

Airport Advisory Committee

AGENDA



Tuesday, October 29, 2019

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
1. Call to Order, Welcome and Introductions - Mayor Basran	3 - 4
2. Confirmation of Minutes - Mayor Basran	5 - 8
Approve Minutes of the Meeting of April 25, 2019.	
3. Reports	
3.1 Operations Update - Philip Elchitz	9 - 23
3.2 Soaring Beyond 2.5 Million Passengers AIF Program Update - Vicki Brown and Shayne Dyrdal	24 - 44
3.3 Financial Update - Shayne Dyrdal	45 - 52
4. Recommendations	53 - 56
4.1 THAT the Airport Advisory Committee supports, in principle, the proposed Soaring Beyond 2.5M Passenger AIF program as presented to the Airport Advisory Committee on October 29, 2019.	
4.2 THAT the Airport Advisory Committee supports obtaining the approval of Council for a capital budget request in the amount of \$69,910,000 for the Soaring Beyond 2.5 Million Passengers AIF Program in the 2020 Financial Plan.	
4.3 THAT the Airport Advisory Committee supports obtaining the approval of Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Landing and Terminal Fees by 2%, effective January 1, 2020, as presented to the Airport Advisory Committee on October 29, 2019.	

4.4 THAT the Airport Advisory Committee supports obtaining the approval of Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Improvement Fee to \$25.00 per departing passenger, effective March 1, 2020, as presented to the Airport Advisory Committee on October 29, 2019.

5. **Questions & Wrap Up**
6. **Termination of Meeting**



YLW

Kelowna International Airport

Airport Advisory Committee Meeting

October 29, 2019

Agenda

- ▶ Call to Order, Welcome and Introductions
- ▶ Approval of Minutes
- ▶ Operations Update
- ▶ Soaring Beyond 2.5 Million Passengers AIF Program Update
- ▶ Financial Update
- ▶ Recommendations
- ▶ Questions



Airport Advisory Committee

Minutes

Date: Thursday, April 25, 2019
Time: 9:00 am
Location: Airport Administration Boardroom
Kelowna International Airport
1-5533 Airport Way
Kelowna, BC

Members Present
Chair, Mayor Colin Basran, City of Kelowna
Chair Gail Given, Regional District of Central Okanagan
Councillor Brad Sieben, City of Kelowna
Mayor Cindy Fortin, District of Peachland
Mayor James Baker, District of Lake Country
Councillor Doug Findlater, City of West Kelowna
Councillor Chad Eliason, City of Salmon Arm
Councillor Akbal Mund, City of Vernon
Andre Blanleil, Kelowna City at Large
Nikki Csek, Kelowna Chamber of Commerce
Deborah Buszard, UBCO
Diane Chambers, Greater Vernon Chamber of Commerce
Corie Griffiths*, Economic Development Commission
Grant Steven, Aviation Industry Representative
Thom Killingsworth, Tourism Kelowna
Craig Garries, Greater Westside Board of Trade
David Hull, Summerland Chamber of Commerce

Members Absent
Mayor John Vassilaki, City of Penticton
Representative to be confirmed, South Okanagan Chamber of Commerce

Staff Present
City Manager, Doug Gilchrist
Airport Director, Sam Samaddar
Airport Development Manager, Phillip Elchitz
Airport Finance & Corporate Services Manager, Shayne Dyrdal
Senior Airport Development Manager, Ed Stephens
Airport Business Development and Community Relations Manager, Chad Munchinsky*
Clint McKenzie, Legislative Coordinator (Confidential)

(* denotes partial attendance)

1. Call to Order

The Chair called the meeting to order at 9:10 a.m.

2. Introductions

2.1 Members

The Chair welcomed new and returning committee members and called for introductions.

2.2 Terms of Reference

The terms of reference for the committee were provided to the members.

3. Confirmation of Minutes

Moved By Councillor Akbal Mund/Seconded By Andre Blanleil

THAT the Minutes of the October 5, 2018 Airport Advisory Committee meeting be adopted.

Carried

4. Group Photo

Photo deferred to later in the agenda when all attending Committee members are present.

5. Reports

5.1 Okanagan Gateway Study

Committee member Corie Griffiths arrived at 9:17 am.

Senior Airport Development Manager:

- Displayed a PowerPoint presentation providing an overview of the study.
- Outlined the boundaries for the study area surrounding the airport.
- The study is being done by the same consultant who is completing the regional transportation study.
- Responded to questions from the Committee.

Airport Director– commented on the importance of air and ground highway connections.

Mayor Basran commented it will be important to have the capital items built into the City's capital plan.

Airport Development Manager:

- Provided insight into pursuit of bus rapid transit and the connection with YLW from the UBCO transit interchange.

The meeting broke at 9:31 a.m. and a group photo was taken.

The meeting reconvened at 9:43 a.m.

Mayor Basran recognized Ed Stephens for his contributions to YLW and our community and congratulated him on his upcoming retirement.

5.2 Air Service Development Strategy

Airport Development Manager:

- Provided a PowerPoint presentation giving an overview of the strategy.
- Kelowna is the 10th busiest airport in Canada recently overtaking Victoria.
- There is growth in all sectors – international, transborder and domestic.
- YTD - YLW is growing by 3.42%; second in growth in Canada behind Hamilton.
- Reviewed five-year growth by Air Canada, WestJet and Alaska.
- Discussion on retaining the Alaska Air travel being a key priority.
- Focus with Air Canada work toward establishing a direct flight to Montreal.
- Discussed the modelling being used to market to the airlines.
- Responded to questions from the Committee.
- Decrease in capacity of approx. 8% in the quarter due to the 737 MAX airplanes being grounded.
- New flights from Calgary that connect with Europe that connect well with Kelowna.

Airport Director spoke to the ultra-low-cost carriers and the impact on the local market.

Staff provided an overview of Swoop and Flair airline expansions.

Meeting adjourned at 10:33 a.m. for a group photograph.

Meeting reconvened at 10:52 a.m.

5.3 Soaring Beyond 2.5 Million Passengers Program Update

Senior Airport Development Manager:

- Provided a PowerPoint presentation giving an overview of the 10-year capital plan.
- Reaching operational capacity in the terminal for arrival and departures, prescreening. Phase 1 begins to address these issues.

Airport Director spoke to YLW being a low-cost airport and the direction associated with building new infrastructure and phasing to ensure debt servicing is as low as possible and that we reduce risk should there be an economic downturn.

Responded to questions from the committee.

5.4 East Lands Development

Airport Director:

- Provided an overview of the airside development of 12.5 hectares in Phase 1 including:
 - creating an aerospace campus as a full private sector investment
 - a second fueling facility
 - a Fixed Base Operator for executive aircraft and flight crew servicing
- Responded to questions from the committee.
- Spoke to the land to the west of Airport Way and the first tenant secured.

5.5 Fiscal Update

Financial Director:

- Provided an overview of the 2018 financial analysis.
- Provided a review of the Statement of Financial Position.
- Reviewed the Statement of Operations and Accumulated Surplus.
- Focusing on fee increases to non-aeronautical business so as not to increase the cost to the airlines.
- No increase in taxation to the taxpayers to offset these improvements.
- Reviewed Cash Flow and Debt Repayment schedule
- Responded to questions from the Committee.

6. Questions & Wrap Up

No additional items.

7. Termination of Meeting

The Chair declared the meeting terminated at 11:36 a.m.

Chair

DRAFT



Y L W

Kelowna International Airport

Operations Update



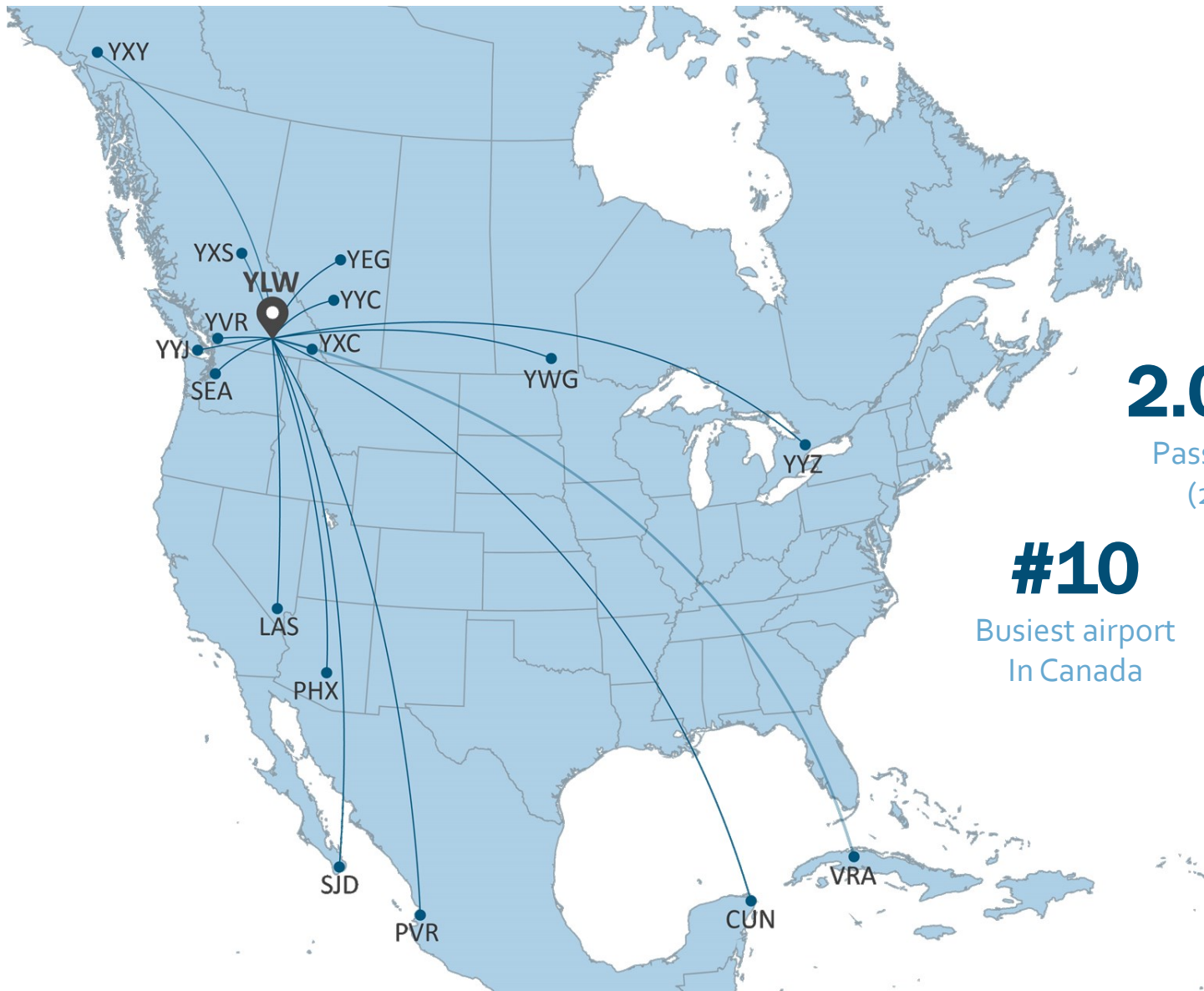
Y L W

Kelowna International Airport



2 MILLION PASSENGERS

10th busiest airport in Canada



2.0
 Passengers
 (2018)

#10
 Busiest airport
 In Canada

Passengers
 2018 vs 2017

Passenger traffic slowing in 2019

Year to Date -1.03%

Date	Monthly	% Monthly	YTD	% YTD
Jan-19	181,729	3.03%	181,729	3.03%
Feb-19	179,039	2.93%	360,768	2.98%
Mar-19	193,715	4.26%	554,483	3.42%
Apr-19	155,532	-0.8%	710,015	2.46%
May-19	155,259	-0.4%	865,274	1.93%
June-19	160,894	-0.7%	1,026,168	1.51%
July-19	179,263	-4.5%	1,198,570	0.57%
Aug-19	183,191	-9.1%	1,388,086	-0.85%
Sept-19	154,396	-2.6%	1,542,482	-1.03%



Passenger traffic 2003-2019



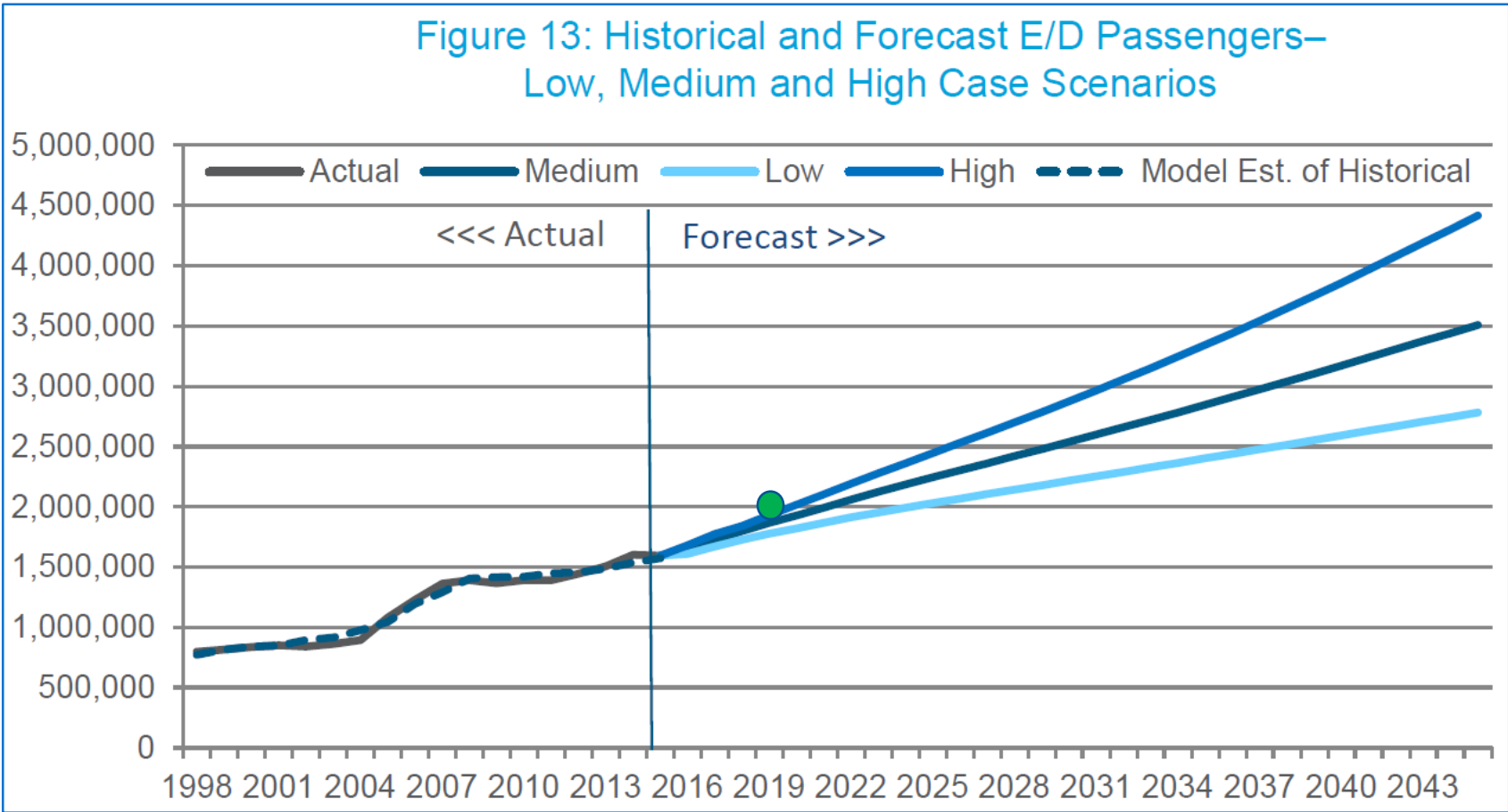
Domestic and Transborder demand slowing in 2019

Air Service Demand Growth, Year over Year per cent (2017, 2018, YTD 2019)

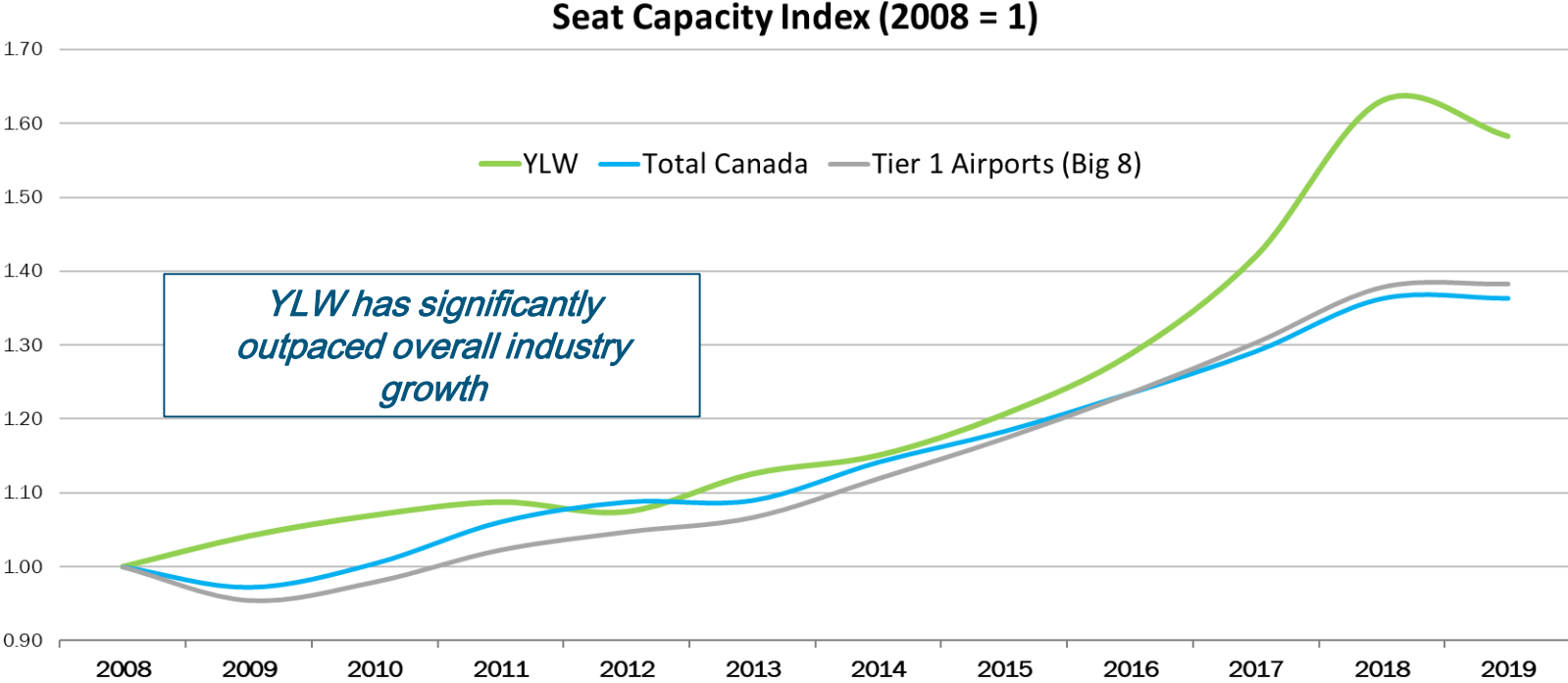


2045 Master Plan Forecast

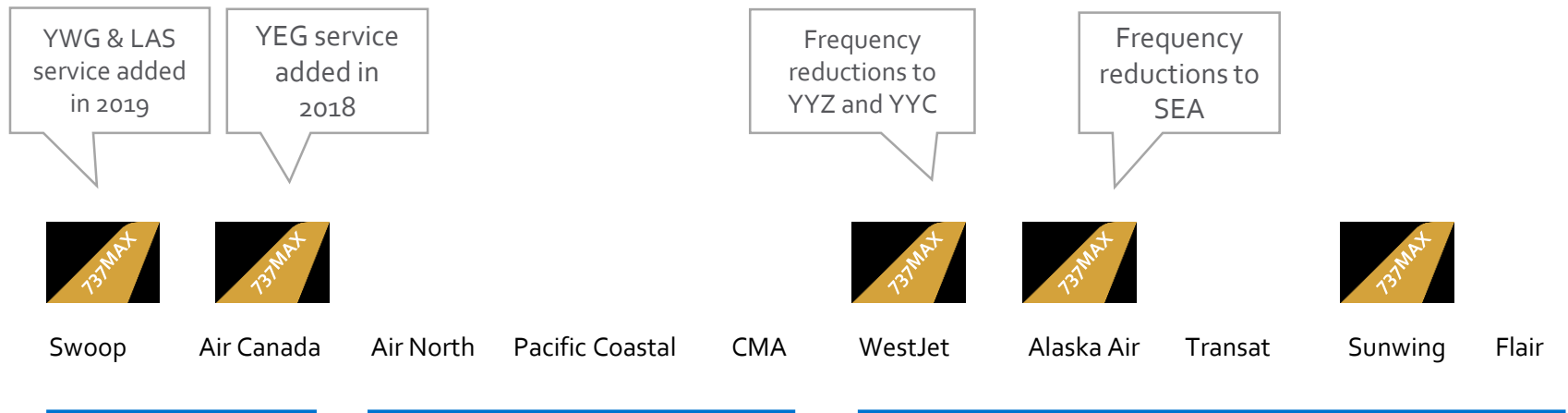
Figure 13: Historical and Forecast E/D Passengers—
Low, Medium and High Case Scenarios



Seat Capacity - outpacing overall industry



2019 seat growth comes from Swoop and Air Canada



Domestic Market Demand

Rank	City	Province	Market Size - Full Catchment		Airport Share				
			Annual Market Size	Passengers per Day Each Way	YLW	YKA	YVR	YYF	Other
1	Calgary	AB	710,338	973	59%	16%	16%	3%	6%
2	Vancouver	BC	540,932	741	86%	10%	0%	2%	1%
3	Edmonton	AB	386,558	530	81%	8%	7%	0%	4%
4	Toronto	ON	241,545	331	65%	12%	20%	1%	2%
5	Victoria	BC	145,965	200	73%	9%	16%	1%	1%
6	Winnipeg	MB	50,356	69	66%	13%	16%	2%	3%
7	Prince George	BC	44,437	61	36%	7%	57%	0%	0%
8	Cranbrook	BC	35,618	49	29%	3%	68%	0%	0%
9	Whitehorse	YT	31,830	44	40%	8%	51%	0%	1%
10	Fort St John	BC	31,584	43	33%	14%	50%	3%	0%
11	Montreal	QC	29,093	40	69%	10%	18%	3%	1%
12	Terrace	BC	24,977	34	25%	7%	68%	0%	0%
13	Ottawa	ON	24,798	34	57%	15%	25%	1%	2%
14	Saskatoon	SK	19,995	27	71%	12%	13%	1%	3%
15	Regina	SK	16,429	23	60%	26%	9%	2%	2%
16	Nanaimo	BC	15,579	21	61%	12%	24%	2%	1%
17	Fort McMurray	AB	12,080	17	69%	12%	12%	2%	5%
18	Hamilton	ON	10,779	15	65%	13%	19%	1%	2%
19	Quebec	QC	9,961	14	22%	10%	67%	1%	0%
20	Grande Prairie	AB	9,304	13	69%	12%	12%	2%	5%
	Other		81,911	112	61%	17%	19%	2%	1%
	Total		2,474,070	3,389	68%	12%	15%	2%	3%

Transborder Market Demand

Market Size - Full Catchment					Airport Share				
Rank	City	State	Annual Market Size	Passengers per Day Each Way	YLW	YKA	YVR	YYF	Other
1	Las Vegas	NV	49,502	68	70%	15%	9%	2%	4%
2	Los Angeles	CA	45,261	62	68%	13%	17%	2%	0%
3	Phoenix	AZ	39,750	54	52%	32%	16%	0%	0%
4	Denver	CO	26,782	37	23%	7%	67%	3%	0%
5	Seattle	WA	23,575	32	100%	0%	0%	0%	0%
6	San Francisco	CA	17,960	25	79%	5%	13%	4%	0%
7	New York	NJ	16,342	22	50%	4%	44%	2%	0%
8	San Diego	ON	12,540	17	50%	19%	18%	11%	2%
9	Palm Springs	CA	12,005	16	54%	26%	19%	0%	0%
10	Kahului	HI	9,253	13	52%	5%	43%	0%	0%
11	Honolulu	HI	6,850	9	60%	12%	28%	0%	0%
12	Orlando	FL	6,468	9	63%	20%	13%	0%	4%
13	Boston	MA	6,458	9	55%	6%	37%	2%	0%
14	Salt Lake City	UT	6,273	9	53%	4%	42%	1%	0%
15	Chicago	IL	5,976	8	71%	6%	23%	0%	0%
16	Dallas Fort Worth	TX	5,895	8	54%	20%	24%	1%	0%
17	Portland	OR	5,622	8	79%	4%	13%	3%	0%
18	Houston	TX	4,643	6	54%	20%	24%	1%	0%
19	Fort Lauderdale	FL	4,092	6	64%	10%	25%	0%	1%
20	Washington	DC	3,966	5	55%	6%	37%	2%	0%
	Other		59,300	81	61%	12%	25%	1%	0%
Total			368,513	505	61%	13%	23%	2%	1%



115-140 seats, dual class configuration
 Flying range up to 6,275km,
 up to ~7.5 hours flying time



January 2020 entry
 Orders: 45 A220-300s



Now Flying: 20
 Orders: 95 A220-100/300s



~200 seats, dual class configuration
 Flying range up to 8,750km,
 up to ~9-10 hours flying time



Now Flying: 2 A321neos/LR
 Orders: 15 A321LRs



A220/A321XLR: Narrowbody Aircraft Enabling Connectivity



Ultra-low cost carriers



US carriers

Alaska



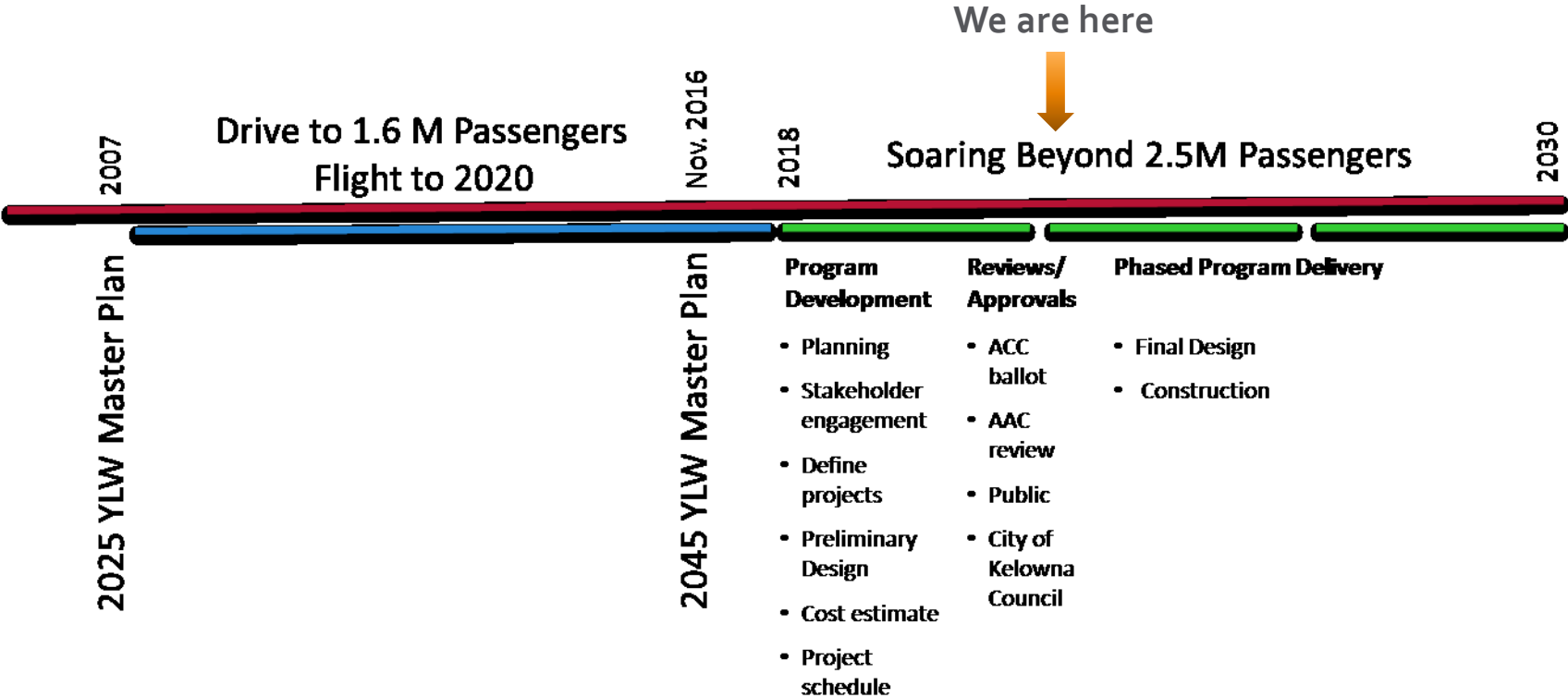


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Soaring Beyond 2.5 M Passengers AIF Program Update

Soaring Beyond 2.5 Million Passenger AIF Program



Soaring Beyond 2.5 Million Passenger AIF Program

Project	Cost (Millions)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Terminal Expansion - Phase 1	60.8										
Terminal Expansion - North Bridge	6.5										
Apron Expansion	19.6										
Self-serve Baggage Drop	1.9										
Runway End Safety Area	8.6										
Combined Operations Building	12.0										
CUTE/CUSS	3.2										
Terminal Expansion - Phase 2	41.4										
Loading Bridges	2.4										
Airside Lighting and Supporting Infrastructure	0.2										
Airside Pavement Rehabilitation	50.5										
Airside Equipment	12.8										
Total	219.9										

Legend



Soaring Beyond 2.5M Passenger AIF Program

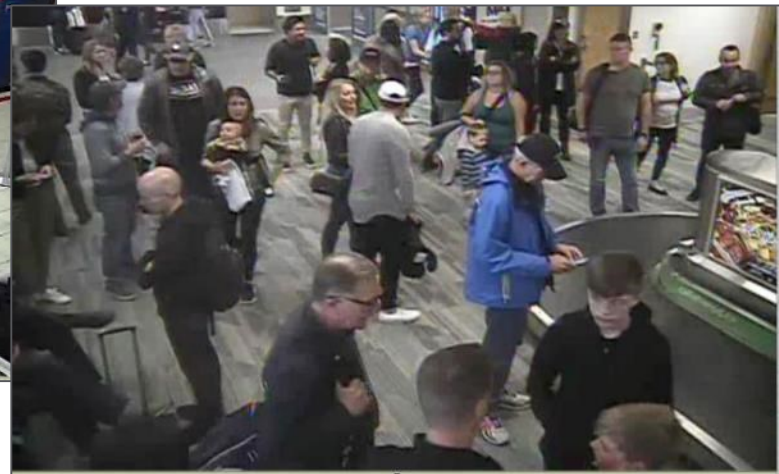
- ▶ Current Infrastructure
 - ▶ Reaching operational capacity
 - ▶ Significant rehabilitation required



Departures



Pre-board screening



Arrivals

Soaring Beyond 2.5 Million Passenger AIF Program

CURRENT PHASES IN DESIGN:

PHASE 1 Expand Departures Holdroom and Pre-board Screening to the south of the existing terminal.

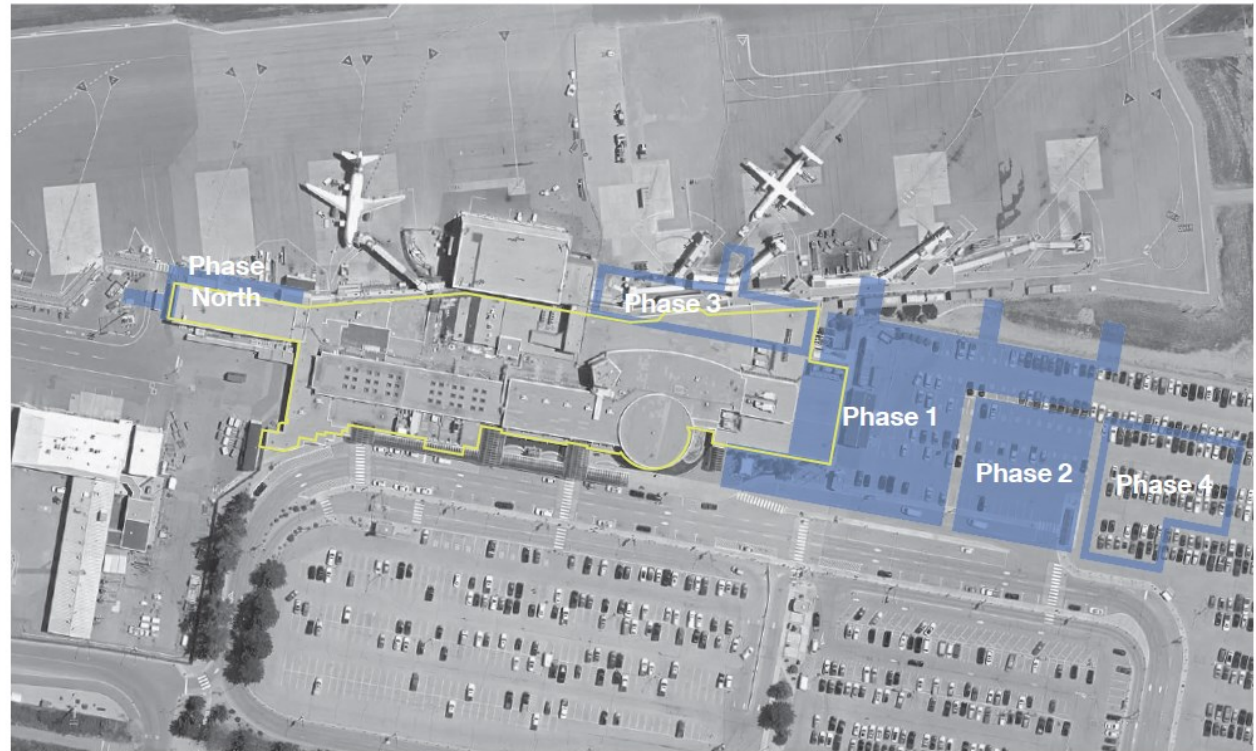
PHASE NORTH Reconfigure the Airside Corridor at the north end.

PHASE 2 Relocate Domestic Arrivals to the south end of the terminal. Renovate the existing Arrivals area to accommodate a larger International Arrivals area and CBSA Facility.

FUTURE PHASES:

PHASE 3 Renovate and expand the existing Departures Holdroom to the north.

PHASE 4 Relocate the International Arrivals area and CBSA Facility to the south of the terminal.



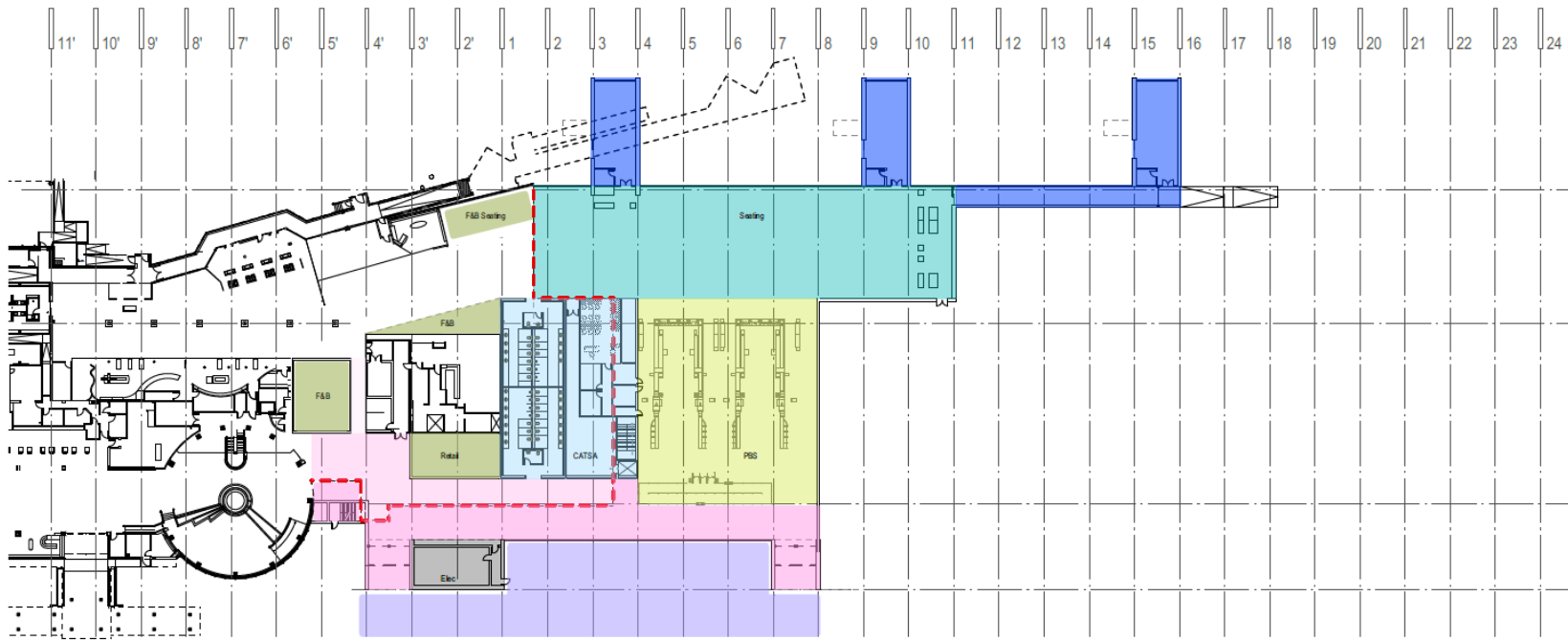
Soaring Beyond 2.5M Passenger AIF Program

- ▶ Terminal Expansion – Phase 1 (\$60,753,000)
 - ▶ 2020 – commencement of construction
 - ▶ 2023 – completion of construction
 - ▶ Issues being addressed
 - ▶ Departures lounge – increase operational capacity
 - ▶ Pre-board screening – reduction in wait times
 - ▶ Wayfinding – first step in elimination of airside corridor
 - ▶ Walking distances – first step in reduction
 - ▶ Food and beverage – greater selection

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 1 (\$60,753,000)

01 ATB - PHASE 1 Main Floor Plan - South End



Holdroom Addition - 1,250 sm



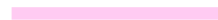
PBS Addition - 965 sm



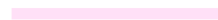
Fixed Links - 540 sm



Landside Concourse Addition - 590sm



Landside Concourse Renovation - 310 sm



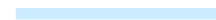
Canopy Addition



F&B - 335 sm



Support & Storage - 650 sm



Mech/Elec I.T. - 120 sm



Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – Phase 1 (\$60,753,000)



Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – Phase 1 (\$60,753,000)



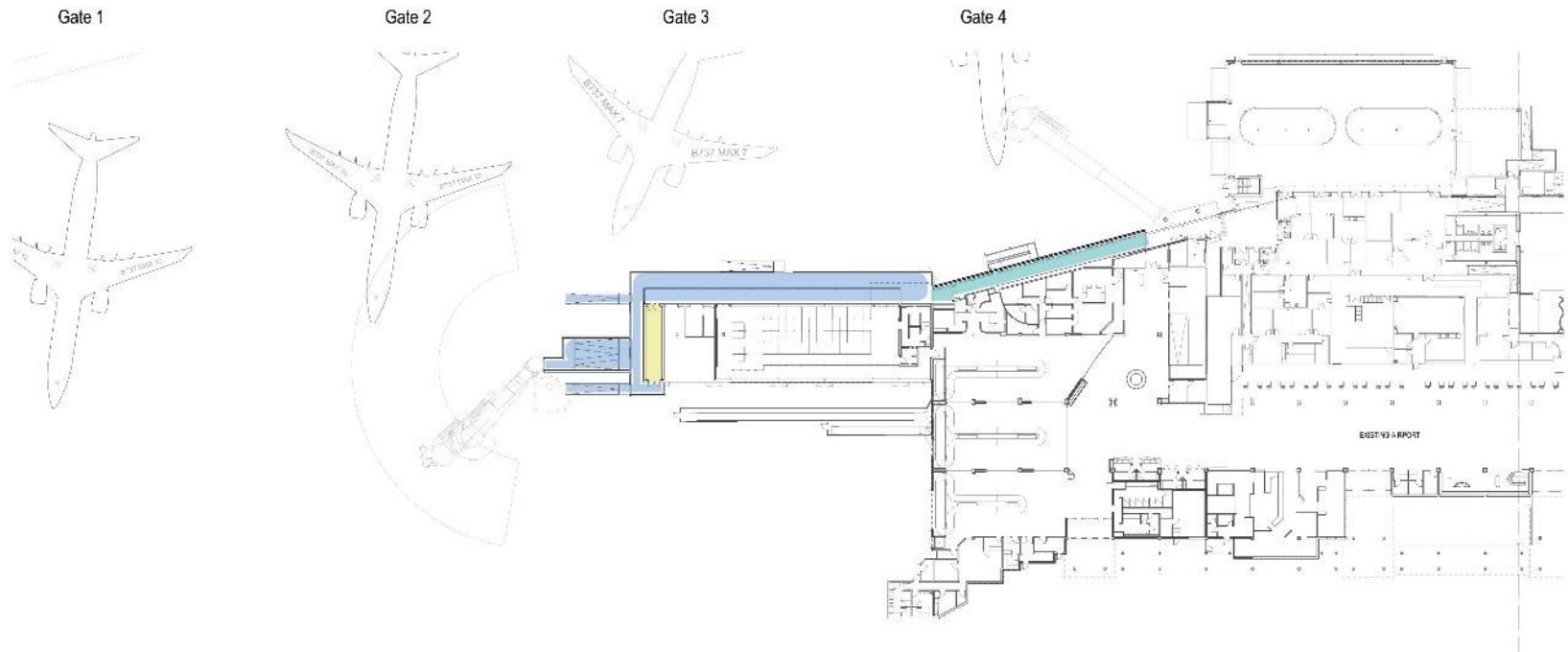
Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – North Bridge (\$6,521,000)
 - ▶ 2020 – commencement of construction
 - ▶ 2021 – completion of construction
 - ▶ Issues being addressed
 - ▶ Simultaneous domestic and international arrivals - mitigation of operational constraints

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – North Bridge (\$6,521,000)

01 ATB - PHASE NORTH Main Floor Plan - North End



Airside Corridor Renovation - 118 sm

PIL Renovation - 38 sm

Circulation Corridors - 380 sm

Total New Construction Area: 380 sm

Total Renovation Area: 156 sm

Line of Existing Building



KELOWNA INTERNATIONAL AIRPORT

Air Terminal Building

YLW ATB CONSULTANTS MEETING - JULY 5, 2018

Soaring Beyond 2.5 Million Passengers

- ▶ Airside Equipment – Purchase (\$1,825,000)
 - ▶ 2020 – Purchase
 - ▶ Issues being addressed
 - ▶ Acquisition of snow-clearing equipment to replace equipment at the end of its useful life
 - ▶ Loader
 - ▶ Sweeper
 - ▶ Heavy Duty Truck
 - ▶ Attachments



Soaring Beyond 2.5 Million Passengers

- ▶ Apron 1 Expansion – Design (\$520,000)
 - ▶ 2020 – commencement and completion of design
 - ▶ Issues being addressed
 - ▶ Operational constraints on Apron 1
 - ▶ Would allow for the expansion of Gate 10 and addition of Gate 11 in 2021

Soaring Beyond 2.5 Million Passengers

- ▶ Airside Lighting and Supporting Infrastructure – Design (\$240,000)
 - ▶ 2020 – commencement and completion of design
 - ▶ Issues being addressed
 - ▶ Understanding the benefits and implications of upgrading from the current **medium-intensity** runway and approach lighting systems to **high-intensity** runway and approach lighting systems.

Soaring Beyond 2.5 Million Passengers

- ▶ Self-serve Baggage Drop – Consultation (\$50,000)
 - ▶ 2020 – commencement and completion of consultation



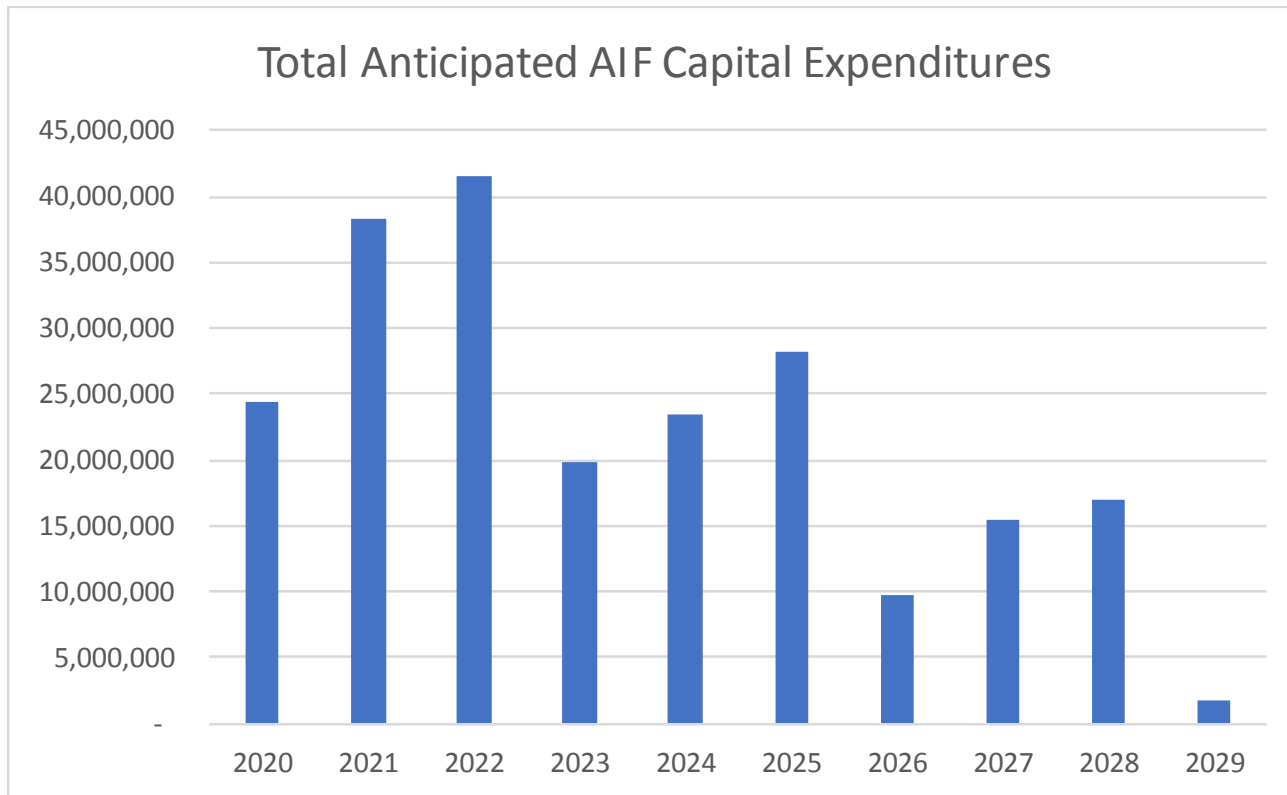
Soaring Beyond 2.5 Million Passengers

▶ Financial Goals

- ▶ AIF equal to or below \$25.00/enplaned passenger
- ▶ Maximum debt level of \$40,000,000
- ▶ Debt level less than \$20,000,000 at the end of 2029
- ▶ Positive reserve balance at the end of 2029

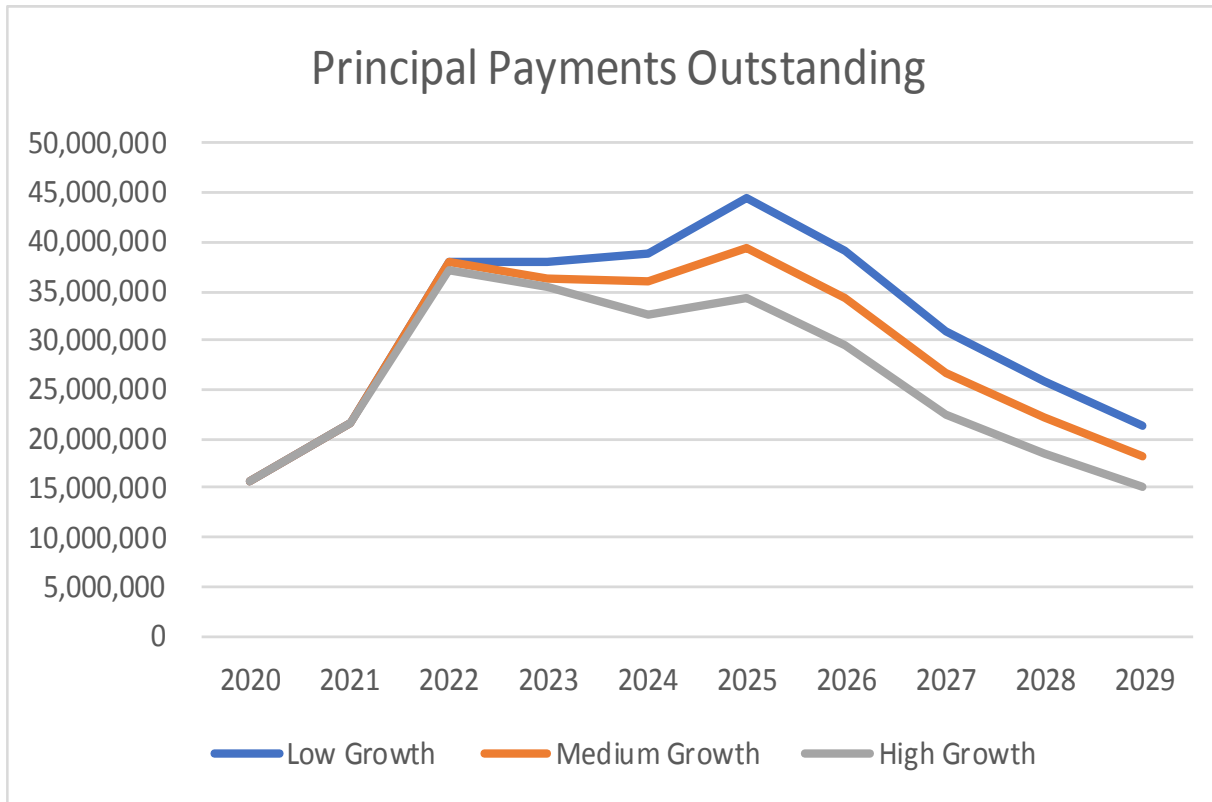
Soaring Beyond 2.5 Million Passengers

► Financial Summary



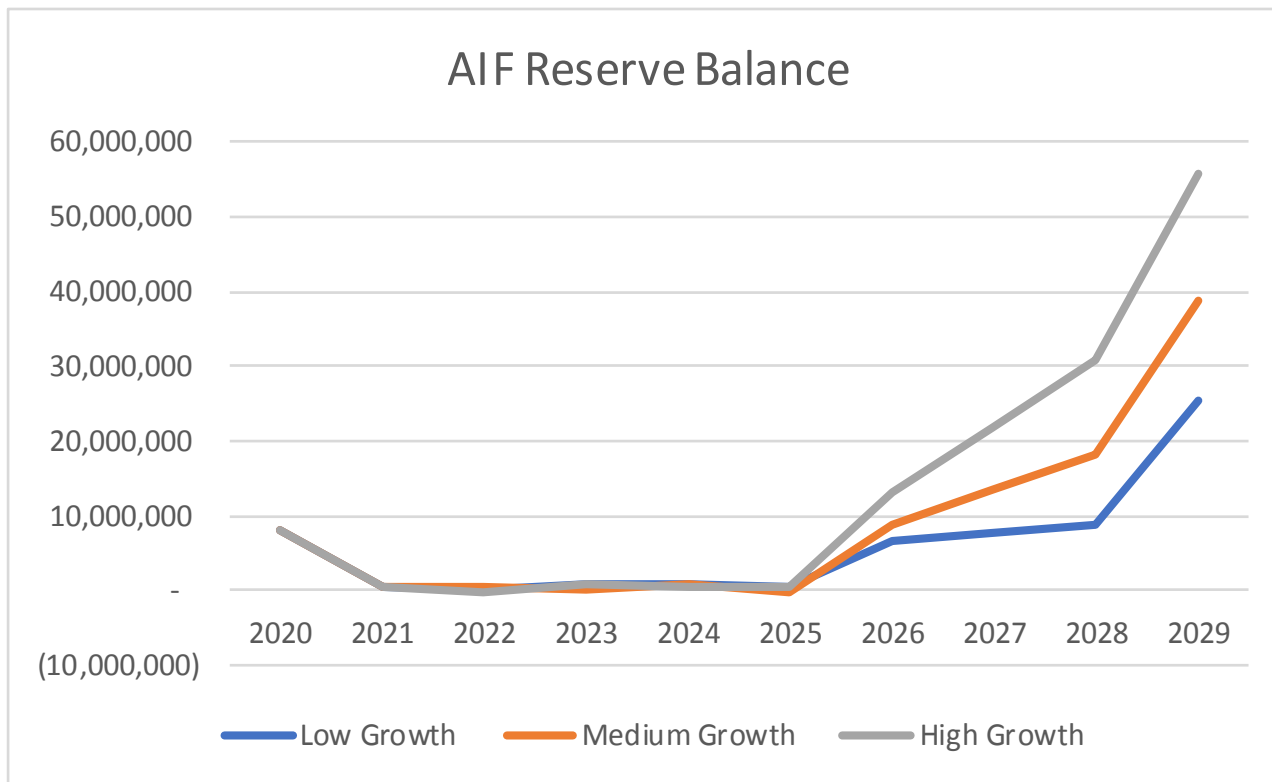
Soaring Beyond 2.5 Million Passengers

► Financial Summary



Soaring Beyond 2.5 Million Passengers

► Financial Summary



Soaring Beyond 2.5 Million Passengers

► Financial Summary

► Airports by Descending AIF

AIF per Departing Passenger	Airports
\$ 40.00	Fort McMurray
\$ 35.00	Quebec City, St. John's, Gander
\$ 30.00	Montreal, Calgary, Edmonton
\$ 28.00	Halifax
\$ 25.00	Toronto, Winnipeg, Moncton, Hamilton, Prince George, Grand Prairie
\$ 23.00	Ottawa
\$ 20.00	Vancouver, Saskatoon, Regina, Kelowna, Charlottetown, Yellowknife, Fredricton
\$ 15.00	Toronto City, Victoria
\$ 7.00	London
\$ -	Abbotsford, Whitehorse

► AIF by Airport

AIF per Departing Passenger	Airports
\$ 25.00	Toronto
\$ 20.00	Vancouver
\$ 30.00	Montreal
\$ 30.00	Calgary
\$ 30.00	Edmonton
\$ 23.00	Ottawa
\$ 25.00	Winnipeg
\$ 28.00	Halifax
\$ 15.00	Toronto City
\$ 20.00	Kelowna
\$ 15.00	Victoria
\$ 35.00	Quebec City
\$ 20.00	Saskatoon
\$ 35.00	St. John's
\$ 20.00	Regina

Soaring Beyond 2.5 Million Passengers

▶ Financial Summary

▶ Airline Consultative Committee Ballot

Description	Amount (\$)
Terminal Building Expansion - Construction (2020 - 2023)	67,275,000
Apron 1 South Expansion - Design (2020)	520,000
Airside Lighting and Supporting Infrastructure - Design (2020)	240,000
Self-serve Baggage Drop - Consultation (2020)	50,000
Airside Equipment - Purchase (2020)	1,825,000
Total	69,910,000

- ▶ Airlines representing 95.6% of YLW's 2018 enplaned passengers concurred with moving forward with the projects
- ▶ Airlines representing 4.4% of YLW's 2018 enplaned passengers did not provide a response to the ballot



YLW

Kelowna International Airport



Financial update



Financial update

► Statement of Operations

	9 Months Ending Sept. 30, 2019	9 Months Ending Sept. 30, 2018	Variance	% Variance
Revenue				
AIF	12,145,000	10,763,000	1,382,000	13%
Parking	5,745,000	4,529,000	1,216,000	27%
Landing	3,282,000	3,261,000	21,000	1%
Terminal	2,703,000	2,730,000	(27,000)	-1%
Car Rental	2,707,000	2,319,000	388,000	17%
Lease	1,076,000	842,000	234,000	28%
Food and Beverage	656,000	618,000	38,000	6%
Other	1,312,000	1,045,000	267,000	26%
	29,626,000	26,107,000	3,519,000	13%
Expenditures				
Salaries and Wages	3,538,000	3,467,000	71,000	2%
Building Maintenance and Technical Services	2,957,000	2,650,000	307,000	12%
Payment to City General Reserve	891,000	964,000	(73,000)	-8%
Professional and Consulting Services	581,000	457,000	124,000	27%
Security	625,000	745,000	(120,000)	-16%
Purchased Services	409,000	438,000	(29,000)	-7%
Fuel	561,000	489,000	72,000	15%
Electricity	266,000	430,000	(164,000)	-38%
Interest	539,000	956,000	(417,000)	-44%
Advertising, Marketing, Media and Publications	379,000	263,000	116,000	44%
Maintenance - Software	356,000	324,000	32,000	10%
Other	1,290,000	1,189,000	101,000	8%
	12,392,000	12,372,000	20,000	0%
Net Income	17,234,000	13,735,000	3,499,000	25%

Financial update

► Statement of Operations

	9 Months Ending Sept. 30, 2019	2019 Budget - Pro-rated	Variance	% Variance
Revenue				
AIF	12,145,000	13,748,000	(1,603,000)	-12%
Parking	5,745,000	5,021,000	724,000	14%
Landing	3,282,000	3,362,000	(80,000)	-2%
Terminal	2,703,000	2,807,000	(104,000)	-4%
Car Rental	2,707,000	2,372,000	335,000	14%
Lease	1,076,000	971,000	105,000	11%
Food and Beverage	656,000	654,000	2,000	0%
Other	1,312,000	1,123,000	189,000	17%
	29,626,000	30,058,000	(432,000)	-1%
Expenditures				
Salaries and Wages	3,538,000	3,895,000	(357,000)	-9%
Building Maintenance and Technical Services	2,957,000	2,721,000	236,000	9%
Payment to City General Reserve	891,000	1,002,000	(111,000)	-11%
Professional and Consulting Services	581,000	749,000	(168,000)	-22%
Security	625,000	703,000	(78,000)	-11%
Purchased Services	409,000	820,000	(411,000)	-50%
Fuel	561,000	482,000	79,000	16%
Electricity	266,000	428,000	(162,000)	-38%
Interest	539,000	584,000	(45,000)	-8%
Maintenance - Software	356,000	257,000	99,000	39%
Advertising, Marketing, Media and Publications	379,000	340,000	39,000	11%
Other	1,290,000	2,061,000	(771,000)	-37%
	12,392,000	14,042,000	(1,650,000)	-12%
Net Income	17,234,000	16,016,000	1,218,000	8%

Financial update

▶ Debt Repayment Schedule

	2019	2020-2025	2026	2027	Total
Principal	-	1,897,000	1,258,000	698,000	13,338,000
Interest	45,500	584,000	333,000	112,000	3,994,500
Total	45,500	2,481,000	1,591,000	810,000	17,332,500

▶ Repaid in 2019

- ▶ Principal: \$1,897,000
- ▶ Interest: \$539,000

▶ Municipal Financing Authority Loans

- ▶ \$7.5M – October 2015
- ▶ \$3.5M – April 2016
- ▶ \$3.0M – October 2016
- ▶ \$8.0M – April 2017

Financial update

▶ Fees and Charges

▶ Landing Fees

- ▶ Recommending a 2 per cent increase effective January 1, 2020.

	Current	Proposed
Cost per 1,000 kg or fraction thereof	\$ 6.50	\$ 6.63
Q400 (approximate cost)	\$ 195.00	\$ 198.90
737 (approximate cost)	\$ 429.00	\$ 437.58

Financial update

- ▶ Fees and Charges

- ▶ Terminal Fees

- ▶ Recommending a 2 per cent increase effective January 1, 2020.

Number of Passengers	Current	Proposed
1-9	\$ 13.35	\$ 13.62
10-15	\$ 31.81	\$ 32.45
16-25	\$ 49.16	\$ 50.14
26-45	\$ 86.28	\$ 88.01
46-60	\$ 122.86	\$ 125.32
61-89	\$ 196.04	\$ 199.96
90-125	\$ 269.95	\$ 275.35
126-150	\$ 319.20	\$ 325.58
151-200	\$ 441.24	\$ 450.06
201-250	\$ 575.19	\$ 586.69
251-300	\$ 709.01	\$ 723.19
301-400	\$ 847.44	\$ 864.39
401+	\$ 1,044.62	\$ 1,065.51

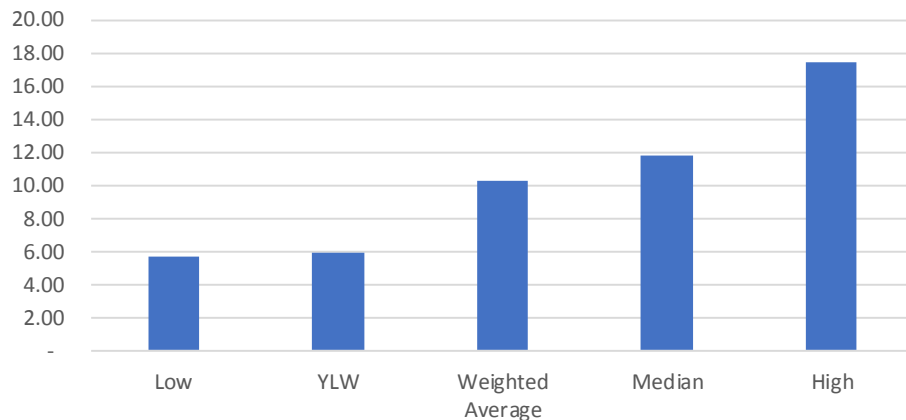
Financial update

▶ Fees and Charges

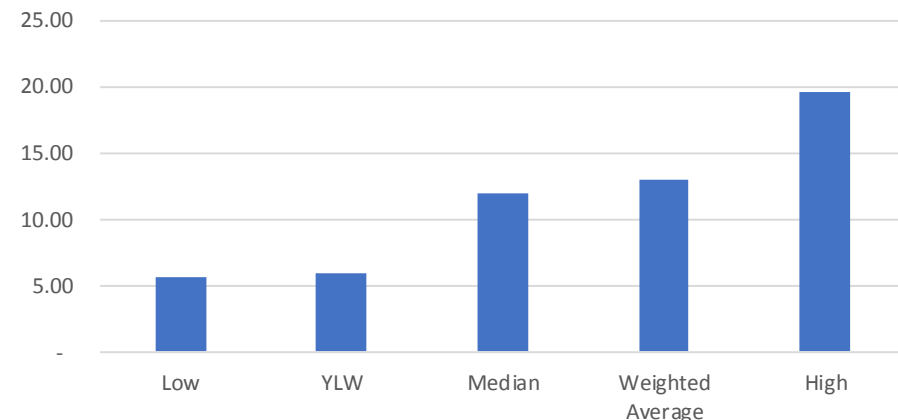
▶ Aeronautical Revenues per Landed Air Carrier Seat

▶ CAIS Stats (Q3 2018 – Q2 2019)

Aeronautical Revenues per Landed Air Carrier Seat
(CAIS Tier 2)



Aeronautical Revenues per Landed Air Carrier
Seat (CAIS Tier 1 and Tier 2)



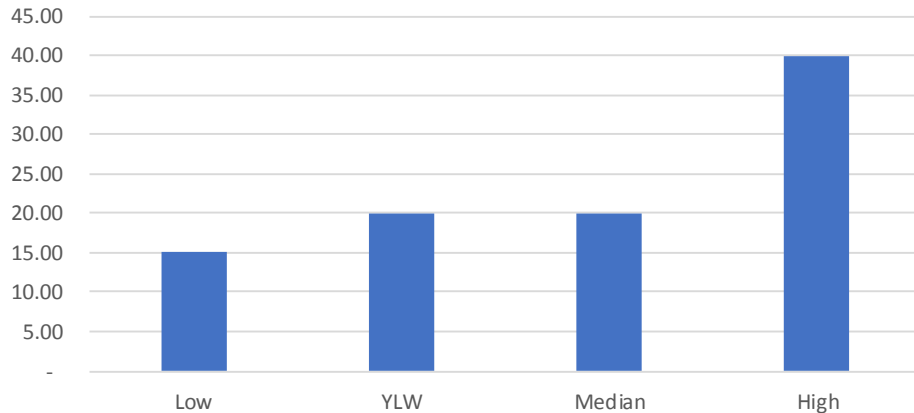
Financial update

► Fees and Charges

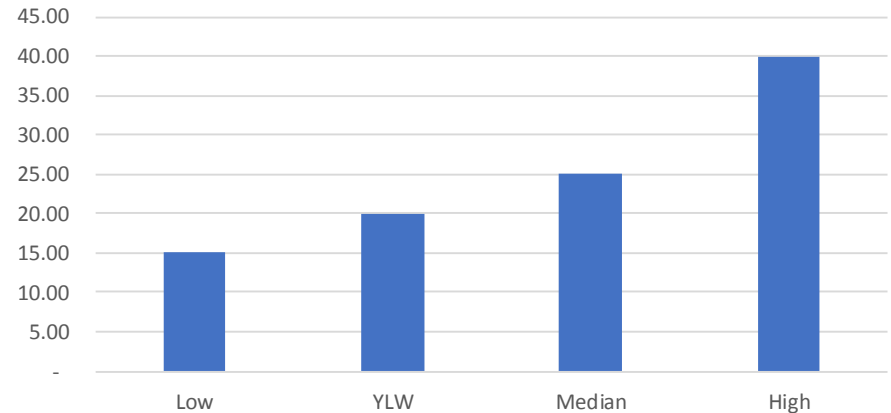
► Airport Improvement Fee (AIF)

- Recommending an increase from \$20 per enplaned passenger to \$25 per enplaned passenger, effective March 1, 2020.

AIF per Enplaned Passenger
(CAIS Tier 2)



AIF per Enplaned Passenger
(CAIS Tier 1 and Tier 2)





Recommendations

Recommendations

- ▶ THAT the Airport Advisory Committee supports, in principle, the proposed Soaring Beyond 2.5M Passenger AIF program as presented to the Airport Advisory Committee on October 29, 2019;
- ▶ THAT the Airport Advisory Committee supports obtaining the approval of Council for a capital budget request in the amount of \$69,910,000 for the Soaring Beyond 2.5 Million Passengers AIF Program in the 2020 Financial Plan;

Recommendations

- ▶ THAT the Airport Advisory Committee supports obtaining the approval of Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Landing and Terminal Fees by 2%, effective January 1, 2020, as presented to the Airport Advisory Committee on October 29, 2019;
- ▶ THAT the Airport Advisory Committee supports obtaining the approval of Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Improvement Fee to \$25.00 per departing passenger, effective March 1, 2020, as presented to the Airport Advisory Committee on October 29, 2019.



Questions?

For more information, visit ylw.kelowna.ca.