passengers can now travel on their own schedule and not have to arrive and depart in groups according to the ferry's schedule.

In addition to improving access to the airport, the pedestrian tunnel carries new water and sanitary lines to serve residents and businesses on the Toronto islands, the result of a landmark agreement with the City of Toronto that saved municipal taxpayers over \$10 million.

The tunnel also incorporates leading-edge technology, with 42 large digital screens installed throughout the pavilion, atrium and tunnel that provide travellers with information and work in conjunction with the Billy app, which offers concierge-type services and curated content to assist with travel. Launched in August 2015,

the Billy app provides such content as traffic, weather, directions, travel suggestions and flight information. All areas of the tunnel are also equipped with free WiFi and cellular service to enable travellers to work and communicate without interruption and with no dropped calls.

The tunnel's unique design and construction won it the International Tunneling & Underground Space Association's 2014 Specialist Tunneling Project of the Year Award, the Tunneling Association of Canada's 2014 Canadian Project of the Year Award and the Ontario Concrete Structural Design Innovation Award.

### TUNNEL HIGHLIGHTS

- Opened July 30, 2015
- 853 feet long
- 10 storeys from tunnel to surface
- 6 minutes to walk the tunnel from mainland to island
- \$82.5 million; 100% financed by private sector and existing \$20 Airport Improvement Fee
- No taxpayer dollars used





Keeping it blue  
by being "green"





## PortsToronto's Sustainability Report

PortsToronto is committed to conducting its operations in a sustainable manner and, in early 2016, released the first in what is to be an annual Sustainability Report. The report details the organization's performance on three key priorities associated with its sustainability efforts – environmental protection, community engagement and economic performance. It reports on current activities and measurements as well as setting goals for the future.

From choosing to power 100 per cent of PortsToronto's port, airport, marina and real estate operations with renewable energy from Bullfrog Power to an investment of more than \$8 million in community and environmental initiatives since 2009, the report provides a clear snapshot of PortsToronto's focus on sustainable initiatives and practices that protect the environment, invest in the community and grow Toronto's economy. Other initiatives highlighted in the inaugural report include PortsToronto's efforts to keep the city's harbour clean through dredging, spill prevention and cleanup, and the creation of green spaces and natural habitat.

The environmental portion of PortsToronto's sustainability report was prepared in consultation with the Delphi Group, a pioneer in sustainability and environmental risk management with more than 25 years of experience helping some of Canada's best-known companies improve the sustainability of their organizations.

The report is also guided in part by the Global Reporting Initiative (GRI) principles. The GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is used by more than 7,000 organizations in 60 countries to measure sustainability performance and is considered a best practice in public disclosure. PortsToronto is working to further align its reporting on priority-area indicators with the GRI for future reports.

Throughout the Sustainability Report, next steps pertaining to improvements and enhancements PortsToronto will work toward implementing over the short and long term are indicated where applicable. In 2016, key areas of focus will include GHG emission reductions, waste reduction, noise mitigation and continued investment in Toronto's waterfront community. Each year, a new sustainability report will be made available online to provide updates on the organization's achievements and progress related to each of the next steps identified in the report.

By looking at its operations and successes through a lens of community, economic and environmental sustainability, and reporting on areas such as noise management, GHG emissions and local job creation, PortsToronto is investing in its long-term future while conducting its business with respect for the community and the environment.

Building  
our  
future



## 30 Bay Commercial Building Development

In 2015, PortsToronto continued to work toward securing amendments to its Letters Patent that would enable the redevelopment of the underutilized 1.82-acre site comprising of its 30 Bay Street and 60 Harbour Street properties. The site is currently used as PortsToronto's head office, but the vision for the property is to build a commercial tower on the site.

The redevelopment is structured as a 50/50 joint venture with Oxford Properties Group, the real estate investment arm of the OMERS Worldwide Group of Companies, together with Canada Pension Plan as an equity contributor. Oxford Properties would build and manage the 30 Bay development project. This significant development initiative would solidify PortsToronto's long-term financial sustainability planning and would increase its ability to undertake essential public works projects and to reinvest in waterfront infrastructure, the environment and community organizations.

Once completed, the redevelopment would enable PortsToronto to showcase its historic headquarters in an enhanced public space while also creating a new and exciting commercial office building to support the city's expanding financial services sector and the overall growth in Toronto's South Core. The proposed development would provide high-quality office and commercial opportunities, consistent with the City of Toronto's goal of achieving the right balance of office, commercial, and residential mixed use in the South Core area.

There would be between 6,000 and 8,000 occupants working in the building once completed, a benefit to local businesses and restaurants in the emerging South Core area.

The 30 Bay development would also represent a considerable new job creation venture in the City of Toronto and the Province. Approximately 175 construction workers would be employed on the site daily, resulting in approximately one million hours of labour over the course of construction. In addition, the building, once in operation, would employ approximately 12 full-time management staff, 12 full-time operations employees and 50-100 contract workers.

PortsToronto has made a significant investment in the selection of an appropriate partner and retained a fairness advisor to direct the selection process among the four consortiums that came forward to ensure a fair and unbiased process in selecting the successful proponent. In the end, Oxford Properties was chosen to partner on building and managing this development due to its noted expertise in this area and reputation in managing similar properties.

### HIGHLIGHTS OF 30 BAY

- 1.82 acres of non-waterfront property anchored by the historic Toronto Harbour Commission Building
- Located in Toronto's South Core, 3rd-largest financial centre in North America in terms of employment
- Would solidify PortsToronto's financial sustainability and ability to invest in infrastructure projects
- New job creation employing approximately 175 staff during construction and more than 100 staff once operational



Research  
and  
understanding



## Porter Proposal

In April 2013, Porter Airlines initiated a process to seek approval to fly Bombardier CS-100 jets at Billy Bishop Airport, which would involve a lifting of the jet ban and a 200-metre extension of the landmass on either end of the existing runway.

The management and operation of Billy Bishop Airport is tightly regulated by a Tripartite Agreement among the federal government, as represented by the Minister of Transport, the City of Toronto and PortsToronto.

The Tripartite Agreement ensures, among other things, that Billy Bishop Airport adheres to strict noise restrictions (the most stringent in North America); limits total daily flight activity; prohibits flight activity between the hours of 11:00 p.m. and 6:45 a.m. (except for Medevac services and emergency flights); and bars the use of jet aircraft (except for Medevac services); and the extension of the airport's existing runways.

Given that lifting the current restriction on jets would require amendments to the Tripartite Agreement, the City of Toronto began an assessment in April 2013 to review and ultimately render a decision on the Porter Proposal. At that time, PortsToronto decided it would not make its own determination on the proposal until the elected representatives of Toronto city council made their decision.

On April 1, 2014, Toronto city council voted to defer its vote regarding the introduction of jet aircraft at Billy Bishop Airport to 2015,

pending the completion of work and studies that would inform future discussion on the proposal. These studies included the completion of an Environmental Assessment (EA), Preliminary Runway Design and a Master Planning Exercise that contemplates the introduction of jets at the airport on a theoretical basis. City council also voted to commence a study on the surrounding area, which has come to be known as the Bathurst Quay Neighbourhood Plan. The last of these initiatives is still underway by the City of Toronto with the support and involvement of PortsToronto.

In 2015, PortsToronto worked in earnest to complete the EA, Preliminary Runway Design and Master Planning Exercise. All studies were funded entirely by PortsToronto, as airport owner and operator, and not as the proponent of the proposal.

To determine the scope, the team engaged in extensive consultation that included:

- Creating an Agency Advisory Committee (AAC) that met 10 times and included: City of Toronto Waterfront Secretariat, City of Toronto Community Planning and Public Health, Waterfront Toronto, TPLC, TRCA, TDSB, Build Toronto, TTC, GTAA, Transport Canada, Toronto Port Lands Company, Ministry of Tourism, Culture and Sport (including Ontario Place) and Metrolinx;
- Creating a Stakeholder Advisory Committee (SAC) that met six times and involved more than 30 representatives from stakeholder and community groups;
- Holding five public meetings and open houses to ensure all voices and opinions were heard and considered in developing the scope of the EA.



In June 2015, the scope for the EA was finalized and the technical work commenced.

In addition to the EA, PortsToronto updated its 2012 Airport Master Plan, and undertook work on a Master Planning Exercise that contemplated, on a theoretical basis, the introduction of jets at Billy Bishop Airport. This was an exercise that was requested by Toronto city council to better understand the implications and effects of introducing jets.

At the request of Toronto city council, PortsToronto also developed a preliminary runway design and engaged the services of MMM Group Limited, Stantec Consulting Ltd. and WSP Canada Inc. for their expertise in such areas as runway design, aviation and coastal protection. This runway design, which included airside improvements, was intended to inform future discussions on the Porter Proposal by city council and was a necessary component for those stakeholders seeking more information on a potential extension of Billy Bishop Airport's runway. Public engagement and meetings were also an important piece of this initiative.

On November 13, 2015, Transport Minister Marc Garneau confirmed that the new federal Liberal government would not re-open the Tripartite Agreement to allow jets at Billy Bishop Airport.

On December 8, 2015, PortsToronto released a statement confirming that it respected the decision made by the federal government and that it would wrap up the technical work currently underway, and would not proceed with further public engagement-related activities pertaining to the Porter Proposal. As such, the studies would not be finished. In the months since this statement, certain technical components of the EA relating to traffic have been completed and will be provided to the City of Toronto to the degree that this information is helpful to the Bathurst Quay Neighbourhood Plan, which is still underway.

Once again, PortsToronto would like to thank all of those who participated in the public consultation that took place as part of the EA and other studies, including those member organizations on the Agency Advisory Committee, groups on the Stakeholder Advisory Committee, members of the public, city councillors and staff, Transport Canada, the Community Liaison Committee, First Nations and Métis communities and Waterfront Toronto, the last of which has provided outstanding support and expertise through this process, including overseeing a peer review to ensure best practices were followed throughout. We look forward to other opportunities to work together with all of our stakeholders in the future.



# 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 engagement, 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

Community Engagement

Environmental Stewardship

Financial Sustainability





# City Building

When it comes to infrastructure development, municipalities are responsible for more than 60 per cent of public infrastructure assets. With 80 per cent of the Canadian population residing in urban centres, the need for infrastructure investment in cities such as Toronto is crucial. Innovative and quality infrastructure is an essential asset to cities, attracting capital and talent to drive future growth.

For more than a century, PortsToronto has strategically invested in Toronto's waterfront and in developing transportation infrastructure for the city.

In 2015, PortsToronto invested just under \$30 million in waterfront infrastructure, with investments ranging from the replacement of equipment used to maintain the harbour to the completion of the first fixed link connecting Toronto's mainland to Billy Bishop Airport on Toronto Island. Alongside the City of Toronto and Harbourfront Centre, PortsToronto also shares responsibility for upgrading and maintaining harbour infrastructure.

One of the largest infrastructure investments made to date by PortsToronto is the new pedestrian tunnel to Billy Bishop Airport. This tunnel opened on July 30, 2015, and is an innovation in both design and purpose. Running beneath the lakebed across the Western Channel of Lake Ontario, the tunnel provides efficient and convenient access to travellers.

Collaborating with the City of Toronto, PortsToronto also incorporated new and much-needed municipal water and sewer mains to the Toronto Islands into the construction of the tunnel, saving Toronto taxpayers an estimated \$10 million in duplicate construction costs. The new city water and sewage mains now provide reliable services to the Toronto Islands and replace existing pipes that date back to the 1970s.

The tunnel was built on a P3 model, which ensured the delivery of high-quality infrastructure at no cost to the taxpayer. According to the Canadian Council for Public-Private Partnerships, P3s have generated \$92.1 billion in total economic output, more than 500,000 full-time-equivalent jobs, and saved taxpayers a total of nearly \$10 billion over the last 10 years.



# Community Engagement

For more than a century, PortsToronto has worked with residents and businesses along Toronto's waterfront on our common goal of helping to keep the water's edge vibrant. Eight years of profitability for PortsToronto have allowed us to continue to invest in our priority areas of sport and recreation, arts and culture, protection of the environment and education, with the ultimate goal of keeping our community strong. In 2015, PortsToronto was proud to provide more than \$500,000 in community sponsorships and donations to the following organizations:

- Toronto 2015 Pan Am/Parapan Am Games
- Evergreen Brickworks School Greening Program
- Redpath Waterfront Festival
- Aloha Toronto (benefiting children with autism)
- Set Sail for Hope (benefiting children living with cancer)
- Toronto Taste (benefiting Second Harvest)
- Nuit Blanche
- Harbourfront Centre
- Beaches International Jazz Festival
- Ireland Park Foundation
- Global Forum
- CivicAction
- Moorelands (benefiting children and youth living in under-served neighbourhoods)
- No. 9 Art Exhibit
- Canadian Art Foundation – School Hop



- Easter Seals Regatta (benefiting youth with physical disabilities)
- Lake Ontario Waterkeeper
- Disabled Sailing Association (benefiting people living with disabilities)
- Waterfront BIA Winterfest
- Toronto Brigantine (helping to build character in youth through sail training)
- Pilots N Paws (benefiting animals in need)
- Billy Bishop House Museum
- Emily's House and Philip Aziz Centre for Hospice Care (supporting adults and children living with life-limiting illnesses)
- Harbourfront Community Centre – Room 13
- The NATO Council of Canada
- Mission to Seafarers
- Toronto Search and Rescue
- Canadian Film Centre

## Sail-In Cinema

From August 20 to 22, 2015, PortsToronto held the fifth annual Sail-In Cinema™ film festival. Sail-In Cinema 2015 was the most successful on record with more than 11,000 people on land and over 100 boats in attendance during the three days of the festival. From a shortlist of 16 iconic “Flashback to the 80s” films, a record 5,465 public votes selected *The Goonies*, *E.T.*, *the Extra-Terrestrial* and *Ghostbusters* as the 2015 movie lineup.



*We're on social media,  
come join the conversation.*

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## **Public Outreach and Meetings**

PortsToronto continues to build and uphold positive relationships with its waterfront neighbours and stakeholders through community engagement. This means not only providing sponsorships and donations, but also engaging and exploring ideas with like-minded groups as a way to create solutions and strive for a more sustainable and stronger waterfront.

In 2010, PortsToronto created a Community Liaison Committee (CLC) as part of our continuous efforts to reach out to the residents and businesses in and around Billy Bishop Airport. Each meeting of the CLC is intended to serve as a forum for residents, key members of neighbourhood community groups and stakeholders, including city councillors and the general public, to discuss issues and concerns related to airport operations. The committee meets four times a year and explores matters ranging from managing airport noise to improving transportation access. These are public meetings anyone can attend. Meeting minutes are taken by a third-party consultant, Lura Consulting, and posted to the PortsToronto website.

## **Community Liaison Committee**

### **Meeting Dates:**

April 8, 2015

June 3, 2015

September 23, 2015

November 25, 2015

## **Annual General Meeting**

June 23, 2015

## **Connecting on Social Media**

We extend our commitment to connecting with stakeholders and the community through our social media efforts. In 2015, social media platforms were used to promote various community and PortsToronto-related events as well as to answer questions and address the concerns of our constituents.

## **Website**

PortsToronto updates its website daily with news and information to benefit and inform stakeholders and the community. Executive correspondence, news releases, project updates and FAQs are regularly updated to ensure transparency and promote greater awareness of PortsToronto and its activities.

In April 2016, PortsToronto launched an upgraded and redeveloped version of its website, designed to make portstoronto.com accessible via any mobile device and help connect users to the information they require. The website features advanced site-search abilities, including a fully searchable and categorized news section.

## **PortsToronto.com**





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## Noise Management

Operating an airport that is part of a thriving, mixed-use urban waterfront requires balance to ensure that our operations don't negatively impact the neighbourhood and that measures are in place to mitigate the impacts associated with running a successful airport. One such impact is that of noise generated by aircraft and operations, and PortsToronto works to mitigate and minimize our airport's noise in a number of important ways.

Billy Bishop Airport is one of the most noise-restricted airports in North America and operates within a strictly enforced curfew that prohibits any aircraft, other than emergency flights and Medevac services, from taking off and landing between the hours of 11:00 p.m. and 6:45 a.m. The airport also further restricts operations with management policies between 6:45 a.m. to 7:00 a.m. and 10:00 p.m. to 11:00 p.m. In 2015, PortsToronto worked in partnership with the airport's air carriers to ensure absolute adherence to this curfew, resulting in zero violations in 2015.

In addition to managing and mitigating noise, PortsToronto is also committed to regularly and openly reporting on the noise the airport generates. Billy Bishop Airport's Noise Management Office works closely with local residents, businesses and airport users to not only address daily operations, but also improve the long-term noise mitigation measures at Billy Bishop Airport. In 2015, the airport's Noise

Management Office handled 386 complaints, representing a six per cent decrease from 2014, when the office received 410 complaints. More than 99 per cent of the complaints were responded to within five business days. Noise complaint summaries are posted to the PortsToronto website monthly and annual reports compiling the results for a given year are also posted.

In 2015, Billy Bishop Airport purchased and implemented a new tracking and logging platform for noise complaints. Vortex, a hosted software platform designed specifically for the needs of an airport environment, has enabled the airport's Noise Management Office to further enhance the way complaints are tracked, particularly as it relates to the nature of complaints received. Through its customizable platform, Vortex tracks noise complaints received online, by phone or email, along with steps taken by staff to address the complaint. Billy Bishop Airport's Noise Management Office can then generate reports showing the statistics for noise incidents grouped by concern with multi-year comparisons or reports to identify issues and opportunities for improvement.

Billy Bishop Airport also continues to offer free community access to WebTrak, an Internet-based software service that enables individuals to locate and track aircraft on their computer or tablet screen and research information on the aircraft, including the aircraft type, the destination and point of departure. New and additional noise monitors will be installed in 2016 to make WebTrak even more effective.



In response to community concerns about congestion and vehicle noise at the airport, PortsToronto implemented other new initiatives related to the groundside system. Initiatives such as the relocation of the parking lot at the foot of Eireann Quay, utilization of the Canada Malting Site and reconfiguration of Eireann Quay have significantly improved traffic flow and reduced congestion. An average of 40 per cent of travellers walk, bike, use the airport shuttle or take public transit to access the airport. This is the highest percentage of any major airport in North America. Now PortsToronto is focusing its efforts on encouraging even more passengers to use these forms of transportation to reduce individual vehicle traffic in order to further reduce the level of noise resulting from vehicle traffic at the airport.

In April 2016, Billy Bishop Airport introduced an enhanced shuttle service with new buses better at navigating the new turning circle. Buses now park directly in front of the mainland pavilion to encourage passengers to take the shuttle rather than other forms of vehicle transportation. The new buses are also equipped with free WiFi and GPS tracking so passengers can confirm when a shuttle bus will arrive and track its progress en route.

The opening of Billy Bishop Airport's new pedestrian tunnel in July 2015 also serves as an important component of our traffic-

management strategy. The completion of this project has significantly improved the passenger experience and is helping to mitigate congestion on Eireann Quay and surrounding roadways by smoothing the passenger flow and eliminating passenger peaks experienced as a result of the ferry schedule.

According to a recent study by Dillon Consulting, the tunnel has resulted in a 75 per cent drop in vehicles queued northbound along Eireann Quay leaving the airport. Vehicle queues decreased from an average of 15-18 cars observed during afternoon peak hours, to no more than five vehicles. The study also noted a more even distribution of shuttle ridership, virtually eliminating overcrowded or empty departing shuttle-runs; and more frequent and gradual turnover of taxis, meaning increased availability of taxis for passengers arriving to Toronto.

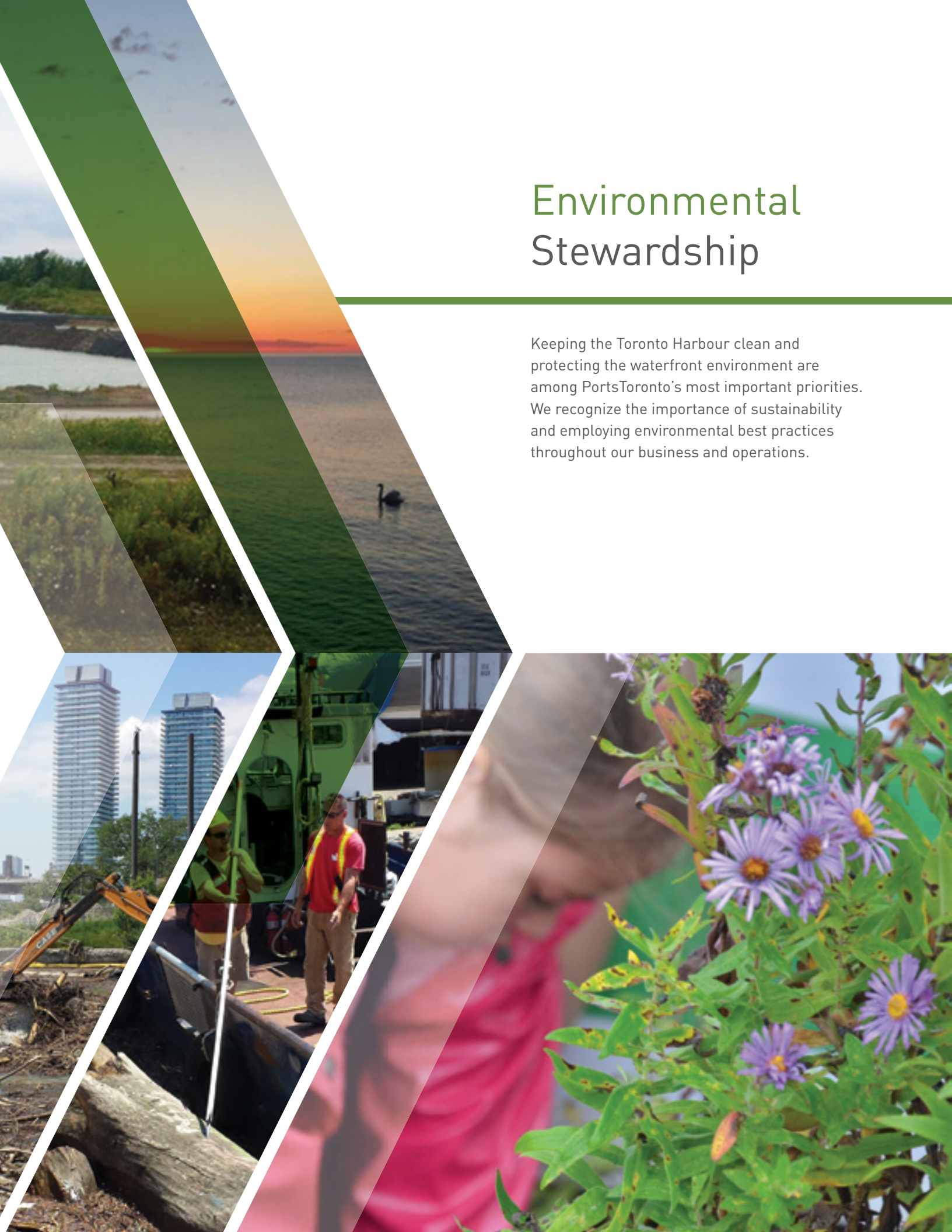
Other noise-reduction initiatives implemented in 2015 include new equipment installed on the ferry to dampen engine noise and an early-morning start-up procedure for the ferry to redirect noise away from the mainland. PortsToronto is also working with the City of Toronto to construct a new Ground Run-up Enclosure that will dampen aircraft engine run-up noise, significantly reducing impact on the surrounding community. This will be one of only two such enclosures in Canada. Construction on the enclosure is anticipated to begin in late 2016, with the enclosure being completed in early 2017.





# Environmental Stewardship

Keeping the Toronto Harbour clean and protecting the waterfront environment are among PortsToronto's most important priorities. We recognize the importance of sustainability and employing environmental best practices throughout our business and operations.



In 2015, PortsToronto's key environmental initiatives included:

## Dredging

Each year, thousands of tonnes of sediment build up at the point where the Don River empties into the Keating Channel. If not removed, this build-up could cause the river to back up and flood, with debris spilling into the Toronto Harbour. PortsToronto, in conjunction with Toronto and Region Conservation Authority, removes the sediment in a process called dredging. This helps maintain a channel depth that allows for the smooth flow of water and ice through the Keating Channel.

The dredging process involves scooping material from the channel's bottom using a clam bucket on a crane called a derrick. Once removed, the muddy mixture of debris and sediment is transported by barge to the Leslie Street Spit's Confined Disposal Facility (CDF) for proper containment in what is called a cell within the CDF. These cells were designed by PortsToronto to properly and safely contain natural material dredged from the Keating Channel. The cells are then capped with clean fill and developed into wetland habitat for fish, birds and other wildlife.

PortsToronto dredges annually, removing between 20,000 and 40,000 cubic metres of sediment per year from the mouth of the Don River. In 2015, PortsToronto collected 710 tonnes of driftwood from the harbour and dredged more than 38,000 cubic metres of material from the

Keating Channel to prevent flooding of the Don River and minimize siltation in the inner harbour.

As part of our commitment to keeping the harbour clean, PortsToronto also manages a 24/7 Harbour Hotline (416-462-3937) to respond immediately to reports of pollution, spill or debris in the harbour.

## Cell 2 Wetland Creation Project

In 2014, PortsToronto, in partnership with Toronto and Region Conservation Authority (TRCA), began the process of transforming the second of three cells within the Confined Disposal Facility at the Leslie Street Spit (the Spit) into a nine-hectare wetland habitat for fish, birds and wildlife.

Each of the cells located at the Spit was designed by PortsToronto to properly and safely contain natural material dredged from the Keating Channel. With the second cell at capacity for dredged material, PortsToronto began capping Cell 2 with a layer of clean fill. At the end of 2015, approximately 75 per cent of the capping was complete. Throughout the year, the capped areas have been contoured by TRCA to create a semi-marsh ecosystem and habitat features have been installed, including aggregates, woody material and fish cribs.

Once the cell is completely sealed in 2016, TRCA will begin planting aquatic vegetation as well as native trees and shrubs that will provide a new habitat for fish and wildlife, and expand the Spit's recreational and nature features enjoyed by Torontonians.



The development of Cell 2 into a wetland is expected to be complete by winter 2017/2018. In 2007, PortsToronto and TRCA completed the Cell 1 Wetland Creation Project, converting the cell into a seven-hectare coastal wetland. Cell 1 is now home to marsh birds, including nesting common terns, turtles, amphibians, small mammals and native fish. The final cell, Cell 3, continues to be used for dredged materials, with approximately 30 to 40 years of capacity remaining.

### **Renewable Energy**

One of the ways PortsToronto reduces its environmental footprint is by choosing 100 per cent green electricity from Bullfrog Power for all operations. Since 2010, PortsToronto has been among Bullfrog Power's top green power leaders and ranked eighth among their corporate supporters of clean, green energy in the country in 2015.

In 2015, PortsToronto signed a new three-year agreement with Bullfrog Power for green electricity. With this agreement, PortsToronto and Billy Bishop Airport maintain their status as the only port authority and airport in Canada to be powered entirely by renewable electricity across all operations, including the airport's new 853-foot pedestrian tunnel. This green electricity comes from a blend of wind and low-impact hydro power sourced from Canadian renewable-energy facilities. By choosing Bullfrog Power's green electricity, PortsToronto is reducing its environmental impact and supporting the development of new energy projects in communities across Canada.





## Sustainability Best Practices

PortsToronto follows best practices from around the world to achieve sustainability goals at the port and prevent pollution at the Outer Harbour Marina and Billy Bishop Airport. These measures include expanded recycling efforts for solid and hazardous material reduction, and education campaigns on equipment maintenance for port staff, customers, tenants and the public.

In 2016, PortsToronto released its first annual Sustainability Report, which details the organization's performance on three key priorities associated with its sustainability efforts – environmental protection, community engagement and economic performance. This year, as part of the next steps identified in its inaugural report, PortsToronto will work with the Delphi Group to gather baseline metrics on the ways in which the organization generates and/or reuses waste. PortsToronto will also work with Delphi Group to improve its sustainability-related recordkeeping and data-management practices.

PortsToronto has also implemented a number of initiatives to reduce our environmental footprint in other areas, including:

- Digitizing communications, making all PortsToronto's reports and publications available online so as to reduce the need for print copies
- Banning plastic water bottles in all offices
- Continued use of Safety-Kleen, the largest re-refiner of used oil and provider of parts-cleaning services in North America, to collect, recycle, reuse and/or properly dispose of the antifreeze, oil, oil filters, vehicle batteries and other equipment used to service the Port of Toronto, harbour operations and Billy Bishop Airport
- Installation of LED lighting on the runway and in other areas at the airport
- Phasing out vessels with two-stroke outboard motors, shifting to cleaner and more efficient four-stroke models
- Using hybrid vehicles for airport maintenance operations
- Phased replacement of all operational vehicles to hybrid models by 2020
- Implementing an anti-idling policy for vehicles on all PortsToronto properties.

## Outer Harbour Marina 5 Green Anchor Gold Rating

In 2015, the Outer Harbour Marina received the 5 Green Anchor Gold rating for the sixth consecutive year. This designation, awarded by the Ontario Marine Operators Association (OMOA), recognizes marinas that follow strict environmental best practices.



## Monarch Butterfly Garden

Every year, monarch butterflies migrate to Mexico for the winter season and return north for the spring and summer. However, in recent years, the number of returning monarch butterflies has reached record lows. This is due, in part, to the loss of plants that are the butterfly's primary food source. In September 2015, PortsToronto invited students from Kiwanis Boys and Girls Club and Voice Integrative School to help expand the butterfly garden initiative at the Outer Harbour Marina by planting 1,200 seedlings in an effort to help bring back the monarchs.

Designed by Evergreen Canada, the new 700-square-foot garden features several species of native plants that provide food and perching areas for monarch butterflies and other pollinators, as well as an avian habitat for the wide variety of birds that use the Leslie Street Spit as a critical stopover point during seasonal migration.

## Keeping Vehicles off Toronto's Roads and Highways

Since 1793, the Port of Toronto has served as the city's gateway to marine ports around the world. Shipping bulk cargo through the Port of Toronto helps to reduce traffic congestion on Toronto's busy roads, and is a more energy-efficient way to transport goods. One tonne of freight can travel 240 kilometres on a single litre of fuel by ship, whereas it can only travel 30 kilometres by truck on the same amount of fuel.

By operating the port and promoting marine shipping as a more efficient alternative to delivering goods to Toronto, through programs like Highway H20, we are working to minimize the road traffic and related emissions that result from transporting goods by truck. Construction materials based at the Port of Toronto's storage and staging areas also travel shorter distances to get to the worksite, cutting down on construction costs and congestion, thus further reducing unnecessary fuel emissions.

The year 2015 saw more than 1.6 million tonnes of bulk cargo, such as salt, sugar and cement, delivered through the Port of Toronto. This cargo delivered by ship took approximately 41,000, 40-tonne trucks off Toronto's already congested roads and highways.







## Financial Sustainability

PortsToronto is a financially self-sufficient government business enterprise that receives no public funding from any level of government. This means that no taxpayer dollars are used to finance the organization's activities or operations. Revenue is instead generated through PortsToronto's four core business operations – Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina, and property holdings. Profits from these businesses are then reinvested to continue improving the infrastructure and services that make Toronto a world-class city and a great place to live, work and play.

Beyond our investments in infrastructure and services, PortsToronto contributed just under \$8.6 million in Payments in Lieu of Taxes (PILTs) to the City of Toronto – this included \$3.1 million for 2015 and an additional \$5.5 million for prior years as a result of a settlement with the City of Toronto. In 2015, PortsToronto also paid \$3.1 million toward realty taxes and more than \$2.7 million to the federal government for the gross revenue charge – when combined with PILTs, this resulted in a total contribution of \$14.1 million that can be used to benefit taxpayers.

The year 2015 marked PortsToronto's eighth consecutive year of profitability, with operating net income of \$5.9 million and all four of PortsToronto's key businesses reporting strong results.

Billy Bishop Airport welcomed 2.5 million passengers in 2015 and generated revenue of \$43.5 million, which included \$19.5 million in Airport Improvement Fees. This is expected to remain stable in 2016, with passenger volumes forecast to grow modestly.

In 2015, more than 1.6 million tonnes of cargo from around the world were delivered directly into the heart of the city through the Port of Toronto. The port helps to support the city's booming construction industry and is a vital part of Toronto's economic infrastructure. The port and its activities reported revenues of \$6.4 million and operating income from all sources of \$1.5 million, representing improved performance compared with 2014, when operating income was \$1.2 million.

The Outer Harbour Marina's operating income remained at \$1.2 million on revenue of \$3.6 million in 2015. The marina's summer berthing occupancy rate was 85 per cent in 2015.

Our fourth business pertains to real estate and property holdings, which recorded operating income of \$1.2 million on revenues of \$2.1 million. This business includes leasing revenue from such properties as 60 Harbour Street, 30 Bay Street, Pier 6 and a property at 5 Queens Quay West, on the west side of the Yonge Street Slip.

Our operating ratio – an indicator of profitability – decreased from 1.55 in 2014 to 1.28 in 2015. This was mainly due to operating expenses related to the opening of Billy Bishop Airport's pedestrian tunnel and the studies related to the Porter Proposal. However, despite these expenses, the ratio continues to reflect steady revenues and efficient operations.

PortsToronto's 2015 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 at [portstoronto.com](http://portstoronto.com). The following information has been extracted from the audited financial statements of the current and prior years.

# PortsToronto

## STATEMENT OF REVENUE AND EXPENSES

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

Year ended December 31	2015	2014	2013	2012	2011
<b>REVENUE</b>					
Port operations	\$6,416	\$5,969	\$5,740	\$6,145	\$5,398
Outer Harbour Marina	3,596	3,263	3,255	3,025	2,789
Billy Bishop Toronto City Airport and net airport improvement fees	43,536	39,567	39,534	38,720	32,366
Property rental and other	2,074	1,353	1,332	1,206	1,398
Investment income	272	363	432	482	269
	<b>\$55,894</b>	<b>\$50,515</b>	<b>\$50,293</b>	<b>\$49,578</b>	<b>\$42,220</b>
<b>EXPENSES</b>					
Port operations	4,894	4,814	4,671	4,773	4,229
Outer Harbour Marina	2,378	2,080	1,905	1,748	1,598
Billy Bishop Toronto City Airport	25,796	16,084	18,466	14,669	13,178
Property rental and other	878	832	939	1,053	1,339
Corporate services	6,804	6,410	5,685	5,237	4,529
Charge on gross revenue	2,748	2,425	2,411	2,368	1,930
	<b>\$43,498</b>	<b>\$32,645</b>	<b>\$34,077</b>	<b>\$29,848</b>	<b>\$26,803</b>
<b>NET INCOME FROM OPERATIONS BEFORE THE FOLLOWING</b>	<b>12,396</b>	<b>17,870</b>	<b>16,216</b>	<b>19,730</b>	<b>15,417</b>
Payments in respect of land disposition	-	-	-	1,812	1,880
Payments in lieu of taxes	(6,343)	(2,932)	(2,866)	(2,137)	(2,210)
Gain (loss) on interest rate swap	(156)	(51)	315	207	(816)
(Loss) due to impairment of capital assets	-	-	-	-	(350)
<b>NET INCOME</b>	<b>\$5,897</b>	<b>\$14,887</b>	<b>\$13,665</b>	<b>\$19,612</b>	<b>\$13,921</b>



## 2016: A Look Ahead

- Secure Supplementary Letters Patent and move forward on development of 30 Bay
- Launch advertising campaign for Billy Bishop Airport
- Beaver Hat Ceremony
- Marine Safety Day
- Host Doors Open 2016 at Billy Bishop Airport
- Continue to work on securing U.S. Customs Preclearance for Billy Bishop Airport
- Host Sail-in Cinema August 18-20
- Begin construction on a new Ground Run-Up Enclosure (will start in late 2016, assuming all approvals received)
- Launch new tugboat – Iron Guppy
- Enhance WebTrak system by upgrading existing monitors and adding an additional unit

