

Response to Proposed Growth Plan for the Greater Golden Horseshoe, 2019

Prepared for the
Ministry of Municipal Affairs & Housing
Province of Ontario

Greater Toronto Airports Authority
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GTAA Comments on the *Proposed Growth Plan for the Greater Golden Horseshoe, 2019*

Provincial Review

As part of the mandate of the new Ontario government to increase the supply of housing and support economic growth, the Province began reviewing the *Growth Plan for the Greater Golden Horseshoe, 2017*. In January 2019, the Province put forward amendments that are meant to: 1) Increase housing supply; 2) Ensure a faster process for building transit areas; 3) Attract investment, create and maintain jobs; and 4) Make growth planning easier for rural communities.

The Ministry of Municipal Affairs & Housing is currently seeking feedback on the *Proposed Growth Plan for the Greater Golden Horseshoe, 2019* (Proposed Growth Plan).

The GTAA appreciates the opportunity to provide support for a number of amendments to the Proposed Growth Plan, in order to ensure the growth and viability of Toronto Pearson International Airport (Toronto Pearson) as an important enabler and catalyst of economic activity and growth. Although Toronto Pearson is located on federal lands pursuant to a ground lease and as a result subject to federal laws, GTAA appreciates the importance of promoting provincial and municipal initiatives that can complement their long term planning for Toronto Pearson.

A key goal of the Proposed Growth Plan is to attract investment, create and maintain jobs. We believe that the establishment of Provincially Significant Employment Zones (PSEZs) and the recognition of Toronto Pearson and the Pearson Airport Hub PSEZ are important steps in supporting economic growth and job creation in the Greater Golden Horseshoe (GGH).

Toronto Pearson International Airport

Toronto Pearson is a key part of Canada's economic infrastructure and an important enabler and catalyst of economic activity and growth. As one of the world's global hub airports, Toronto Pearson plays a unique role in connecting Ontarians to the global economy.

The GTAA was incorporated in March 1993 as a not-for-profit corporation without share capital and is authorized to operate airports within the south-central Ontario region, including the Greater Toronto Area (GTA), on a commercial basis, to set fees for their use, and to develop and improve facilities. The GTAA has continued under the *Canada Not-for-Profit Corporations Act* in 1994 and is a reporting issuer (as a consequence of its publicly traded debt) under the *Securities Act* (Ontario).

Over the last 25 years, Toronto Pearson has grown into one of the world's most important global airport hubs, serving as the national gateway to the world. Today, Toronto Pearson is second only to New York's John F. Kennedy Airport in North America for the number of inbound international passengers. From Toronto Pearson, more than 70 per cent of the world's economic markets can be reached through daily, non-stop flights. From 2016-2017, passenger

volumes grew by 6.2 per cent, or 2.8 million. Passenger activity in the international sector, which includes the United States, increased by 8.0 per cent.

This growth has not been an aberration: it is part of a consistent pattern of growth at Toronto Pearson. Since 2006, Toronto Pearson has grown from 31 million passengers to more than 47 million passengers in 2017, representing a 34 per cent increase. The airport has cemented its status as a global hub airport with international passenger volumes increasing at an even faster rate than other sectors, from 17.5 million in 2006 to 30 million in 2017, representing a 46 per cent increase. The airport has also increased the number of direct international destinations from 126 in 2006 to 184 in 2017, an increase of 14 per cent.

Around 2037, Toronto Pearson is forecasted to reach upwards of 85 million passengers, more than 1 million tonnes of cargo, and more than 600,000 flights per year, which will facilitate over 540,000 jobs in our province.

This connection to the world expands Canada's and Ontario's trade relationships, encourages foreign direct investment, and supports Canada and Ontario as tourist destinations. There are clear economic benefits associated with the substantial growth Toronto Pearson is experiencing and the global connectivity the airport facilitates—including increased exports, business activity, jobs, tax revenue, tourism, and investment for Canada. In 2014 alone, \$31 billion or 15 per cent of Ontario's goods exports left from Toronto Pearson. Toronto Pearson also enables and provides pivotal support for exports from all parts of Canada, including lobster from Atlantic Canada and diamonds from the Northwest Territories.

Toronto Pearson Facilitates \$42 Billion and 6.3 Per Cent of Ontario's GDP

A recent study completed for the GTAA by Frontier Economics estimates that in total Toronto Pearson generates and facilitates approximately 332,000 jobs. These can be broken down as follows¹:

- 101,000 direct, indirect, and induced (DII) jobs generated by the airport's operations.
- 52,000 jobs as a result of the effects of inbound visitor expenditure - 41,000 of these are direct jobs and 11,000 are indirect jobs.
- 179,000 jobs facilitated as a result of the additional trade and foreign direct investment (FDI) facilitated by direct international connectivity provided by the airport.

The overall GDP impact generated and facilitated by Toronto Pearson today—which captures DII impacts, impacts through inbound visitor spending, and catalytic impacts—is \$42 billion, or 6.3 per cent of Ontario's GDP.

Figure 1 below shows how the jobs facilitated by Toronto Pearson and residents at work facilitated by the airport, are distributed around the GTA and more widely in Ontario.

¹ Results are based on the latest available data. The DII and inbound spending impact is based on 2015/16 data while the catalytic impact is based on 2014 passenger data.

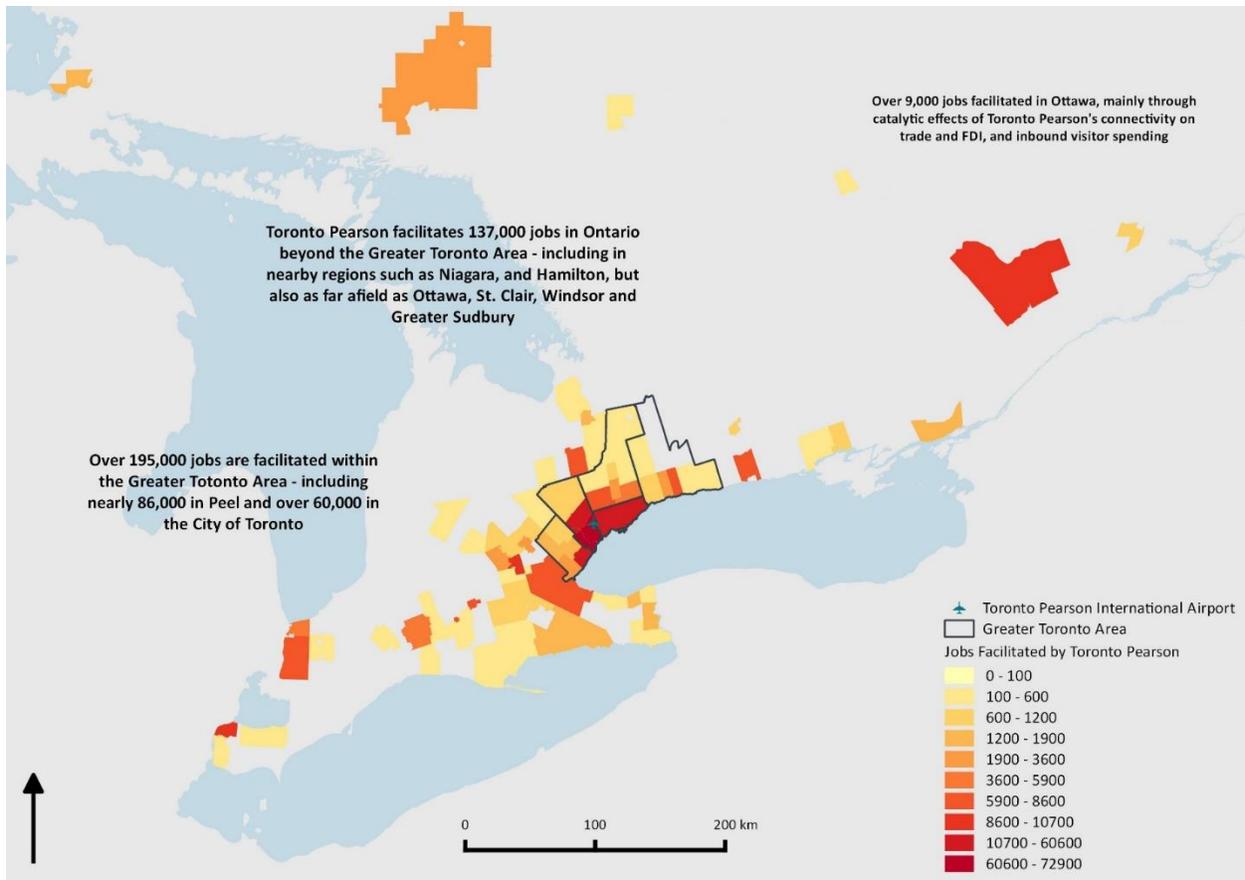


Figure 1: Location of Toronto Pearson's overall economic impact

Toronto Pearson Anchors Canada's Second-Largest Employment Area

The Neptis Foundation released a research report in late 2015, [Planning for Prosperity: Globalization, Competitiveness, and the Growth Plan for the Greater Golden Horseshoe](#) (Neptis Prosperity Report) that identified three major regional employment *megazones* that are large, economically significant employment areas and that are challenged with traffic congestion. One of the three *megazones* includes Toronto Pearson.

The Neptis Prosperity Report addresses the need to integrate land use planning, transportation planning, and economic development strategies in planning for employment.

In October 2016, Neptis Foundation released a policy brief, [Unlocking the Potential of the Airport Megazone](#), that provided more detailed data and information on the local characteristics, including employment geography and types, potential for additional and intensified development, and travel data.

The Airport Employment Zone represents a concentration of over 332,000 jobs distributed in key clusters surrounding Toronto Pearson. This area truly represents Ontario's diverse economy with important clusters in advanced manufacturing, logistics and transportation, tourism and hospitality, financial and business services, and health sciences.

The Neptis Report also identifies the Airport Employment Zone as the single largest source of vehicle trips in our region – nearly 1 million vehicle trips a day.

We support the Proposed Growth Plan because it reinforces some of the recommendations of the Neptis Report that there is a need to:

- Recognize important economic assets, such as Toronto Pearson
- Ensure that planning frameworks support the development potential of the employment area surrounding Toronto Pearson.

The Neptis report also recommended that there is a need to prioritize the area for transit infrastructure as it is currently not well connected to the city or the region through transit. The GTAA believes that this prioritization is important because the lack of transit result in a reduction in traffic congestion in the area has reached critical levels and limits the employment growth in the area.

Ground Transportation

In order to fulfill its promise for the national, provincial, and regional economies, Toronto Pearson needs to be effectively connected to Ontario and the region. A functioning ground transportation network is critical for Ontario and the GGH region. Ground transportation is important to airports, and insufficient ground transportation infrastructure poses a significant risk to the future success and growth of Toronto Pearson, and thereby to the future success and growth of the local, regional, and national economies.

With more than 300,000 workers, contributing to the 1 million car trips per day, in the Airport Employment Zone, there is a significant need to support greater transit investment. As a major enabler of goods movement, cargo is shipped from Toronto Pearson for domestic, transborder and international destinations. But as congestion increases in the Airport Employment Zone and beyond, goods are stuck in traffic on the way to the airport or their final destination. Also, as previously noted, as the second largest employment zone, businesses rely on thousands of employees commuting to and from work. But with increased congestion and lack of transit options, businesses cannot attract workers and workers cannot access good jobs in the Airport Employment Zone.

Currently, only 10% of Toronto Pearson passengers and employees take transit to get to the airport. Other global airport hubs – London, Amsterdam, Hong Kong, Shanghai and Vancouver – have invested in ground transportation methods to provide multiple options for passengers when they arrive. These airports have 25 to 60 per cent of their passengers travelling via public transit, providing passengers a better experience when traveling to and from the airport.

The GGH needs a second regional transportation hub, known as “Union Station West,” that provides connectivity for Toronto Pearson and the Airport Employment Zone. A multimodal transit hub located at Toronto Pearson would provide a critical connection for existing and planned transit lines that all come within reach of the airport.

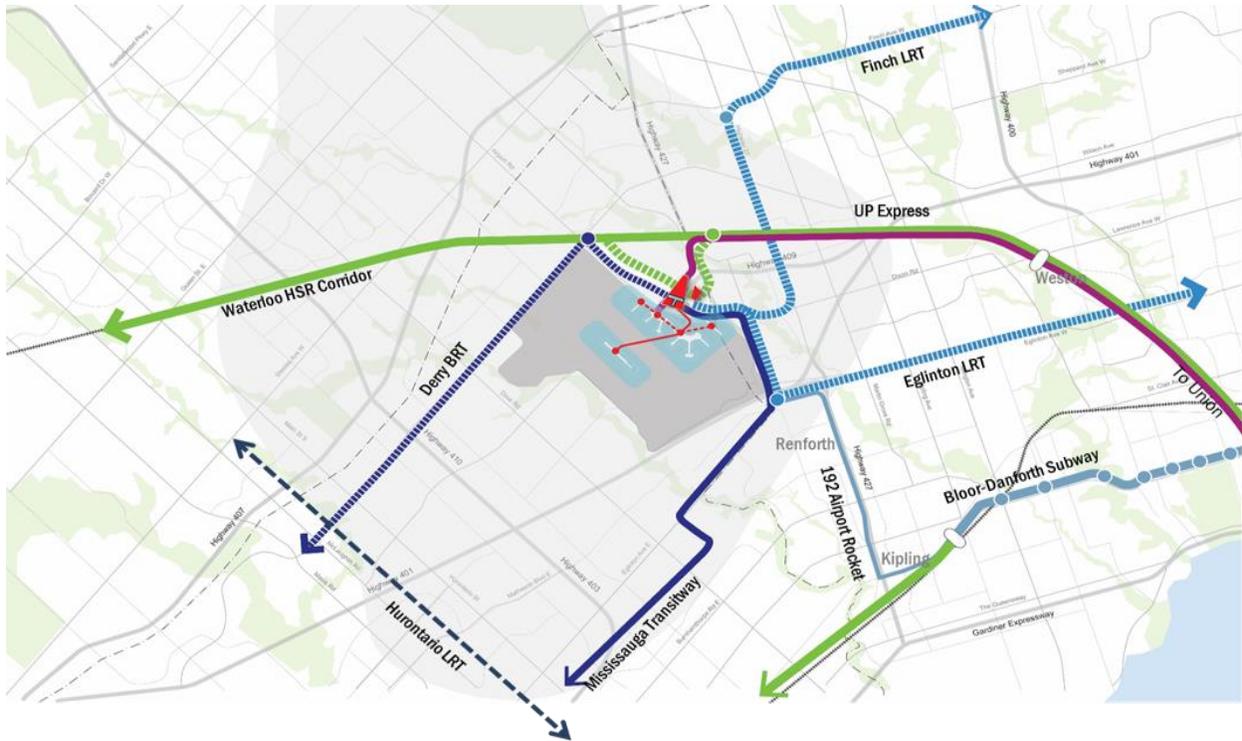


Figure 2: Possible Integrated Transit Services at Toronto Pearson Transit Hub – Union Station West

This is an initiative that carries national economic significance given the growth anticipated by the Province in the GGH, and particularly in the western Greater Toronto Area. It would:

- Provide a regional transit network connectivity;
- Allow for higher value, intensified employment lands;
- Connect people to jobs and amenities;
- Free up road and air assets for higher value use; and
- Encourage more sustainable travel modes.

Both the Toronto Region Board of Trade and Ontario Chamber of Commerce have released reports that outline the importance of this project:

- [Infrastructure Options to Improve the Movement of Goods in Canada’s Innovation Corridor](#), Toronto Region Board of Trade, dated January 2019
- [Moving Forward: Towards a Strategic Approach to Ontario’s Transportation Needs](#), Ontario Chamber of Commerce, dated December 2018

2019 Proposed Growth Plan Update

The GTAA was pleased to see the recommendation for the creation of Provincially Significant Employment Zones to protect employment areas that are crucial to the province's economy. We support the recognition of Toronto Pearson in the Proposed Growth Plan through the establishment of the Pearson Airport Hub PSEZ.

2.2.5 Employment

As previously noted, the Airport Employment Zone surrounding Toronto Pearson is the second largest employment zone in Canada. Thousands of businesses locate here specifically to be in close proximity to the Toronto Pearson and have access to the global connectivity that it provides. Many of these businesses are willing to pay a premium for proximity to Toronto Pearson, particularly those with a high propensity for air travel, such as the services sector.

The Proposed Growth Plan identifies a new approach to protect key employment areas through the introduction of PSEZs. These zones are meant to protect an adequate supply of lands to support the viability of existing businesses and attract new businesses to the region. PSEZs are made up of lands that are currently designated as employment areas in municipal official plans, are located inside of settlement areas and that:

- May be vulnerable to conversation pressures;
- May be facing encroachment by sensitive land uses that could threaten viability of existing industries and employment;
- Are needed to retain existing industries and attract new investment to the region; and
- Are designated employment areas in existing settlement areas.

Most importantly, the PSEZs must meet one or more of the following criteria:

- Located near highways, railways, intermodal facilities, transit and/or other major transportation infrastructure to support the movement of people and goods;
- High concentration of employment and/or economic output, plays an economically strategic role to the region; and
- Support industrial uses, which are sensitive to encroachment.

Toronto Pearson and the Airport Employment Zone surrounding it have many of the criteria outlined above, which is why we support the recognition of Toronto Pearson in the Proposed Growth Plan and the establishment of the Pearson Airport Hub PSEZ. The PSEZ designation supports how Toronto Pearson and the Airport Employment Zone are key economic drivers for Ontario and the GGH region, and the need for the province and surrounding municipalities to ensure Toronto Pearson is considered in long-term planning decisions.

We continue to work with all our municipal partners – Toronto, Mississauga and Brampton – in the development of the Airport Employment Zone and will continue to do so through ongoing development applications, including the next Municipal Comprehensive Review.

The PSEZ designation is an important first step in the protection and attraction of new business to the region, but the Airport Employment Zone will face issues of stagnation if appropriate levels of transit investment are not made.

Recommendation 1: Inclusion of the proposed Provincially Significant Employment Zones and the Pearson Airport Hub PSEZ.

2.2.4 Transit Corridors and Station Areas

The Proposed Growth Plan continues to support major transit station areas that will be planned and designed to be transit-supportive and to achieve multimodal access to stations and connections to nearby trip generators. It continues to state that major transit station areas should include a diverse mix of uses and connections to local and regional transit services to support transit and foster collaboration between public and private sectors, such as joint development projects.

It proposes new amendments to support stations that might not have significant development opportunities or might have a limited number of residents and jobs but is a major trip generator or feeder service that will sustain high ridership at the station.

Union Station West could serve millions of transit users and provide relief to gridlocked roads and highways in the surrounding region. Toronto Pearson has the potential to be a multimodal transit hub and could accommodate existing and proposed transit lines and corridors (such as GO Kitchener line, Eglinton West Crosstown, Finch LRT and 407 BRT Transitway). Union Station West would support the movement of not just passengers and employees at Toronto Pearson airport, but for the employees of the Airport Employment Zone and residents of the GTA West, becoming a feeder service for transit agencies in the surrounding areas.

Recommendation 2: Recognize within the Proposed Growth Plan Toronto Pearson’s Union Station West as a Major Transit Station Area.

Summary

The Proposed Growth Plan will provide a much-needed update to a critical piece of planning legislation for GGH region. It provides a long-term framework that aims to increase economic growth and build communities that maximizes infrastructure investments.

More importantly, it takes the necessary steps, that previous Growth Plans did not, to recognize important economic and transportation infrastructure that need to be protected for employment land conversions. Toronto Pearson, which previously stated, is a major economic driver by providing global connections for the economy. The recognition and protection of Toronto Pearson and the Airport Employment Zone, through the establishment of the Pearson

Airport Hub PSEZ, is an important first step in safeguarding the vast economic growth this vital infrastructure and the surrounding employment has for Ontario and the GGH region.

The Proposed Growth Plan continues to put importance for transit investment through the streamlining of major transit station areas and recognizing the importance of communities that might have development and density concerns but can still be transit feeder services that have high ridership numbers. This can include Toronto Pearson's Union Station West that the Toronto Region Board of Trade and Ontario Chamber of Commerce have deemed an important transit project for moving people and goods throughout Ontario and the GGH region.

This is why Toronto Pearson recommends:

1. Inclusion of the proposed Provincially Significant Employment Zones and the Pearson Airport Hub PSEZ.
2. Recognizing Toronto Pearson's Union Station West as a Major Transit Station Area within the Proposed Growth Plan.