

# COUNT *on* PEARSON *to* *grow the regional economy and strengthen communities*

**Howard Eng**

GTA A President and CEO



Toronto Pearson

# Count on Pearson to be more than an airport

## Pearson facilitates or generates:



**\$11 Billion** in Exports.  
**\$17 Billion** in Imports.



**\$42 billion**  
(6%) of Ontario's GDP



**\$25 Billion** in Outward FDI.  
**\$23 Billion** in Inward FDI.



**49,000**  
Employed at Toronto Pearson

Source: Frontier Economics

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# Count on Pearson to provide access to global markets

5<sup>th</sup> most  
connected  
airport in  
the world

Rank	Airport	Country	Connectivity Index	Dominant Carrier	Share of Flights at Hub
1	LHR	United Kingdom	333	British Airways	52%
2	ORD	USA	306	United Airlines	48%
3	FRA	Germany	302	Lufthansa	63%
4	AMS	Netherlands	286	KLM	51%
5	YYZ	Canada	271	Air Canada	60%
6	LAX	USA	257	American Airlines	21%
7	ATL	USA	256	Delta Air Lines	79%
8	SIN	Singapore	253	Singapore Airlines	23%
9	CDG	France	250	Air France	51%
10	CGK	Indonesia	249	Garuda Indonesia	28%
11	MUC	Germany	237	Lufthansa	59%
12	KUL	Malaysia	233	AirAsia	40%
13	HKG	Hong Kong (SAR), China	231	Cathay Pacific Airways	26%

Source: OAG



**72%** connectivity with Global GDP through  
a daily, year-round, non-stop flight

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# Count on Pearson to support growth



Toronto Pearson

**Today**  
**49.5 Million**

Passengers in 2018 (5%+ over 2017)  
Six consecutive years of total annual  
passenger growth of 5% or more.

**70%**  
of global economy  
reached from YYZ

**6.3%**  
of Ontario GDP (\$42B)

**332,000**  
jobs facilitated

**2037**  
**85 Million**

Passengers

**80%+**  
of global economy  
reached from YYZ

**8.5%**  
of Ontario GDP

**700,000**  
jobs facilitated

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# Growth to mega hub will continue

1997-2013

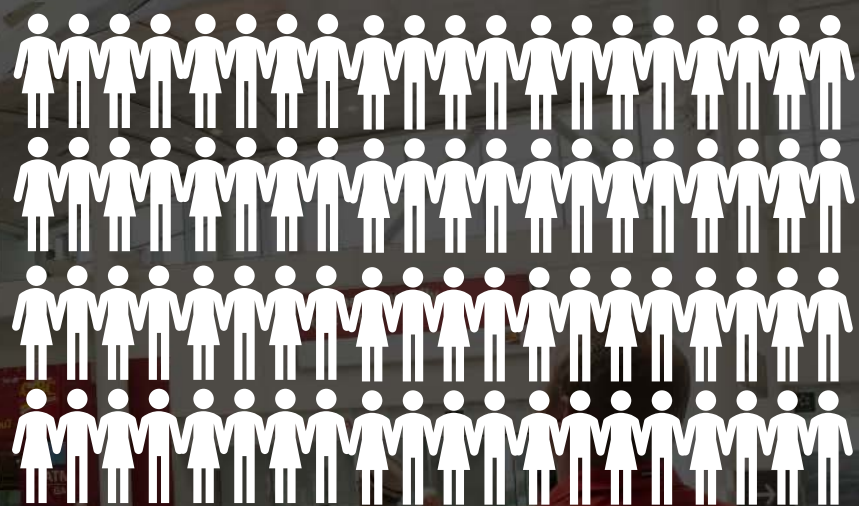
10M passengers in 16 years

2014-2017

10M passengers in 4 years



40M passengers in next 20 years

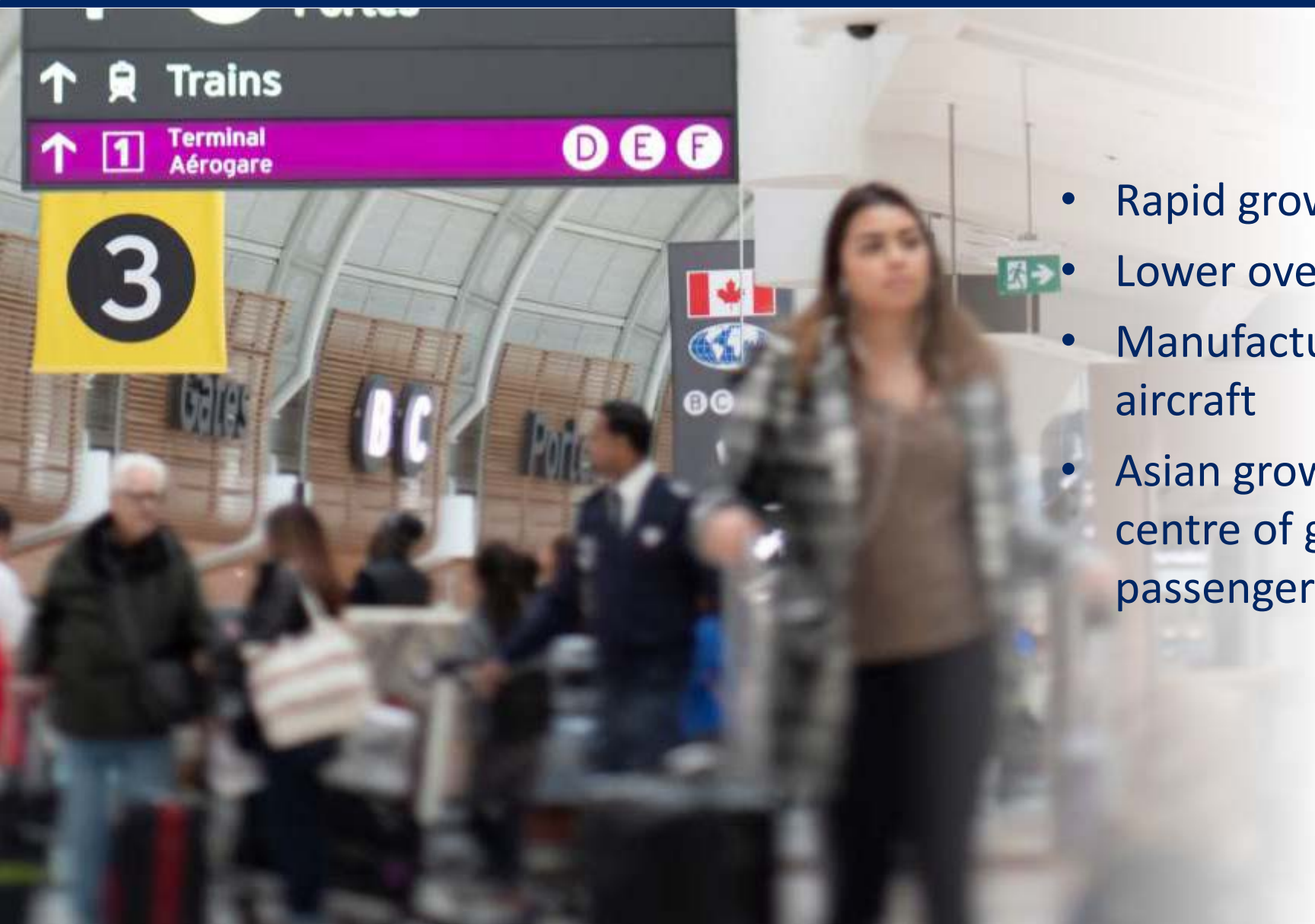


2017-2037

# Drivers of Growth



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- Rapid growth of emerging economies
- Lower overall cost of travel
- Manufacturers focusing on 100+ seat aircraft
- Asian growth has driven air travel's centre of gravity (i.e. where passengers originate) south and east

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# Growth expectations



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*Based on forecasts published by Boeing and Airbus, airlines' announced fleet plans, and expected network evolution...*

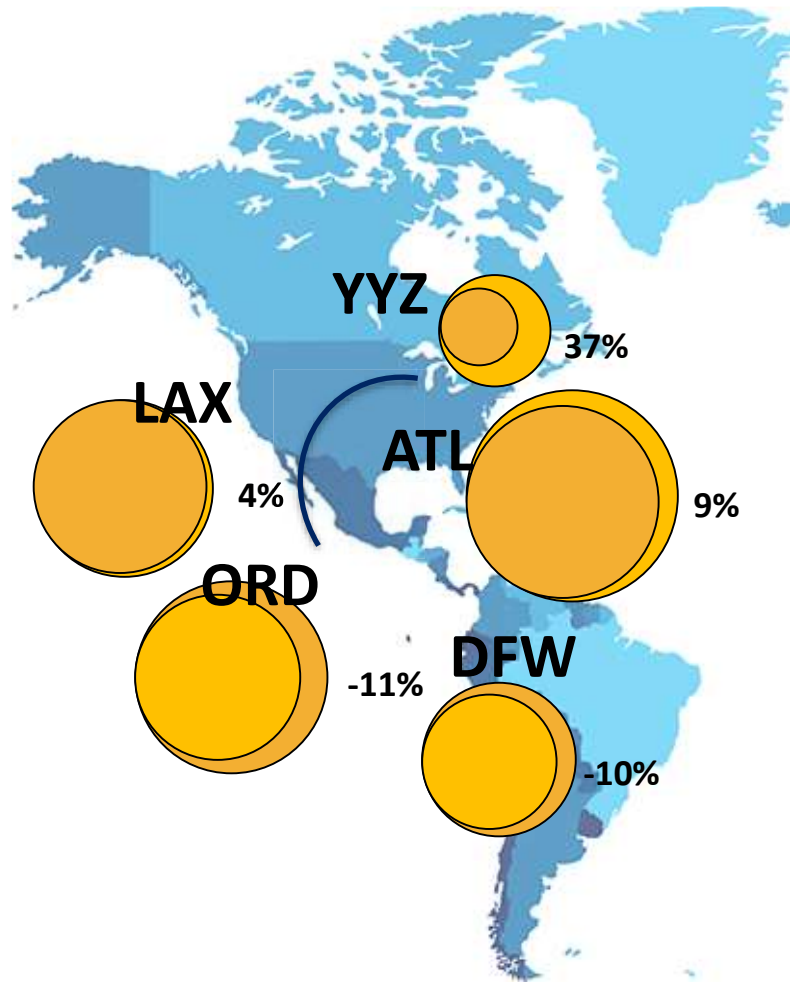
- Worldwide traffic doubles every 15 years; fleet will double in 20 years **(70% of orders are to grow, not replace)**
- In the next 5-10 years, Canadian passenger volumes to China, India, South East Asia, Middle East, and Sub-Saharan Africa are **expected to grow at 8% CAGR**; US growth to these markets is at 6.5%
  - **Both will see passenger volumes double by 2027**, faster than global passenger growth
  - Transborder-Int'l connections expected to grow as airlines integrate networks
  - High-growth priority markets include Delhi (12% annual passenger growth in the last 5 years), Bangkok (10%), and Guangzhou (GDP growing at 8% annually)

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# Growth through 'up-gauging'



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Toronto's 37% growth in the past 18 years in comparison to a collection of North American Hub Airports

In all markets except Chicago (ORD), seats per movement increased.

**LAX** 135 → 161 (19%)

**YYZ** 111 → 136 (23%)

**ORD** 122 → 112 (-8%)

**ATL** 131 → 143 (9%)

**DFW** 111 → 127 (14%)

# Where growth is coming from



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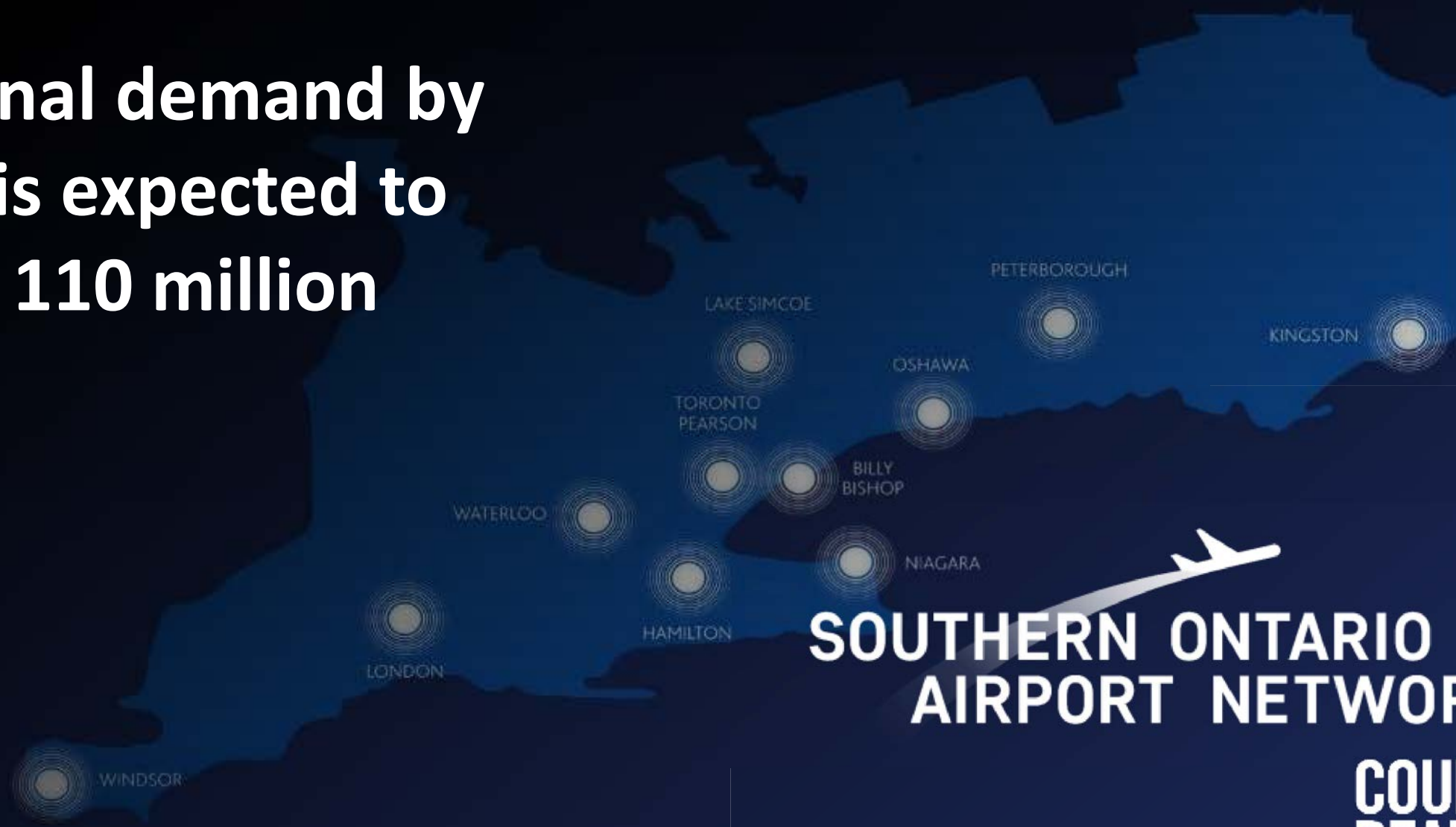


# Connecting passengers *and* the region



Toronto Pearson

**Regional demand by  
2043 is expected to  
reach 110 million**



**SOUTHERN ONTARIO  
AIRPORT NETWORK**

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# Building capacity to facilitate growth

**Investment in capital projects has been significant and is ongoing**

**2014-2018 \$1.3 billion**

*Planned* **2019-2023 \$2.4 billion**

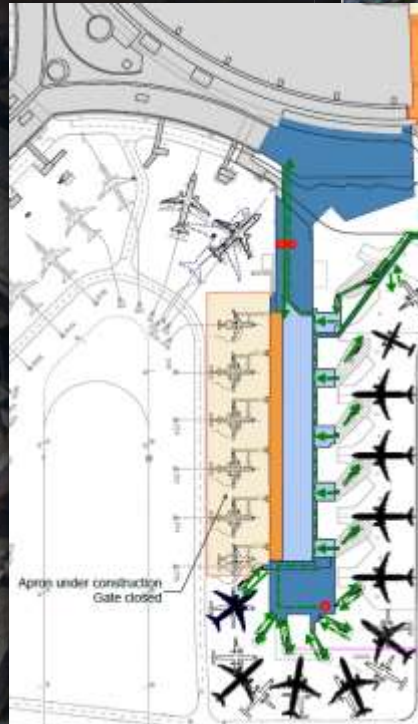
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# Capital Projects



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- Terminal 1 expansion – “Pier G”
- Aircraft parking and apron expansion at Terminal 1



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# Capital Projects



Toronto Pearson

- Check in and bag drop facilities
- Connection flow and sectorization
- “Baggage 2025”
- Terminal 3 restoration/enabling program



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***Becoming a  
mega hub airport***



Toronto Pearson

# Mega hubs of the world



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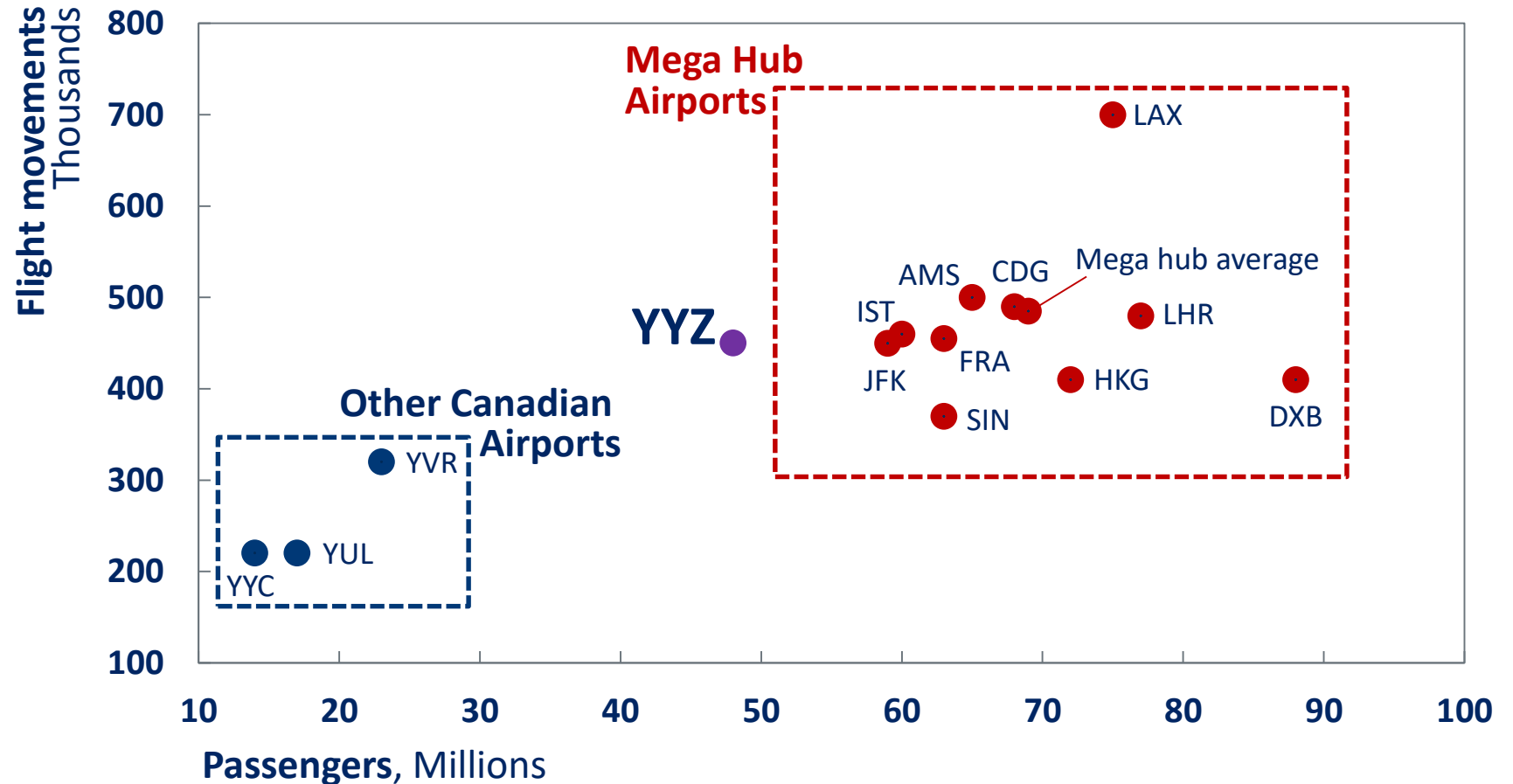


# Closer to mega hubs than to Canadian peers



Toronto Pearson

- Pearson's passenger base is **>2x the size of their Canadian peers** while only 1.5x smaller than the average mega hub.
- Pearson's flight movements are **97% of the average mega hub**



# Why being a mega hub matters



Toronto Pearson

- Mega hubs are emerging thanks to growing consumer demand for air travel
- This demand is **creating prosperity** through global connectivity that far outweighs the economic strength of the local airport's home region.
- The connecting passenger flows make **routes viable** for air carriers that local markets alone could not support.
- Such connectivity is a source of **competitive advantage** to the city-region in which the airport is located, and it confers economic benefits to the country as a whole

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*Ground access is a  
challenge we're  
trying to solve*

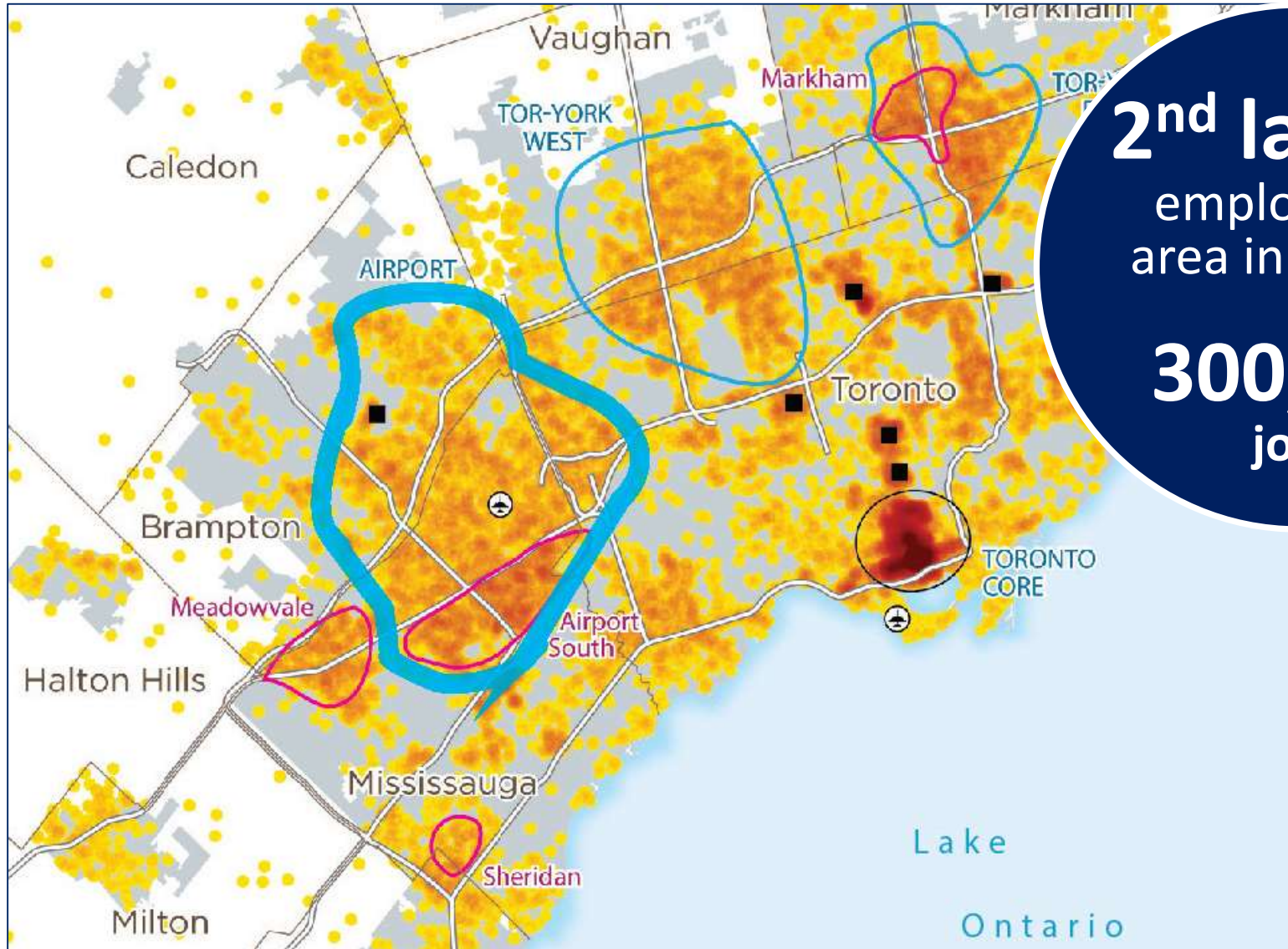
# Pearson as the anchor of the Airport Employment Zone



Toronto Pearson

**2<sup>nd</sup> largest**  
employment  
area in Canada

**300,000**  
jobs



**PLANNING  
FOR  
PROSPERITY**

GLOBALIZATION,  
COMPETITIVENESS, AND  
THE IMPACTS OF THE  
2008-2009 GLOBAL FINANCIAL  
CRISIS

Pamela Blais  
Metropole  
Consultants  
with assistance from  
Urban Consulting

neptis

# Congestion is a major barrier to connecting the region

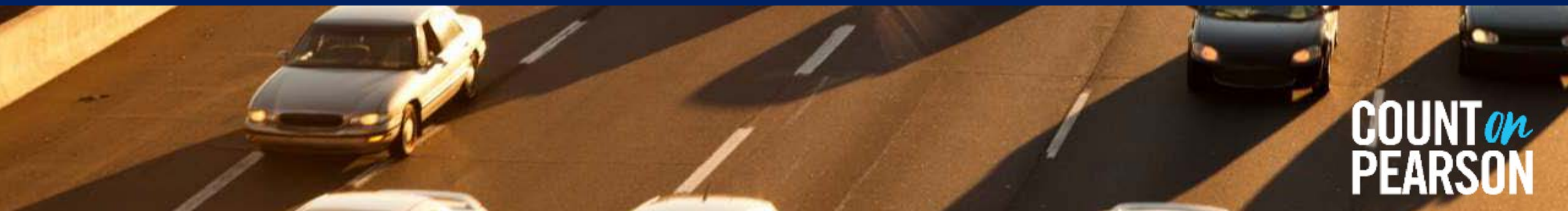


●  
30% average  
increase in  
driving time by  
2043

●  
Costing an estimated  
**\$6 billion/year** in lost  
productivity

●  
6<sup>th</sup> worst  
commute of  
any major city  
in the world

●  
**1 million** car  
trips/day in the  
Airport  
Employment Zone

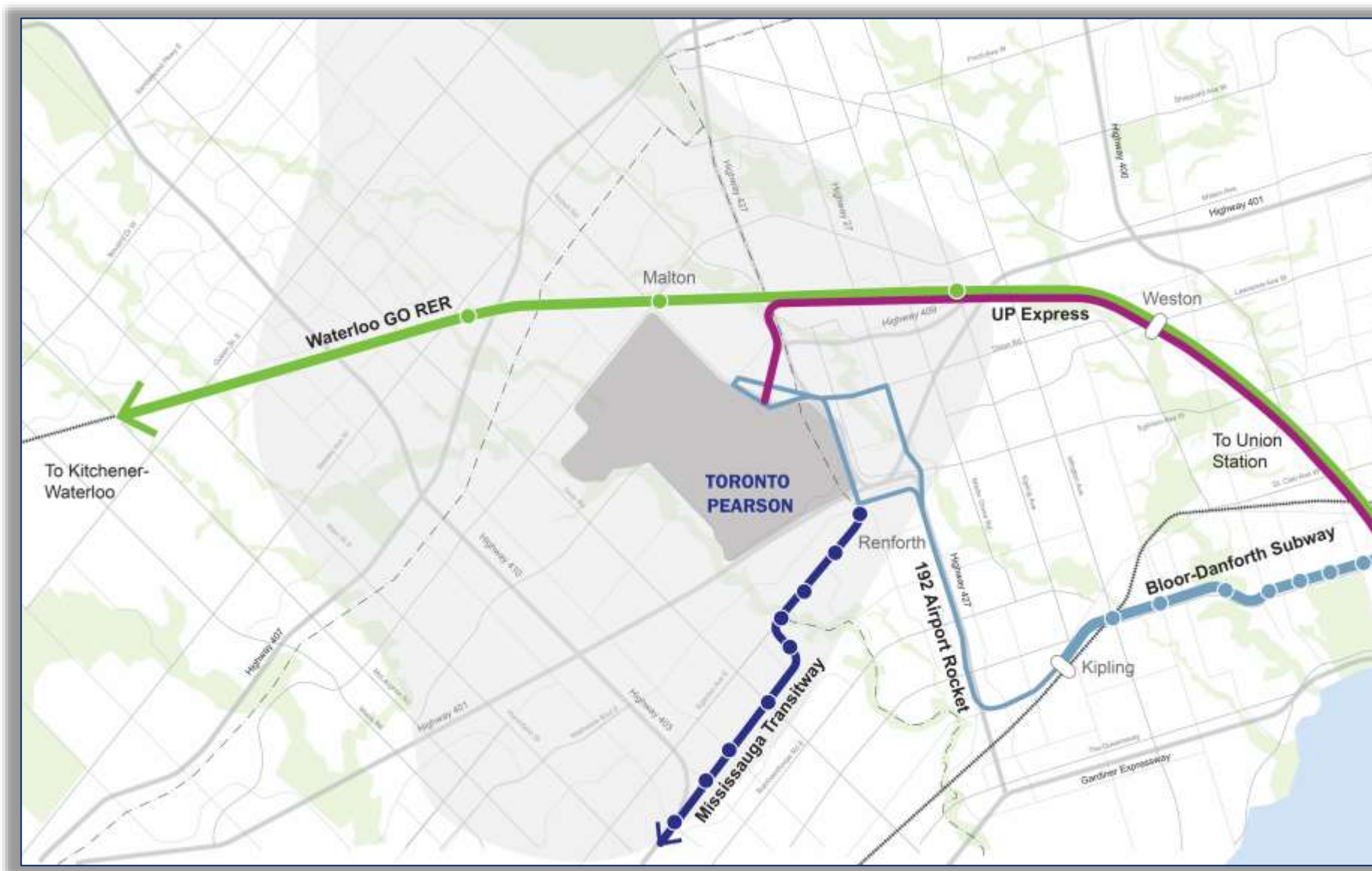


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# Current transit connectivity



Toronto Pearson



## Mode Share

**10%**

of passengers/  
commuters at YYZ  
take public transit

36% at  
London-  
Heathrow

40% at  
Amsterdam  
Schiphol

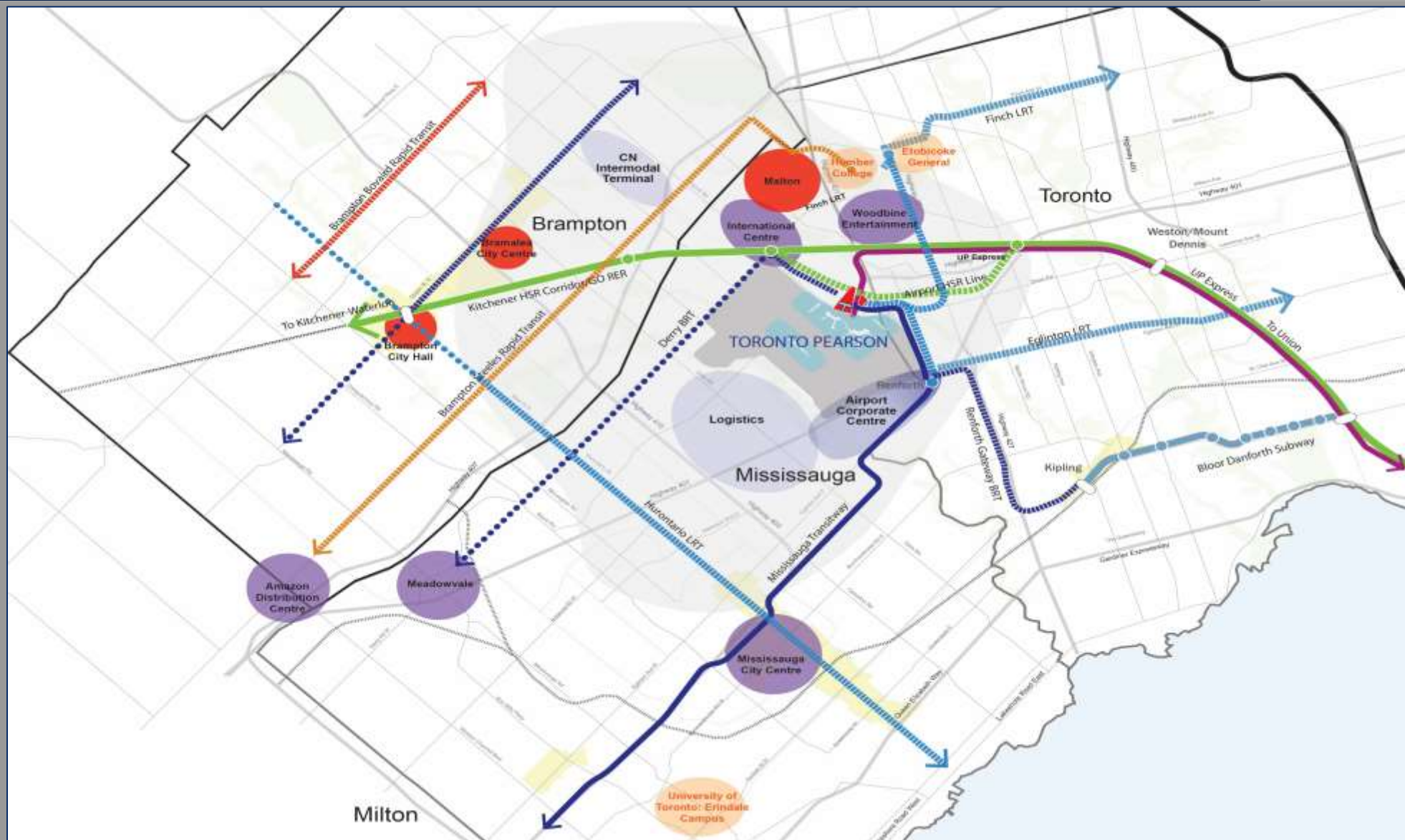
50% at  
Hong Kong  
Kai Tek

60% at  
Shanghai  
Pudong

# Our vision for future transit connectivity



Toronto Pearson



# Transit vision anchored by “Union Station West”



Toronto Pearson

Toronto Pearson has a vision for a passenger facility that could also serve as a **second major ground mobility hub** for the region.



**Connect planned and existing lines** in the airport area

**Unique location** at the boundary of municipalities and highways

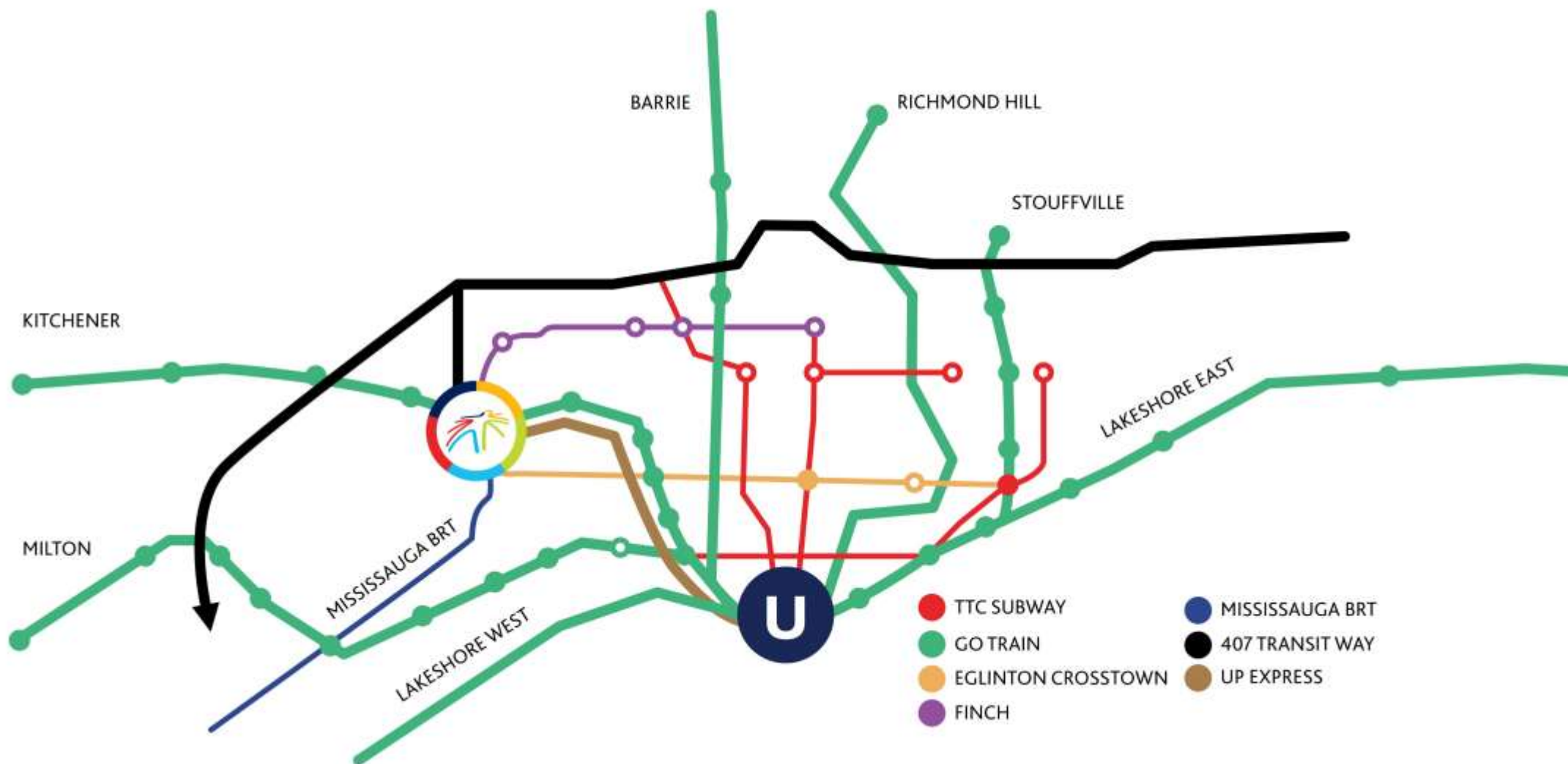
Without passenger traffic, **location still optimal**

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# Opportunities for connections



Toronto Pearson

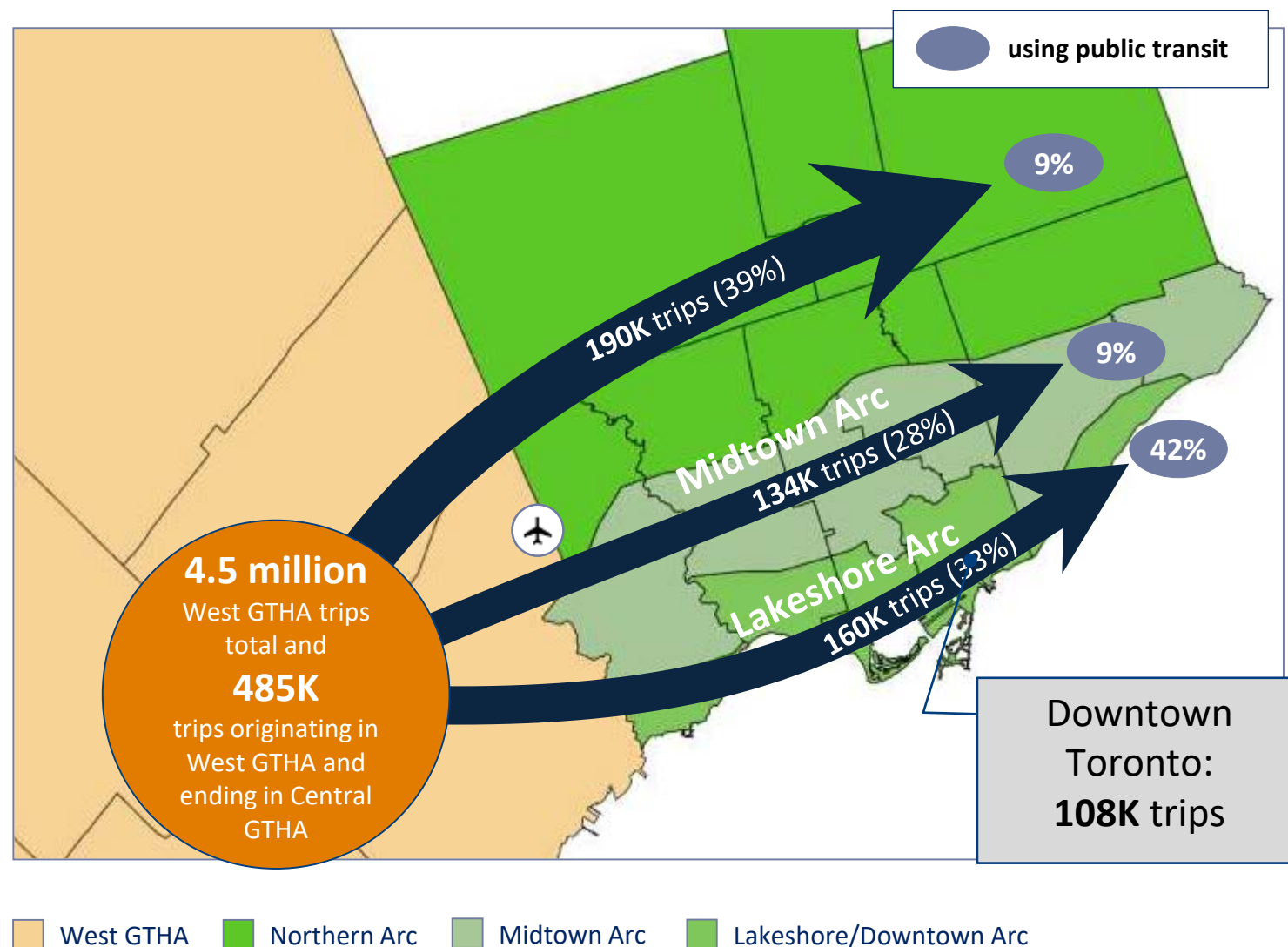


# The Northern Arc



Toronto Pearson

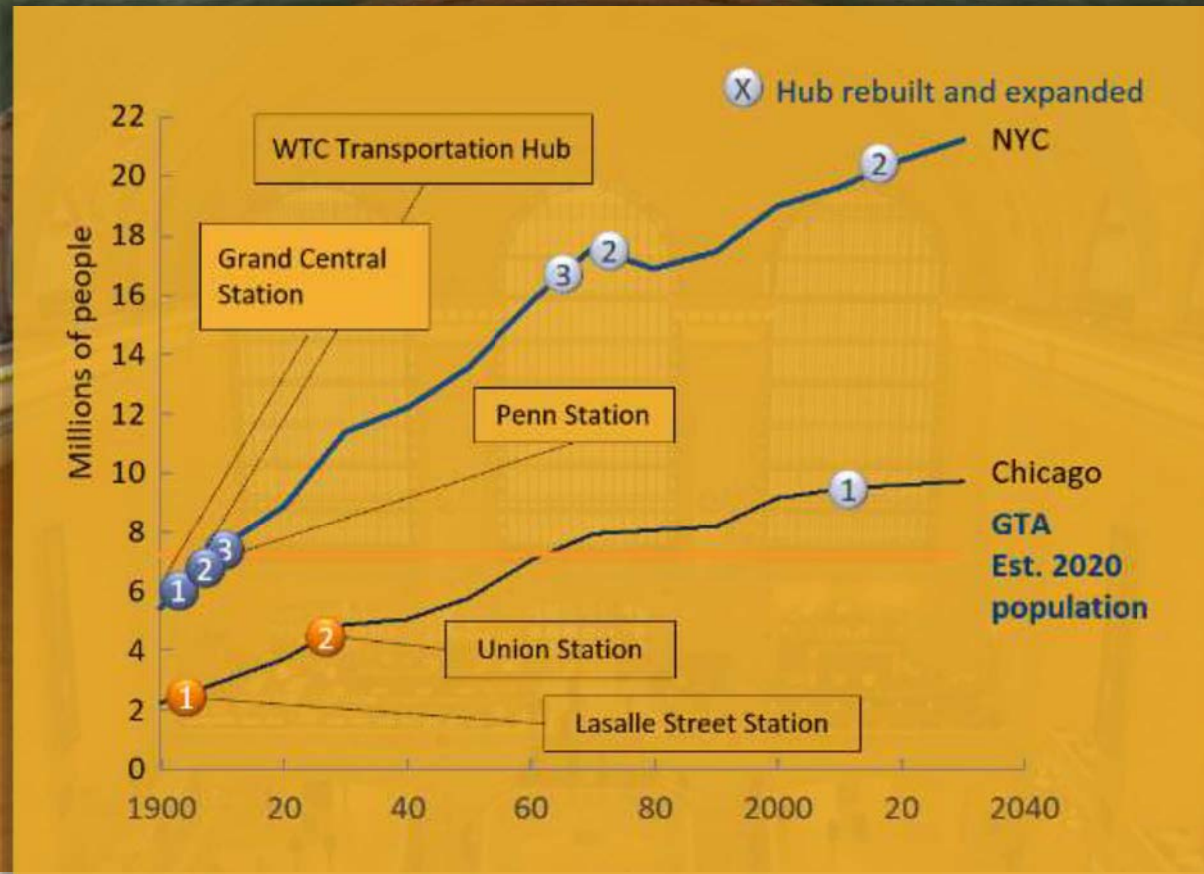
- Nearly **twice as many** commuters from the West GTHA travel along the northern part of the city, vs downtown
- **Over 60%** of transit trips across the Northern Arc require at least one connection
- Over 20% require **two or more**



# Comparing transportation hubs

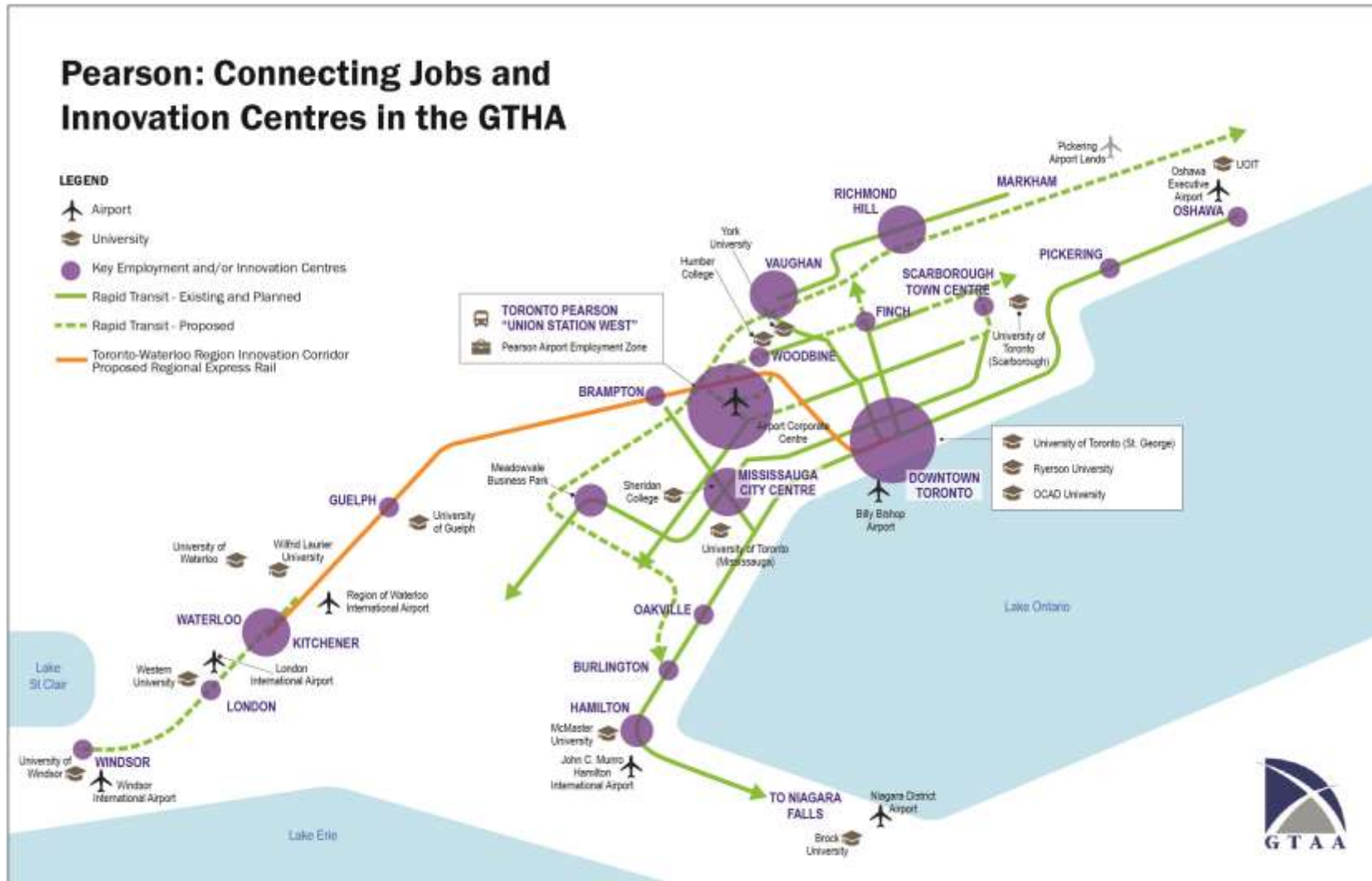


Toronto Pearson



**90% of U.S. and Australian metropolitan areas with populations of 5 to 7 million have at least two major mobility hubs**

# Better connections brings many benefits



## A new multi-modal transit and mobility hub would:

- provide 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
- encourage more sustainable travel modes.

# Schiphol Airport



Toronto Pearson

Schiphol airport area now commands some of the nation's highest commercial rents, more than Amsterdam's prime business district

Numerous multi-national corporations are headquartered in the airport area, including ING, Philips, Microsoft and Citibank, and the rail station is located under the terminal complex

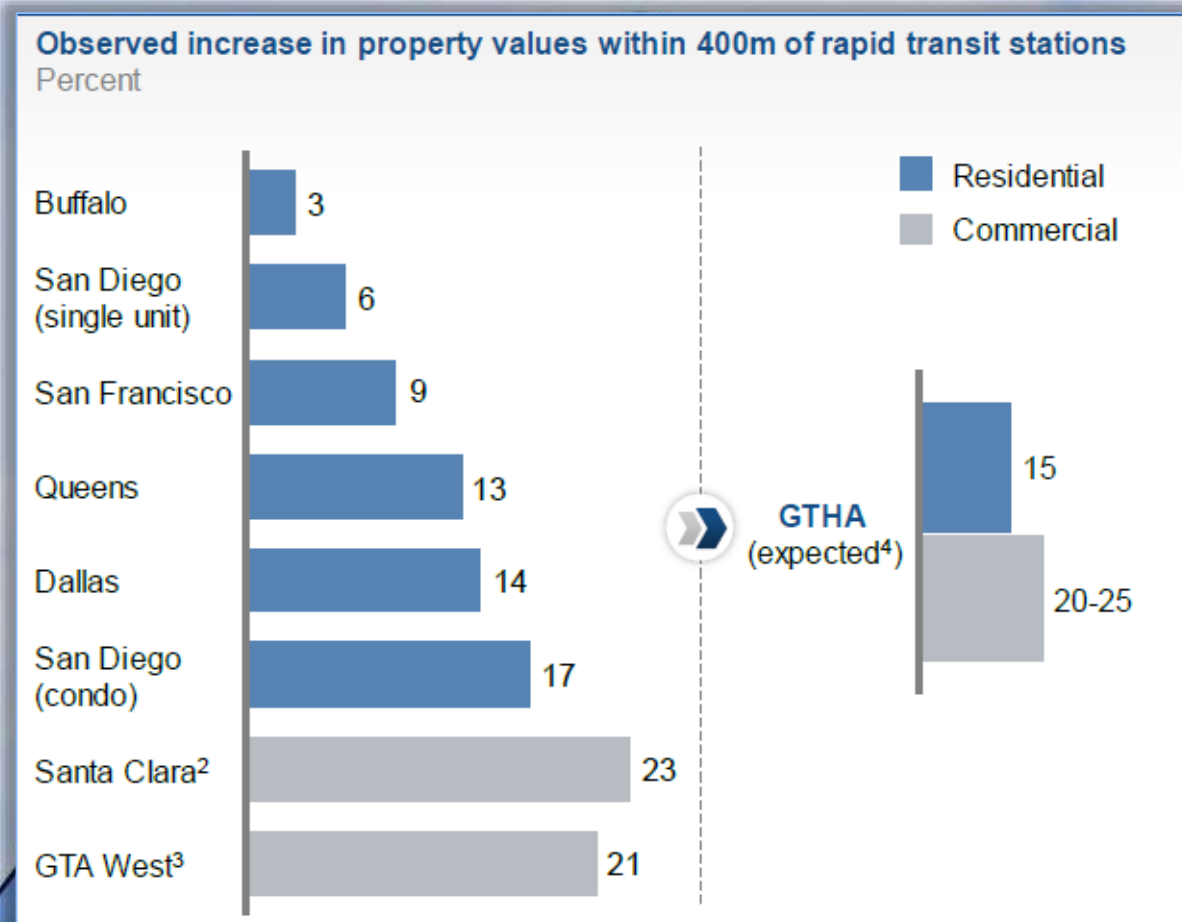


# Commercial property values near rapid transit stations



Toronto Pearson

Commercial property values near new rapid transit stations  
Increase by 20% in similar metropolitan areas



A study by the GTAA showed that the regional transit centre could create \$500M+ in property values in the Airport Employment Zone.

# Rapid transit increases employment levels



Toronto Pearson

## Jubilee line extension (London UK)

- Completed in 1999
- 16km long, with 11 stations
- Connects Jubilee to all other Tube lines
- Employment in corridor grew at 17% between 1998 and 2000, compared to 8% average for Greater London
- Most new jobs were classed as “high value, high productivity”
- Incremental employment valued at \$33B over coming 60 years



# Rapid transit increases employment levels



Toronto Pearson

## Northwest LRT extension

(Dallas, TX)

- Opened in 2014
- 7.5km extension of the DART Orange line
- Connects downtown Dallas with DFW airport
- Extension passes through major employment hub close to DFW
- Employment expected to increase by 83% (2000-2030), adding 60,000 jobs
- By Q3 2016, office leasing rates had improved by 30% y-o-y



# Understanding today's workforce to prepare for tomorrow's



Toronto Pearson

An estimated **49,000 people** are employed at Toronto Pearson.

We are completing analysis of an Airport Employee Transit and Demographic study to:

- Better understand commuting patterns and requirements
- Establish a baseline profile of current Toronto Pearson employees for future plans and programs
- Findings to be shared through interactive workshops and presentations



# In fact, employment is on the rise at the GTAA



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Full time employment at the GTAA has been steadily increasing in recent years:

- **2016 – 1,454**
- **2017 – 1,529**
- **2018 – 1,617**



# Where we're at with Union Station West



Toronto Pearson



Designing the facility to connect to transit and meet airport requirements

Working to understand ridership and land value opportunities

Working with Metrolinx and governments; engaging with stakeholders



# Gaining support



Toronto Pearson

- Toronto Region Board of Trade published report Jan 31 endorsing Union Station West as priority infrastructure
- Ontario Chamber of Commerce published paper Dec 2018 supporting Union Station West
- Regular planning coordination with federal and provincial officials

## Regional Transit Centre Centre de transport en commun régional



Track	Time
Train to Kennedy Station	4 16:05
Train to Finch West Station	4 16:10
Train via Renforth Gateway	5 16:15



Track	Time
Train to Kitchener	1 16:00
Train to Union Station	2 16:15
Train to London	1 16:25

Service	Gate	Time
Bus to Bramalea City Centre	B	16:00
Züm BRT Queen West	C	16:05



Service	Track	Time
Mississauga Transitway to Winston Churchill	4	16:00
Huronario LRT to Brampton Gateway Terminal	5	16:15

Service	Track	Time
Union Station	3	16:00
Union Station	3	16:15
Union Station	3	16:25



Airport Corporate Centre  
Landowners Group



**Solidarity YYZ!**  
Toronto Airport Workers' Council



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# Making the right connections



Listening tables to engage municipal and other stakeholders in Q1/Q2 2019

“The last mile” - Connecting to the Airport Employment Zone

Connecting regional economic zones

Connecting airports across the region

# Your support



**Tired of sitting in traffic?**

Whether you're stuck on the highway commuting to work or stuck in a local traffic jam just trying to get to the grocery store, road congestion is making life difficult for all of us. It's one of our region's biggest challenges, and one that's getting worse every day. We want to do something about it.



**10 reasons to get on board with  
#UnionStationWest**

**We need more voices of support to help make  
Union Station West a reality.**

[TorontoPearson.com/transit](https://torontopearson.com/transit)

There has been broad support for Toronto Pearson's transit plans from residents, businesses and advocacy groups. Governments at all levels continue to assess and make decisions about the transit lines that could connect to Toronto Pearson.

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## *Thank You*

