Submission to the Standing Committee
Re: Special Economic Zones Act, 2025
From: Greater Toronto Airports Authority (Toronto Pearson International Airport)
Date: May 16, 2025

Introduction

Toronto Pearson appreciates the opportunity to comment on the introduction of the *Special Economic Zones Act, 2025*.

This legislation is a timely opportunity to accelerate nationally significant infrastructure, strengthen domestic supply chains and reinforce Ontario's competitiveness during a period of global uncertainty.

- Toronto Pearson recommends that the Act be used not only to facilitate growth, but to protect the strategic employment land immediately surrounding Toronto Pearson, a massive economic engine for Ontario that drives $70.6B in GDP annually.

About Toronto Pearson

Toronto Pearson is Canada's busiest and most globally connected airport. In 2024, it served 46.8 million passengers and handled nearly half of the country's air cargo. It supports more than 52,000 on-site jobs across 400+ businesses and contributes $19.6 billion in annual national GDP, generating $7.5 billion in tax revenue across all levels of government. Far more than a transportation hub, Toronto Pearson is a nation-building asset and a vital driver of economic growth and international trade.

About Pearson LIFT

To meet growing passenger and cargo demand, Toronto Pearson is launching its largest-ever infrastructure initiative: **Pearson LIFT** (Long-Term Investment in Facilities and Terminals).

This 10-year capital program will modernize Pearson's terminals, expand its capacity and integrate cutting-edge technologies. The program is expected to support 5,200 jobs annually and deliver wide-ranging benefits to Ontario's construction sector, supply chains and broader economy.

Pearson LIFT helps ensure that Toronto Pearson remains globally competitive and positions Ontario for long-term success in trade and connectivity.

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The Pearson Economic Zone: a strategic asset

The lands surrounding Toronto Pearson form the **Pearson Economic Zone (PEZ),** a 200-square-kilometre industrial and employment hub spanning Mississauga, Brampton, Vaughan, Caledon and Toronto. The PEZ is:

- Canada's largest industrial employment zone;
- Home to 18,000 businesses employing 500,000 people – an increase of 100,000 since 2017
- Responsible for 7% of Ontario's GDP ($70.6B annually);
- Ontario's manufacturing and logistics epicentre, with the largest concentration of manufacturing companies in North America; and
- Home to Toronto Pearson, Canada's largest airport, a key gateway for trade, tourism and outbound travel.

The jobs and economic benefits that flow from these vital economic lands are a critical insurance policy at a time when the world is being realigned and our future growth path is shrouded in uncertainty. The Pearson Economic Zone works – protecting it is about protecting jobs, investment and Ontario's role in global supply chains.

The final communiqué of the recent B7 summit conference in Ottawa paid special attention to the importance of transportation infrastructure in "generating prosperity for people and the communities … playing as a cornerstone of global social and economic activity."

The threat of land use conversion

Despite its significance, the PEZ is under pressure from speculative land use conversions that seek to rezone employment lands for residential development. These conversions:

- Destabilize industrial land values, pricing out manufacturers and logistics firms;
- Undermine investor confidence and long-term land use certainty;
- Encroach on protective airport operating buffers; and
- Push high-value economic activity out of Ontario, often permanently.

Given the concentration of U.S. branch plants in the PEZ, the risk of capital and job flight is real and immediate. If unchecked, residential speculation could erode one of Ontario's most productive economic zones.

How Special Economic Zone designation could unlock the PEZ's potential

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Designating the PEZ as a Special Economic Zone would deliver immediate and lasting economic benefits:

1. **Secure supply chains**
- Ensure more companies can locate/grow close to the airport and nearby 400-series highways
- Boost international cargo connectivity for Canadian companies

2. **Drive tourism growth**
- Enhance transportation links in the zone to connect to major attractions and destinations
- Facilitate investment in building attractions/destinations close to the airport

3. **Accelerate reinvestment by manufacturers**
- Streamline permitting for upgrades, retrofits and expansions
- Reduce delays for co-located warehousing, logistics and energy uses
- Create regulatory certainty to support long-term capital planning

4. **Attract new investment**
- Enhance Ontario's competitiveness for advanced manufacturing and logistics
- Signal a clear, investor-friendly regulatory environment
- Leverage the airport's infrastructure and workforce advantages

5. **Enable redevelopment and intensification**
- Unlock underused industrial land for vertical manufacturing, clean energy and smart logistics
- Modernize and intensify the industrial building stock
- Reduce regulatory friction for brownfield-to-modern-use transitions

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Support for Special Economic Zone legislation – with expanded scope

Toronto Pearson supports the *Special Economic Zones Act, 2025* by encouraging the government to broaden its scope to include **protections for the vital urban employment areas** around the PEZ. Failing to act could put airport operations, logistics and advanced manufacturing firms at risk from encroachment, land use conversions, noise complaints, destabilized land values, high rents and wavering investor confidence.

We recommend that the legislation and accompanying regulations:

- Include mechanisms to **identify and safeguard the PEZ strategic employment zone;**
- Recognize the **central role of infrastructure hubs**, including airports, in anchoring economic activity; and
- Align Special Economic Zone designations with enabling infrastructure, including **transit and energy supply.**

Conclusion

Toronto Pearson is ready to work with the Government of Ontario to implement this legislation and explore how the PEZ can serve as a model urban Special Economic Zone.

By enabling reinvestment, protecting critical employment lands and accelerating infrastructure development, the Act can secure Ontario’s place as a global leader in trade, manufacturing and innovation.

We look forward to continued partnership in building a stronger Ontario.

Sincerely,

Karen Mazurkewich
Vice President, Stakeholder Relations and Communications
Greater Toronto Airports Authority
Toronto Pearson International Airport