

Airport Advisory Committee

AGENDA



Thursday, May 19, 2022

1:00 pm

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
1. Call to Order, Welcome and Introductions	
2. Confirmation of Minutes	2 - 8
Approve Minutes of the Meeting of October 28, 2021.	
3. Reports	9 - 70
3.1. Operational Update	
3.2. Development Update	
3.3. Financial Update	
3.4. Recommendations	
4. Questions & Wrap Up	
5. Termination of Meeting	



Airport Advisory Committee

Minutes

Date:	Thursday, October 28, 2021
Time:	10:00 am
Location:	Airport Administration Boardroom Kelowna International Airport 1-5533 Airport Way Kelowna, BC
Members Present	Chair, Mayor Colin Basran, City of Kelowna
Members Participating Remotely	Chair Gail Given, Regional District of Central Okanagan Mayor Cindy Fortin, District of Peachland Mayor James Baker, District of Lake Country Councillor Chad Elisaon, City of Salmon Arm Councillor Rick DeJong, City of West Kelowna, Amber Hall, Greater Westside Board of Trade Andre Blanleil, Kelowna City at Large Darrin Taylor, Greater Vernon Chambre of Commerce Fernanada Alexander, Westbank First Nation Grant Stevens, KF Aerospace, Aviation Industry Representative Lesley Cormack, UBCO
Members Absent	Councillor Brad Sieben, City of Kelowna Mayor Alan Harrison, City of Salmon Arm Mayor John Vassilaki, City of Penticton Councillor Akbal Mund, City of Vernon Corie Griffiths, Economic Development Commission David Hull, Summerland Chamber of Commerce Jeff Robinson, Kelowna Chamber of Commerce Joseph Clohessy, Tourism Kelowna
Staff Present	Airport Director, Sam Samaddar, City of Kelowna Senior Airport Development Manager, Geoff Ritchie Communications Advisor, Cassie Brannagan
Staff Participating Remotely	City Manager, Doug Gilchrist Senior Airport Operations Manager, Phillip Elchitz Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal

Legislative Technician, Rebecca Van Huizen

1. Call to Order, Welcome and Introductions

The Chair called the meeting to order at 10:03 a.m.

2. Confirmation of Minutes

Moved by Mayor Cindy Fortin/Seconded by Councillor Chad Eliason

THAT the Minutes of the April 29, 2021 Airport Advisory Committee Meeting be adopted.

Carried

3. Operational Update

Senior Airport Operations Manager:

- Displayed a PowerPoint presentation providing an update on the operations of the airport.
- Shared a table indicating 2021 Monthly Passengers for 2021 up until September 2021.
- Shared a graph showing the Passenger Statistics from Pre-COVID in 2020 to October 1, 2021.
- Indicated that the summer of 2021 saw some days with up to 5,000 passengers passing through Kelowna Airport.
- Noted that the peak periods this year have been due to holidays.
- Noted that the daily average for passengers through Q1 and Q2 was approximately 1500 which climbed to 4000 through the summer months.
- Pre-COVID, this number was ranging around 7,000.
- Noted the Kelowna Airport had a robust January, February, and March 2020, prior to COVID-19.
- Currently at about a 64% reduction compared to those 2019 numbers.
- Estimated 840,626 passengers will pass through Kelowna Airport which will amount to a 60% reduction.
- Noted in 2012, the Kelowna Airport had 1.5 million passengers.
- Notes the Airport has a long way to go compared to where they were, and where they hope to get back to.
- Indicated the Airport has made significant staffing reductions.
- Have worked to ensure to reduce expenses to the bare bones.
- Noted that on the operational side, there are still 9 positions unfilled.
- 27% positions overall not filled throughout the Kelowna Airport.
- Noted that 5 staff positions are on an 80% work share.
- Will be returning to 100% on November 1, 2021.
- Kelowna Airport continues to have great departments.
- Noted that staff have found a way to take on work to ensure the Kelowna Airport is working and reductions are still maintained to help in reducing expenses.
- Went over some operational reductions that were done at the Kelowna Airport.
- Hope to have the valet brought back in November.
- Indicated several parking lots are closed.
- Noted that there is still reduced hours for the security contractor team.
- The International area remains closed.
- Noted that Customs is still on site, they have maintained staffing, as there are some non-commercial arrivals still coming to the Kelowna Airport as permitted by Transport Canada.
- Been fortunate that they've stayed at the Airport.

- Noted that the Volunteer programs remain suspended.
- Showed a slide indicating which Terminal Building Operations (Food and Beverage Services) are open, closed, or available for takeout only.
- Went over current health protocols at the Kelowna Airport.
- Masks mandatory in all areas of the building and on aircraft.
- Health Canada protocols are met for all office and private leased space.
- Noted that the Kelowna Airports prime contractors for HVAC and maintenance, snow clearing, security have been significantly reduced, which worked in the Airports favour as they have been able to reduce their staffing and go over contracts, which has resulted in lower costs for certain contracts.
- Went over the Kelowna Airports Antigen and PCR Testing Programs
- Noted the importance of having these programs on site.
- Indicated that partnerships have begun between LNG and Whitecap, where predeparture testing can be done for the work camps.
- Allows the camps to continue their work and helps boost the economy.
- Kelowna Airport has been able to offer onsite Antigen and PCR Testing to the travelling public.
- Noted other countries have antigen testing requirements to allow passengers to enter.
- Kelowna Airport offers it seamlessly on site.
- With the partnerships, we can deliver, expand, and also meet the demand.
- Provided details on the Campus Employee Testing Program, which is rapid testing for volunteer and private. It is confidential, and available for people who want to take it.
- Shows that the competence is there from the Kelowna Airport which is important for families, and the travelling public.
- Noted that the Kelowna Airport has landed a PCR lab. Instead of the usual 48 hour turnaround for a result, they can have them tested on site and have results in 6 hours.
- Spoke to the health accreditation obtained from the ACI-NA.
- Working closely with the World Health Organization to achieve this.
- Shows that the Kelowna Airport takes pride in the way they run the airport, the expectation of cleanliness and meeting the health guidelines.
- Another level of confidence – instilling into the passengers.
- Spoke to the vaccine mandate for passengers and non-passengers.
- By October 30th, fully vaccinated or PCR test required 72 hours prior for domestic travel.
- By November 30th, fully vaccinated for domestic travel as the PCR test will no longer be applicable.
- There are very narrow exemptions allowed for this.
- Big step for Canada, the world, and the community.
- Indicated the airlines are responsible for ensuring the mandate is followed.
- Spoke to the vaccine mandate for employees.
- All staff entering the restricted side of the Airport are required to be fully vaccinated by November 15th.
- Noted there are about 850 restricted pass holders on campus.
- There are few exemptions to this rule. This includes medical or religious, as well as off-site emergency response agencies as they provide mutual aid, they are exempt when responding to an emergency.
- By January 24th, the program will be fully implemented at the Kelowna Airport.
- Spoke to the expansion of the Whitecap Medical Test facility.
- With the expansion, they will be quadrupling the size of existing facility which will in turn service quadruple the demand.
- Went over staffing requirements going forward.
- Ensure operating hours match airline current and future schedule demands.
- Adjust contractor staffing levels to match operational requirements.

- Noted that once BC reaches Stage 4 of the Provincial restart plan – all volunteer programs will be reinstated within 30 days.
- Provided context on the how the 2021 BC Wildfires had a significant impact on the Kelowna Airport.
- Displayed a photo on the worst day where there was only a ½ mile visibility.
- Displayed a map showing the No Fly zone established by BC Wildfire Service.
- Noted during the wildfires at one point, due to the no fly zone restriction, that none of the instrument approaches into the airport were available for close to 18 hours.
- The Kelowna Airport worked with BC Wildfire Service, and the Province to ensure that Transport Canada, NAV Canada, and the airspace above the wildfires were protected, while still allowing the Kelowna Airport to operate commercially.
- Spoke to Kelowna 2040 OCP and mentioned there was good engagement with city staff between the Airport and City Hall on development restriction in the vicinity of the Airport.
- Noted it's important that the community can grow yet we are not putting buildings in a location that will restrict Airport growth over the long term.
- Responded to questions from the committee.

4. Development Update

Senior Airport Development Manager:

- Displayed a PowerPoint presentation providing an update on Project Developments.
- Noted this presentation will provide insight into what the Kelowna Airport's done and been through.
- The ATB expansion project has been important to continue on through the pandemic so the construction can begin at the appropriate time to ensure Kelowna Airport has the passenger numbers once travel can happen again.
- Noted they've stayed within budget.
- Indicated the construction timeline is TBD.
- Showed a link to the Committee members of the terminal expansion that shows impression if you were there.
- Link was not working properly, so the Senior Airport Development Manager indicated they would send the link to the Committee members after the meeting.
- Noted the Kelowna Airport still has to remain operational through the COVID-19 pandemic.
- Have reduced costs, efficiency, and savings rehabilitation of Taxiway Delta, Alpha, Charlie.
- Presented photos of the Taxiways.
- Presented photos of Taxiway Echo.
- Indicated the Kelowna Airport is very concerned about accessibility and takes it seriously to ensure the Airport is accessible for all.
- Presented a slide indicating current and proposed accessibility upgrades.
- Try to stay ahead of the Federal regulations.
- Noted that parking lot equipment has aged over the years, and the Airport has just finished reinstalling parking kiosks, point of sale equipment, and control equipment.
- Helped clean up software glitches.
- Went over some operational upgrades that will be dealt with in the future.
- Presented a slide indicating that Operation Stand 5 will need work in the future due to heavier aircraft and hot pavement.
- Noted the Airport is also looking at the ATB roof replacement.
- Went over the YLW's Commercial Development Plan.
- Includes diversification of revenue streams.
- Previous revenue was tied to airport, branch out to other avenues and add additional revenue streams.
- Indicated the best opportunity is the Airport land, noted that they have the most available to them in

the whole of lower mainland.

- Cognizant of ALC requirements , managing their requirements.
- Went over steps on how to achieve commercial development.
- Would be problematic as the Airport would lose parking stalls as they build on those.
- With proposed hotel parking and the terminal building expansion, onus on developers on how to recover parking loss.
- Hope to recover 1,000 stalls as Airport develops.
- With future development of bringing in retail/commercial, it will bring in more traffic and peak periods.
- Will need to manage traffic assessment.
- Spoke to access issues with future redevelopment.
- Presented photos of potential ideas and areas, expressions of interest, and letters of intent.
- Indicated Airport has received interest on lots that would normally be hard to develop on.
- Noted the commercial phase would be closer to the entrance to the Airport and would be looking at a 3 phase approach.
- Airport has expressed interest of a childcare facility – idea came about from KF Aerospace who is located in the area.
- Would help bring people back to the Airport.
- Briefly went over employee statistics of KF Aerospace.
- The hotel and parkade would be attached to the terminal building.
- Provide seamless access.
- Try to use surrounding city amenities to draw people in for the hotel.
- Went over Air Service Development Updates.
- Showed a graph of where Canada is as it comes to current traffic recovered.
- As of October 2021, total travel has increased 51%.
- South of the border they have are closer to 85-90% recovered.
- They use a different model, where there flights are about 85% is domestic and 15% are international.
- Whereas Canada only has about 35% domestic flights, the remainder being international.
- Presented a graph which shows that the Kelowna Airport has recovered faster than the Canadian average.
- Noted the Kelowna Airport has had to fight to get airlines back.
- Even with this, the Kelowna Airport has significantly outperformed other airports.
- Noted in fact, Kelowna is the fastest recovering Airport.
- Noted that the Kelowna Airport was the 6th busiest airport in Canada throughout the pandemic.
- Indicated this is a testament to what we can provide
- Presented a graph indicating seat capacity compared to 5 other Canadian airports.
- Even with reduction, still outperforming other airports.
- Showed a map indicating domestic destinations in 2019 vs. 2021.
- Had 9 domestic destinations in 2019, but that has increased to 14 in 2021.
- Having direct flights from Kelowna has been a huge advantage for the Regional economy.
- Showed a connectivity graph of where you can go in the world from the Kelowna Airport with a 4 hour connection.
- Presented a graph showing seat capacity comparison by filing date.
- Indicated November 2021 tends to be a shoulder season, see more slowing down.
- Noted there were plans for 6/7 direct international routes from Kelowna, but as they haven't achieved the international status back, these have been pushed to November/December and beyond Christmas.
- Noted about 3 million lost in revenue to the Kelowna Airport due to no international travel.
- Excluded from some Federal funding programs (E.g Employee Wage Subsidy, etc)

- Provided updates on other grant funding applications.
- Noted there the Regional Airport Relief Fund (ARF) application was successful (\$3.1 million).
- Waiting on a response from Air Transportation Initiative (RATI).
- Still waiting on response from the Airport Critical Infrastructure Program (ACIP).
- With these grants, the Kelowna Airport would be able to manage costs.

Airport Director:

- Provided update on international travel at the Kelowna Airport.
- Noted the Kelowna Airport is having open discussions with the Public Health Agency of Canada, Canada Border Services Agency, and Transport Canada.
- Questioning the above parties on what is criteria to allow international status to resume and what is timeline?
- No answers to these questions at this time.
- Thanked the Airport Advisory Committee, members of community, and the general public with their continued support.
- Indicated at this time there is no physical barrier to allow international status to resume at the Kelowna Airport.
- Reiterated the impact loss of approximately \$2.5 million in revenue due to no international travel.
- Indicated this a major economy loss as well.
- Continue pushing to MPs, MLAs, Mayor and Council to bring the message to different levels of government to open up international travel.
- Noted the Kelowna Airport lost flights booked in December.
- Will take time to recoup them.
- Difficult to market in advance of these flights being available.
- Asking airline partners to hold on as long as they can while waiting for international travel to pick up again.
- Responded to questions from the committee.

Chair:

- Provided comments on the Transit Expansion project.
- Noted the application to the ALC for the new facility location is in and hoping for positive news.

5. Financial Update

Senior Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation providing a Financial update.
- Noted this will be similar to the Spring financial update, in terms of content (i.e forecasting, update on debt, and fees and charges).
- Showed graph for the 2021 Passenger Forecast, noted left to right is strongest to weakest.
- Indicated the 'Lagging' column is used for decision making.
- Showed a passenger numbers graph with the 3 different forecasts compared to the actual numbers.
- Noted during the summer we exceeded the steady forecast but numbers have been falling more in line with the lagging forecast.
- Noted these trends are similar to last year.
- Went over financial forecasting reserves for Non-AIF, which can be used in operational and capital expenditures.
- Slight surplus of just about \$500,000 based on Lagging scenario.
- Noted this is a much better scenario than final 2021 budget.
- The main reason for improvement is due to passenger numbers the Kelowna Airport has been seeing.

- The goal is to continue to conserve costs while moving strategic initiatives forward.
- Went over forecasted operating expenditures for Non-AIF funds.
- Went over forecasted capital expenditures for Non-AIF funds.
- Noted at least half of the expenditures are earmarked for the ATB improvements.
- Went over the financial forecasting of AIF funds.
- Noted no salaries or wages are paid out of the AIF funds.
- Looking at anticipated revenues in excess of \$10 million.
- Noted part of the reason for this is passenger numbers have increased, which resulted in forecasted revenues increasing, and strategic capital projects have come in at a lower cost.
- Went over forecasted capital expenditures for AIF funds.
- Provided details on the debt repayment schedule.
- Showed graph of Aeronautical Revenues per Landed Air Carrier Seat.
- Noted the Kelowna Airport is substantially less than the median and weighted numbers of Tier 1 & 2.
- Went over the Airport Improvement Fee per Enplaned Passenger numbers.
- Provided details on proposed fees and charges.
- Noted it has been 3 years since the last parking fee increase.
- Looking to have an increase in parking fees effective by January 1, 2022.
- Indicated the Kelowna Airport remains in and around the mid-point in terms of cost compared to other airports in Canada.
- Provided details on current and proposed fees for Short Term and Long Term Parking.
- Provided details on current and proposed fees for various airport lots, valet parking, meters, and storage.
- Noted there are fewer comparables for some of the above fees as they are more unique and other airports provide don't these services.

6. Recommendations

Moved by Councillor Chad Eliason/Seconded by Lesley Cormack

THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on October 28, 2021;

AND 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 Parking fees effective January 1, 2022, as presented to the Airport Advisory Committee on October 28, 2021.

Carried

7. Questions/Comments

Airport Director:

- Mentioned that next year the Kelowna Airport will be celebrating its 75th anniversary.
- Encouraged Committee members and the public to be on the lookout for upcoming events in the coming year.

Chair

Airport Advisory Committee Meeting

May 19, 2022



Agenda

- ▶ Call to Order, Welcome and Introductions
- ▶ Approval of Minutes
- ▶ Operational Update
- ▶ Development Update
- ▶ Financial Update
- ▶ Recommendations
- ▶ Questions

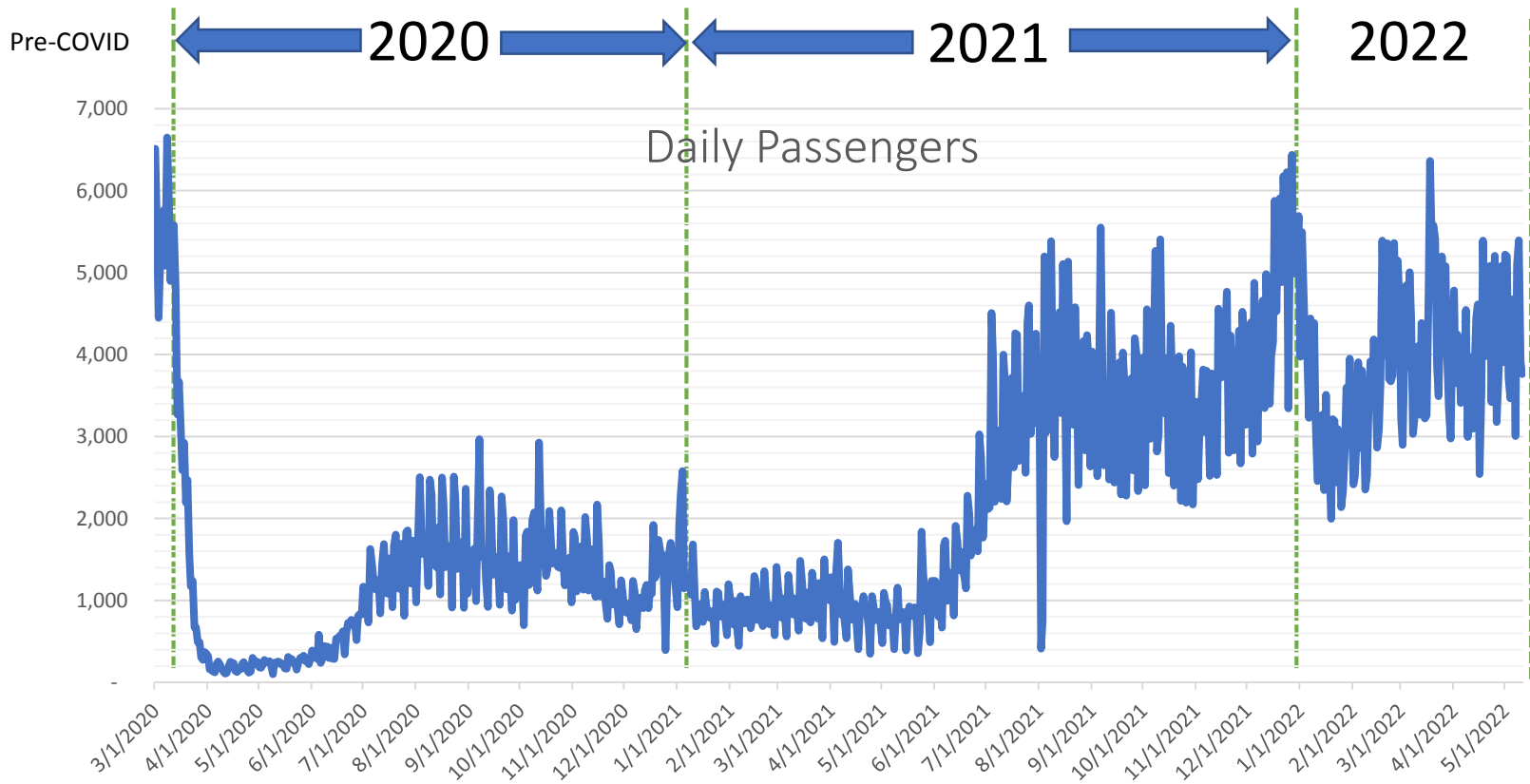
Operational Update



2022 Monthly Passengers

	Monthly	% Monthly (2021)	YTD	% YTD (2021)	%YTD (2019)
January	97,789	211%	97,789	211%	
February	104,127	287%	201,916	246%	
March	126,193	315%	328,109	270%	
April	127,158	386%	455,267	297%	-35%
Total (est)			1,730,000	208%	-15%

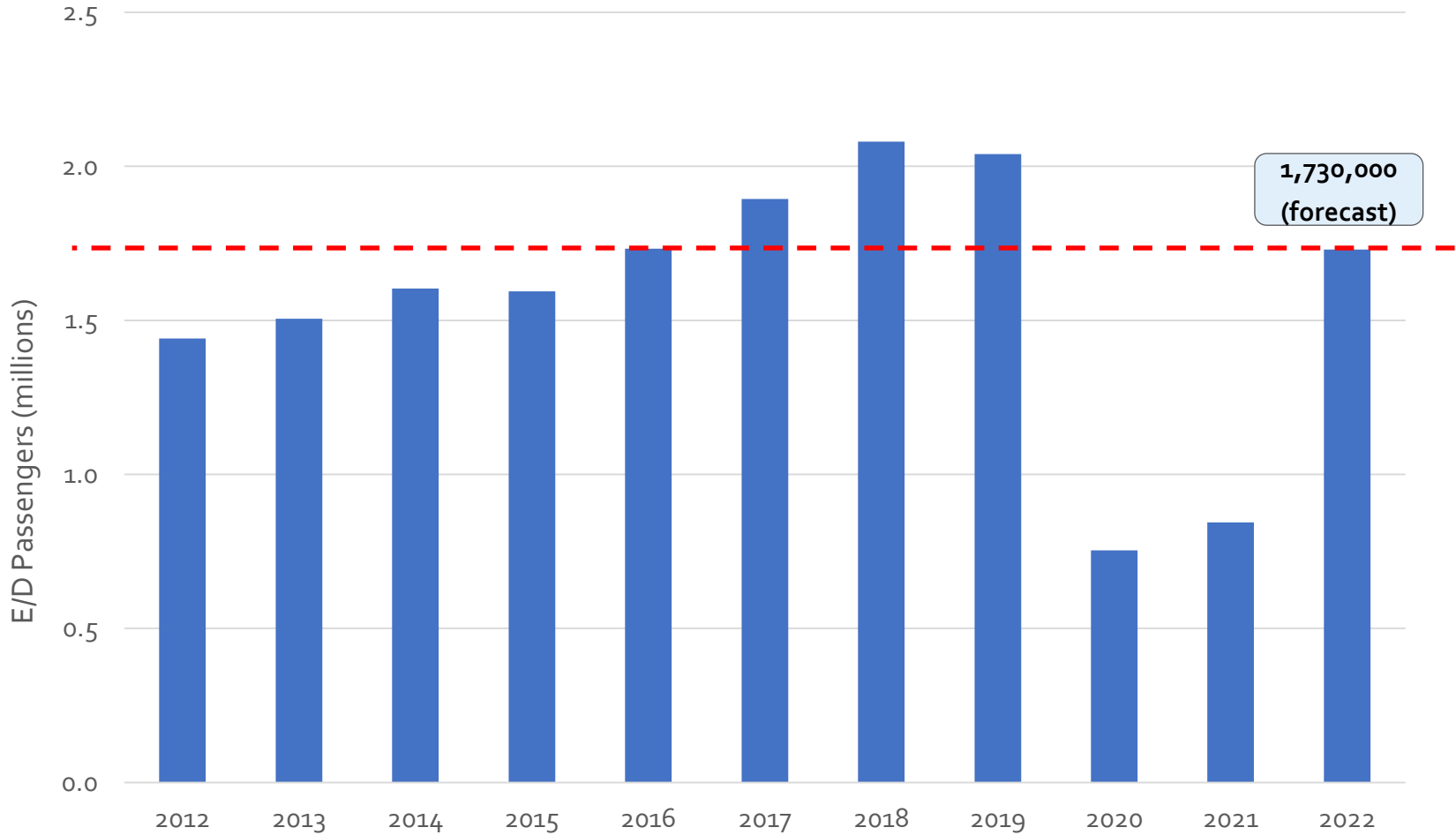
Passenger Statistics – Tracked Daily



2022 comparison to pre-COVID

	Annual	% Change
2019 total pre covid	2,032,019	
2022 forecast	1,730,000	-15%

2012 – 2022 Passenger Statistics



Source: Innovata Schedules (via Dii) outbound seats

Operational Status

- Most services have reopened
- Security screening operating at full capacity
- International status fully reinstated
- CBSA (customs) fully staffed and operational
- Ambassador, Junior Ambassador and Ambassadorog programs restart May 16th

Food and Beverage Services

- | | |
|--------------------------|---------------------------------|
| • Groundside Whitespot | Remains closed (staffing) |
| • Groundside Tim Hortons | Open |
| • Airside Tim Hortons | Open (limited hours - staffing) |
| • Airside Whitespot | Open (limited seating) |
| • Airside Subway | Open |

Health Protocols

- Masks mandatory beyond the screening point and on aircraft
- Vaccine mandate for the travelling public
- Vaccine mandate for airport employees

Ongoing Reduction of Prime Contractor Services

- Reduced number of maintenance contractor staff hours
- Reduced service level in non-critical operating areas (baggage jams, response times, front curb)

Antigen and PCR Testing Programs

Work Camp Charters

- Mandatory testing for charter passengers ongoing – LNG Canada

Travelling Public

- Onsite Antigen and PCR accredited testing facility for pre-departure testing
- Onsite PCR lab allows for a 4-hour turnaround (rapid test 20 minutes)
- Community partnership with Whitecap Medical

Campus Employee Program

- Voluntary YLW campus wide testing program
- Free of charge to YLW employees
- Partnership with Health Canada and Whitecap Medical

Vaccine Mandate - Passengers

- ▶ Fully vaccinated required for travel (some exemptions apply)
- ▶ Very narrow exemptions allowed
 - ▶ Medical/Religious
 - ▶ Emergency travel
 - ▶ Travel from remote communities
 - ▶ Foreign National returning home



Vaccine Mandate - Employees

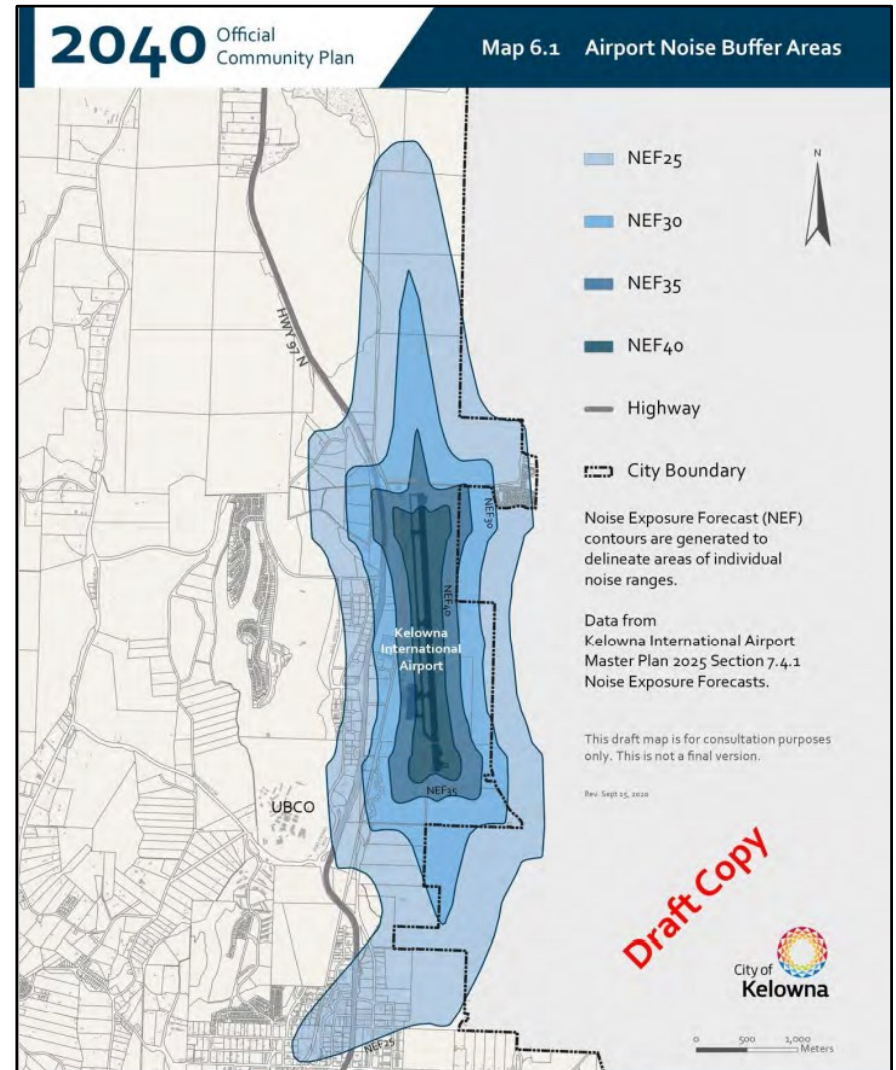
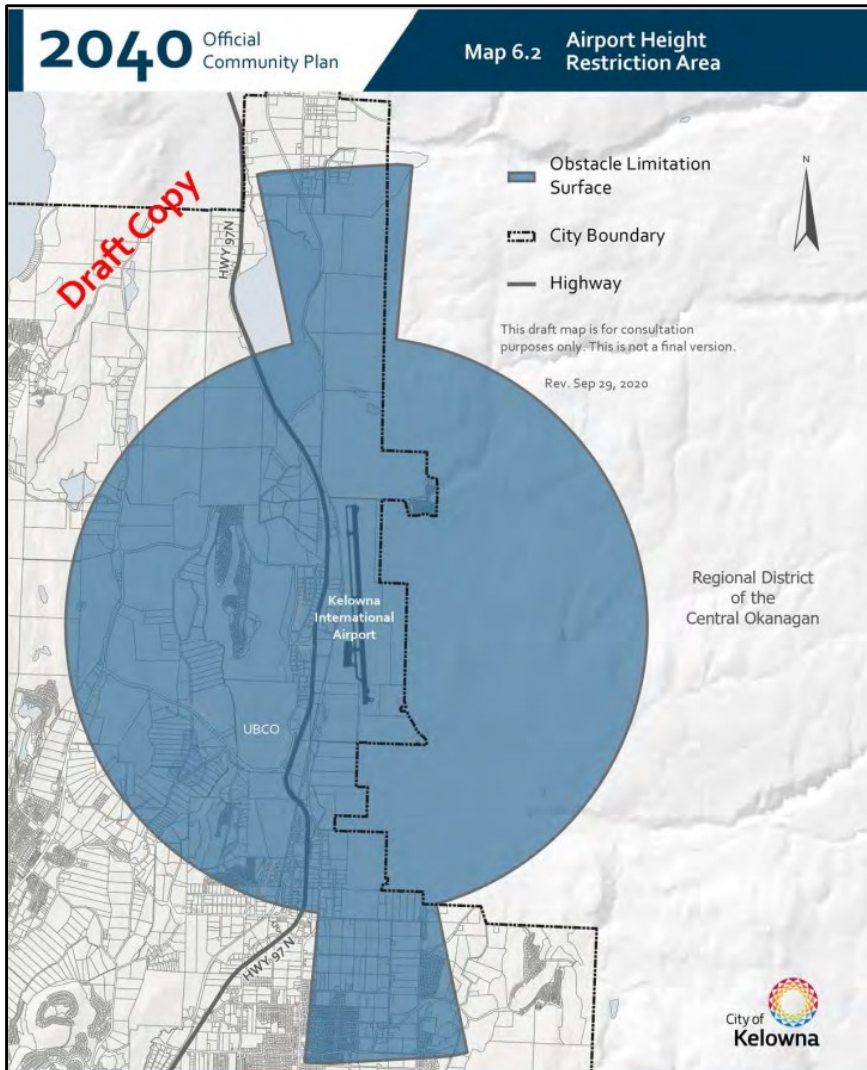
- ▶ All staff entering the restricted side of the airport are required to be fully vaccinated
- ▶ Very narrow exemptions allowed:
 - ▶ Medical / Religious
 - ▶ Outside agencies responding to emergencies
- ▶ Mandate under mandatory review by Federal Government



ACI-NA Health Accreditation Maintained



Official Community Plan Engagement



Environmental Initiative

Level 1 – Airport Carbon Accreditation
Level 2 – Fall 2022



+ MAPPING

Footprint measurement

+ REDUCTION

Carbon management towards a reduced carbon footprint

+ OPTIMISATION

Third party engagement in carbon footprint reduction

+ NEUTRALITY

Carbon neutrality for direct emissions by offsetting

+ TRANSFORMATION

Transforming airport operations and those of its business partners to achieve absolute emissions reductions

+ TRANSITION

Compensation for residual emissions with reliable offsets

New Parking Contractor

INDIGO



Frictionless Travel – Our Future

- ▶ Integrated passenger journey
- ▶ AI and machine learning
- ▶ RFID baggage tagging
- ▶ Self-service baggage drops
- ▶ Virtual queuing
- ▶ Self-boarding – facial recognition
- ▶ Safety analytics
- ▶ Verifiable credentials stored in your digital wallet



YLW 75th Anniversary

Celebrating 75 Trips Around the Sun

- ▶ Campus Celebration – April 21
- ▶ Canadian Forces Snowbirds Air Demonstration – July 9 & 10
- ▶ YLW Campus Golf Tournament – September 9
- ▶ YLW 75 Golf Tournament – September 29
- ▶ YLW 75 Cocktail Gala – October 1
- ▶ Winter Travel Show – October 22



Development Update



Soaring Beyond 2.5 Million Passengers

Design development of ATB expansion

- ▶ VE exercise is complete
- ▶ Design has completed Issued for Tender set
- ▶ Construction timeline:
 - ▶ Enabling works – underway
 - ▶ Full project – TBD

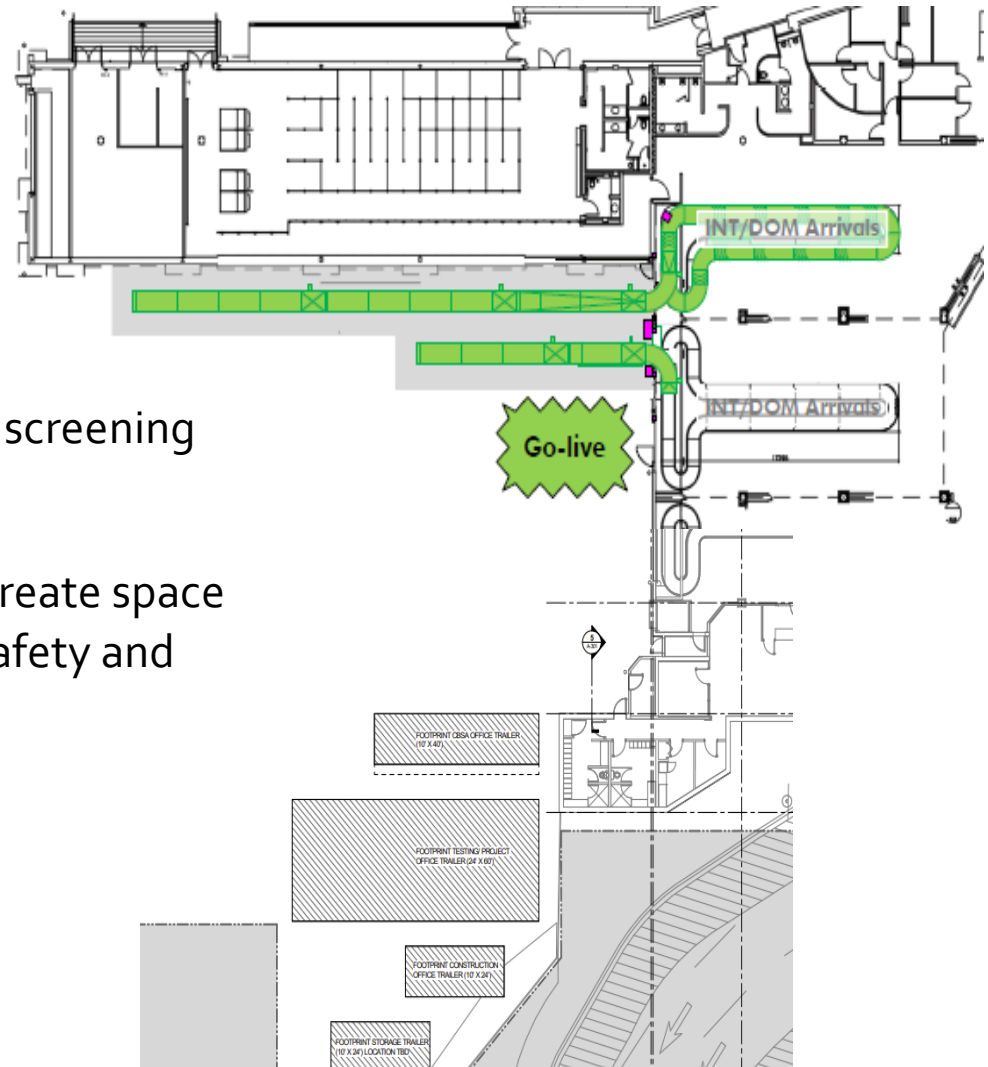
Air Terminal Building Expansion



Airport Biosecurity Infrastructure

Airport Biosecurity Infrastructure

- ▶ Portable facilities – testing and screening for international arrivals
- ▶ Portable facilities for CBSA
- ▶ Re-align inbound bag belts to create space
- ▶ Flow management - increase safety and decrease congestion
- ▶ Unscreened Arrivals



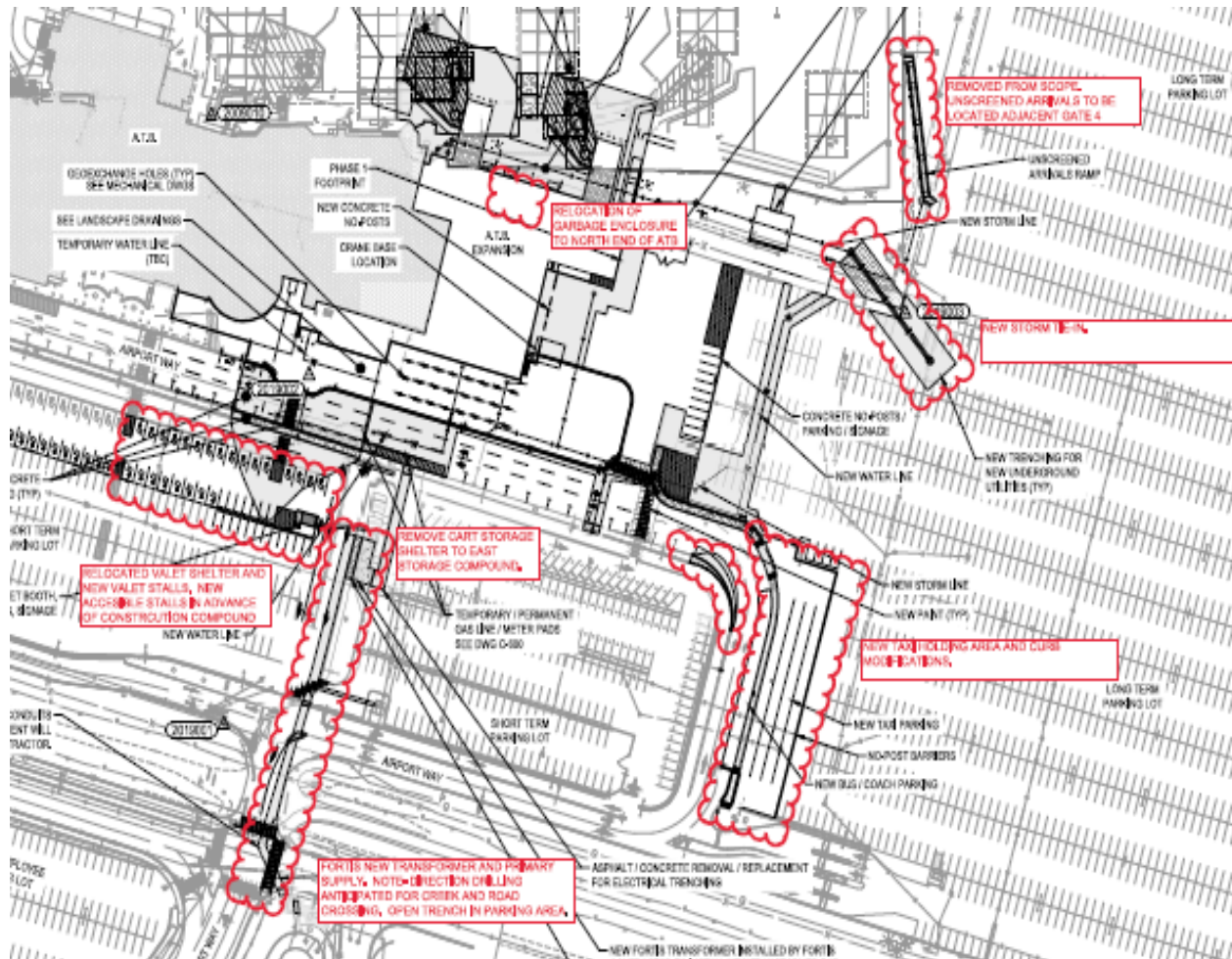
Airport Biosecurity Infrastructure



Airport Biosecurity Infrastructure

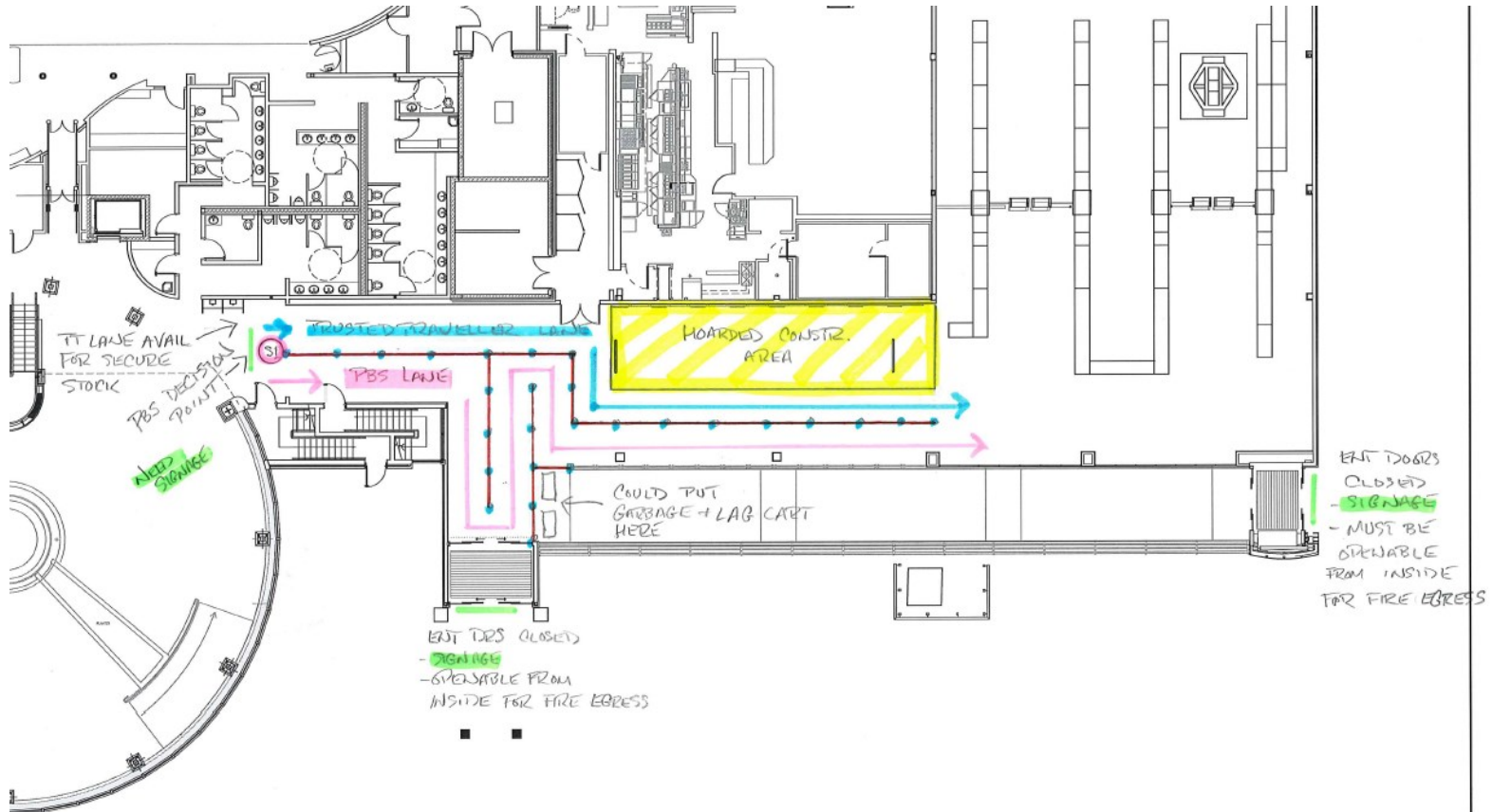


ATB Expansion Enabling Works

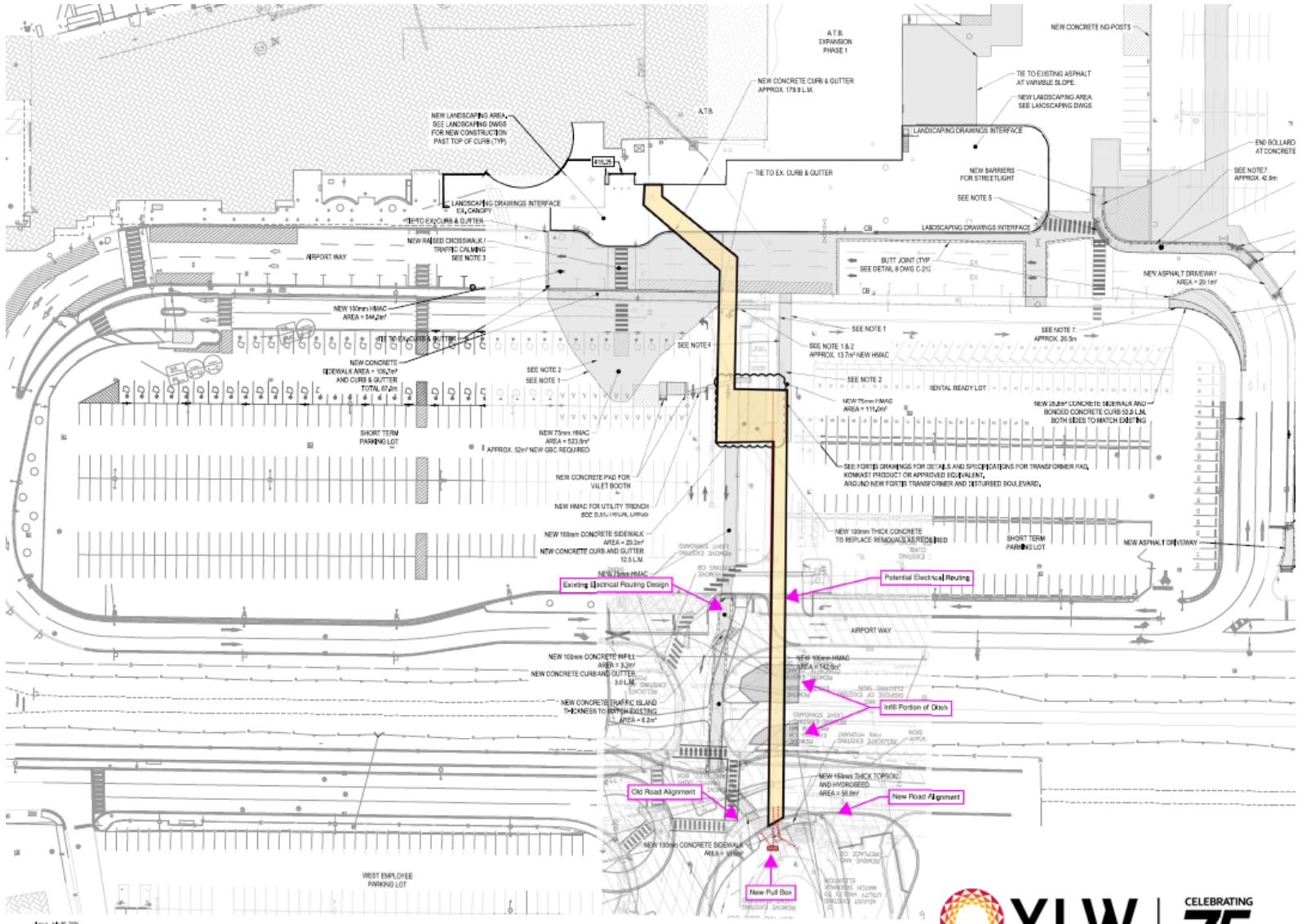


- ▶ Grease Interceptor
- ▶ Fortis electrical feed
- ▶ Accessible Parking
- ▶ Valet Booth / Parking
- ▶ Taxi / Bus Holding Area
- ▶ Car Rentals
- ▶ Garbage Enclosure
- ▶ Storm Drain Tie in

Enabling Works – Grease Interceptor



Enabling Works – Fortis Electrical Feed



ATB Roof Replacement Program

- ▶ **ATB Roof Replacement Program**

- ▶ Replacement of poor and failing sections of the ATB roof
- ▶ Anticipated schedule – late spring / summer



Project Updates

- ▶ **SSBD Design**
 - ▶ Consultation and design
- ▶ **CUTE / CUSS Replacement**
 - ▶ Lifecycle replacement
 - ▶ Able to convert to 100% common use



Project Updates

- ▶ **GHG emissions reductions – Assessment replacing large scale gas units with electric**
 - ▶ Roof top units
 - ▶ Boilers
 - ▶ Hot water tanks



Runway End Safety Area

New Federal regulations require the provision of a safety area at each end of the runway.

- ▶ 150 m structurally graded area to meet the specifications of the design aircraft
- ▶ 42 m runway extension
- ▶ AGN V Taxiway stub to the east at both the north and south ends
- ▶ Vehicle perimeter road

Schedule - Construction June to October 2022



Ops Stand 5 Concrete Panel Installation



Requirement for Ops stands to have concrete panels to help alleviate damage caused by heavy aircraft rutting the apron surface.

Scope

- ▶ Excavation and removal of asphalt and granular material
- ▶ Forming and placing of seven concrete pads
- ▶ Paving

Schedule: May 9 – June 30, 2022

Airfield Lighting and Supporting Infrastructure



Airlines have requested that YLW convert its existing medium intensity approach lighting systems to a high intensity.

- ▶ All systems to be of the same intensity. i.e., taxiway, runway edge, approach etc.

Scope

- ▶ Assessment and design of all lighting systems to high intensity.

Schedule: May – August 2022

Apron 3 Design

Purpose: to rehabilitate Apron 3 due to pavement deterioration

Design to commence in late 2022 with construction in 2023

Stakeholder engagement on operational challenges during planning phase



Combined Operations Building Design

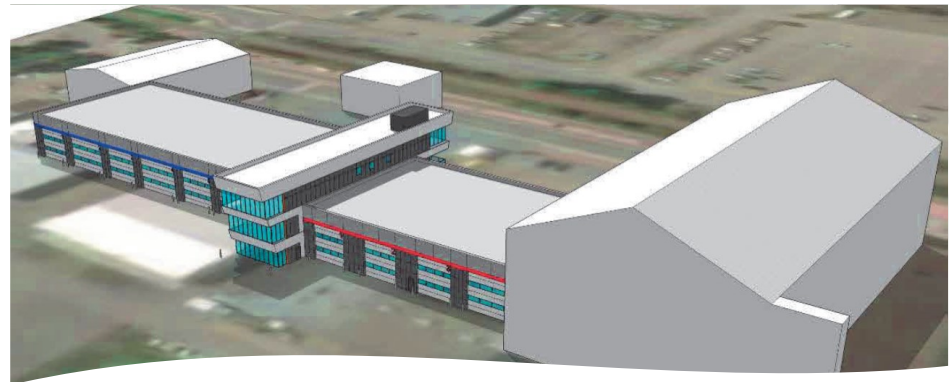
Purpose is to house all fire/operations equipment and personnel in a new building as the current building was constructed in 1960s and nearing the end of its life. Preliminary design was completed in 2019.

Scope for 2022

- ▶ All systems to be of the same intensity. i.e., taxiway, runway edge, approach etc. Validate 2019 design
- ▶ Re-design as required

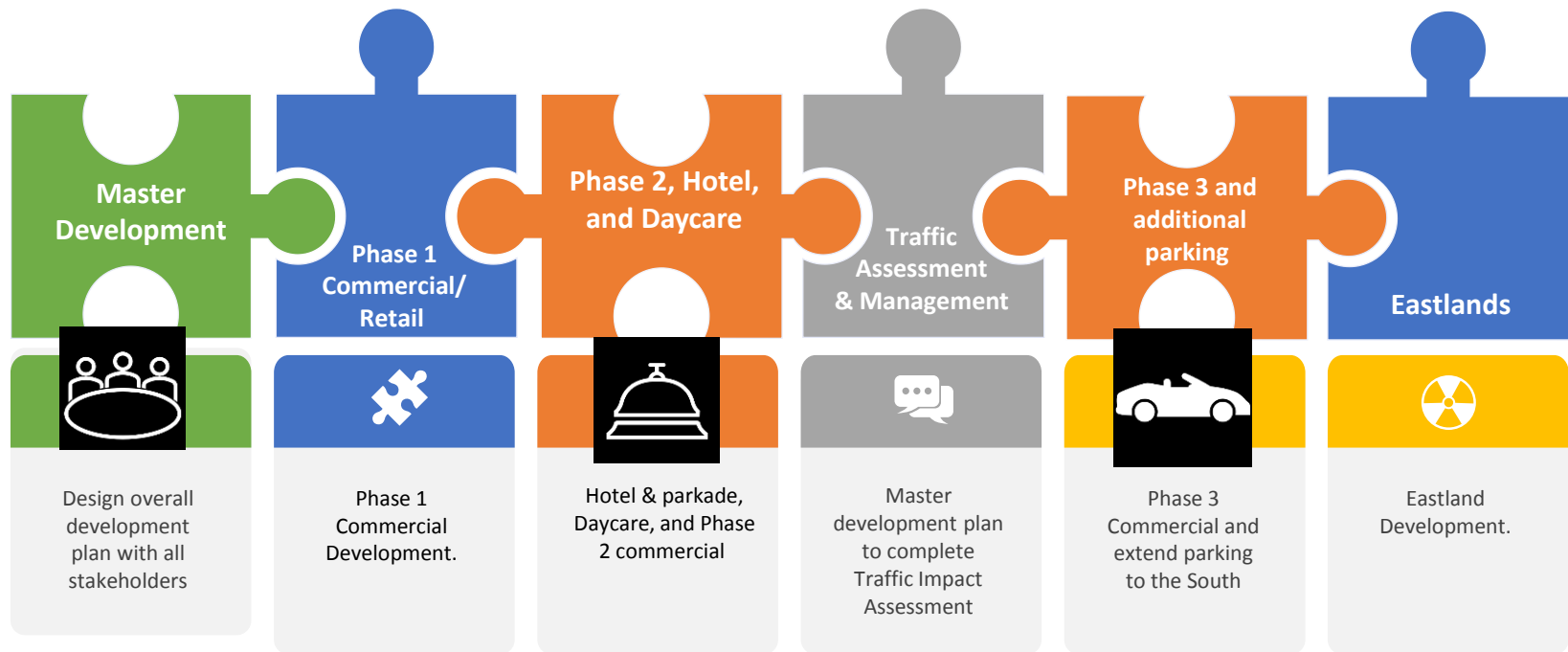
Scope for 2023/24/25

- ▶ Enabling works / site works
- ▶ Demolition of Cargo One facility
- ▶ Construction of new 2-storey office building and ARFF storage



YLW Commercial Development Plan

INTERCONNECTED - Puzzle Pieces



YLW Child Care Facility



\$ 3M in Provincial (Ministry of Education and Childcare) grant funding received for an 86 space Daycare at YLW.

Completed Milestone Activities

- ▶ Grant application
- ▶ Design
- ▶ DP Submitted and approved
- ▶ BP Submitted

Next Steps

- ▶ Tender (Week of May 16)

Hotel and Parkade

Developer has been selected through a competitive process via Commercial Realtor.

Next Steps LOI with a 90-day due diligence

- ▶ Hotel lease - rooms, restaurant, business, recreational, and conference space
- ▶ Parkade provision through a partnership agreement

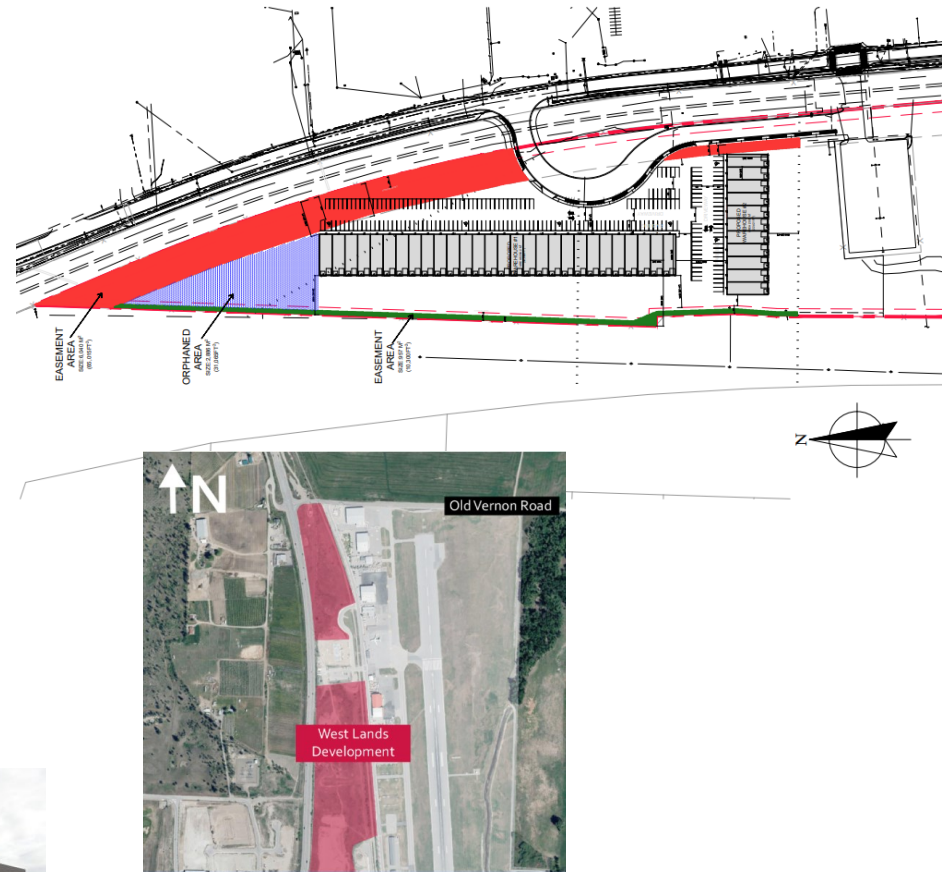
Fully Serviced Commercial Investments

Opportunity

Development of destination retail and commercial space within CD12 zoning.

Two separate sites

- ▶ Letter of Intent received
- ▶ Amalgamation of two lots to one total 6.01 acres to suit build and operations
- ▶ Internal reviews and approval progressing



Commercial Retail Phase 1

3 Phase 9-acre commercial development – signed LOI.

Development spread over a 5-year period giving stability in construction, financing, and cost efficiencies.

Requirement to relocate some current facilities and update the Landside Masterplan.

Negotiations in progress for Phase 1 lease through internal reviews and approvals.

Traffic Impact Assessment required for all phases.



Air Service Development Update

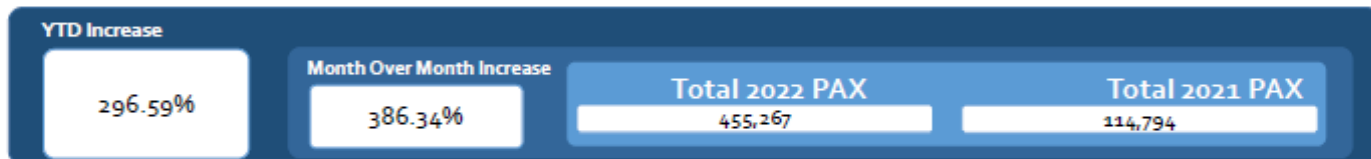


Air Service Development Update

Passenger Statistics Comparison Report

For the month of April, 2022

		2022		2021		2019		Variance 2021		Variance 2019	
		April	YTD	April	YTD	April	YTD	April	YTD	April	YTD
Deplaned	Domestic	62,308	216,363	12,921	56,604	70,772	309,553	382.22%	282.24%	-11.96%	-30.10%
	Transborder	1,955	7,452	-	-	3,824	21,465	0.00%	0.00%	-4.888%	-65.28%
	International	1,346	5,224	-	-	3,578	21,404	0.00%	0.00%	-62.38%	-75.59%
	Combined	65,609	229,039	12,921	56,604	78,174	352,422	407.77%	304.63%	-16.07%	-35.01%
Enplaned	Domestic	58,561	214,337	13,225	58,190	71,712	317,859	342.81%	268.34%	-18.34%	-32.57%
	Transborder	2,141	6,989	-	-	3,218	19,986	0.00%	0.00%	-33.47%	-65.03%
	International	847	4,902	-	-	2,428	19,748	0.00%	0.00%	-65.12%	-75.18%
	Combined	61,549	226,228	13,225	58,190	77,358	357,593	365.40%	288.77%	-20.44%	-36.74%
Total PAX	Domestic	120,869	430,700	26,146	114,794	142,484	627,412	362.28%	275.19%	-15.17%	-31.35%
	Transborder	4,096	14,441	-	-	7,042	41,451	0.00%	0.00%	-41.83%	-65.16%
	International	2,193	10,126	-	-	6,006	41,152	0.00%	0.00%	-63.49%	-75.39%
	Combined	127,158	455,267	26,146	114,794	155,532	710,015	386.34%	296.59%	-18.24%	-35.88%



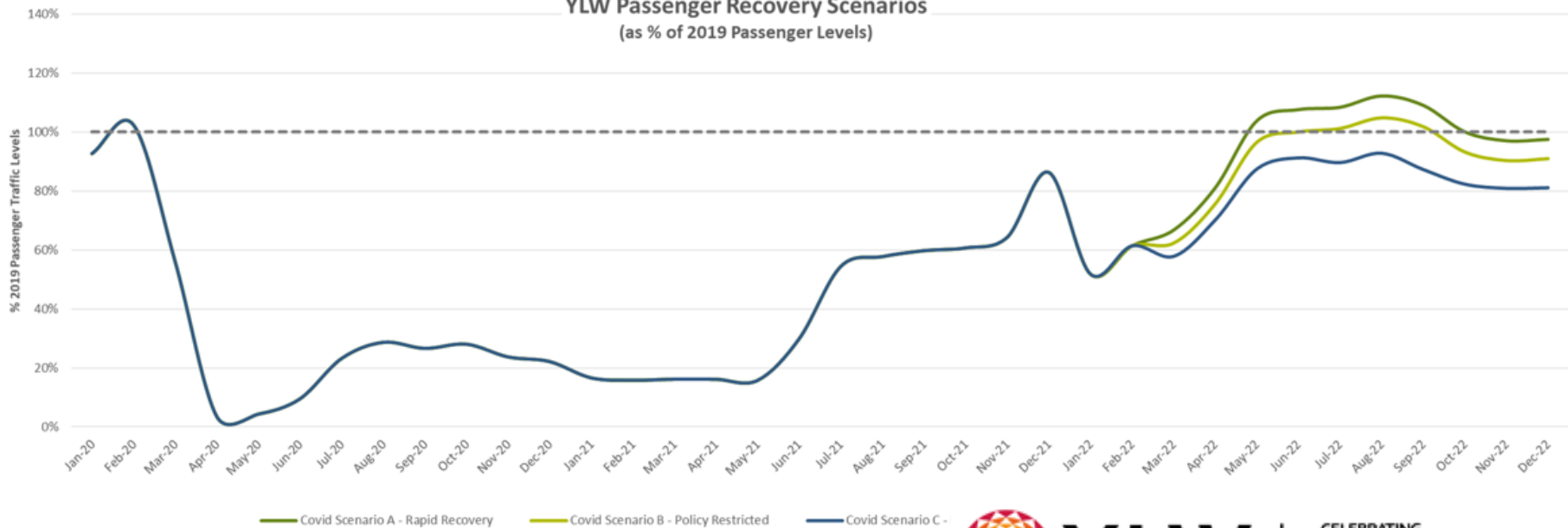
Air Service Development Update

Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
125,079	131,064	161,791	172,759	193,808	197,534	180,020	163,373	152,566	163,175
116,714	122,228	150,380	160,528	180,887	184,365	168,019	152,154	141,956	152,149
108,349	113,393	136,250	146,441	160,214	163,294	144,016	134,362	127,163	135,659

Scenario	2019	2020	2021	2022	2023
Covid Scenario A - Rapid Recovery	2,032,144	737,447	829,683	1,843,083	2,025,497
Covid Scenario B - Policy Restricted	2,032,144	737,447	829,683	1,731,295	1,904,373
Covid Scenario C - Protracted	2,032,144	737,447	829,683	1,571,057	1,681,310

2019	2020	2021	2022	2023
100.0%	36.3%	40.8%	90.7%	99.7%
100.0%	36.3%	40.8%	85.2%	93.7%
100.0%	36.3%	40.8%	77.3%	82.7%

YLW Passenger Recovery Scenarios
(as % of 2019 Passenger Levels)

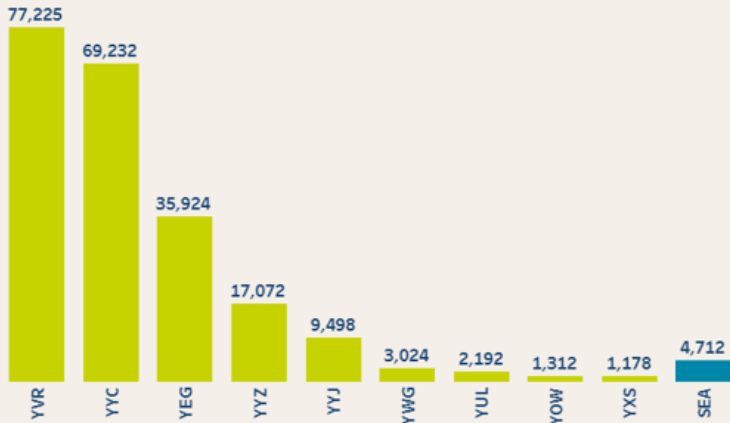
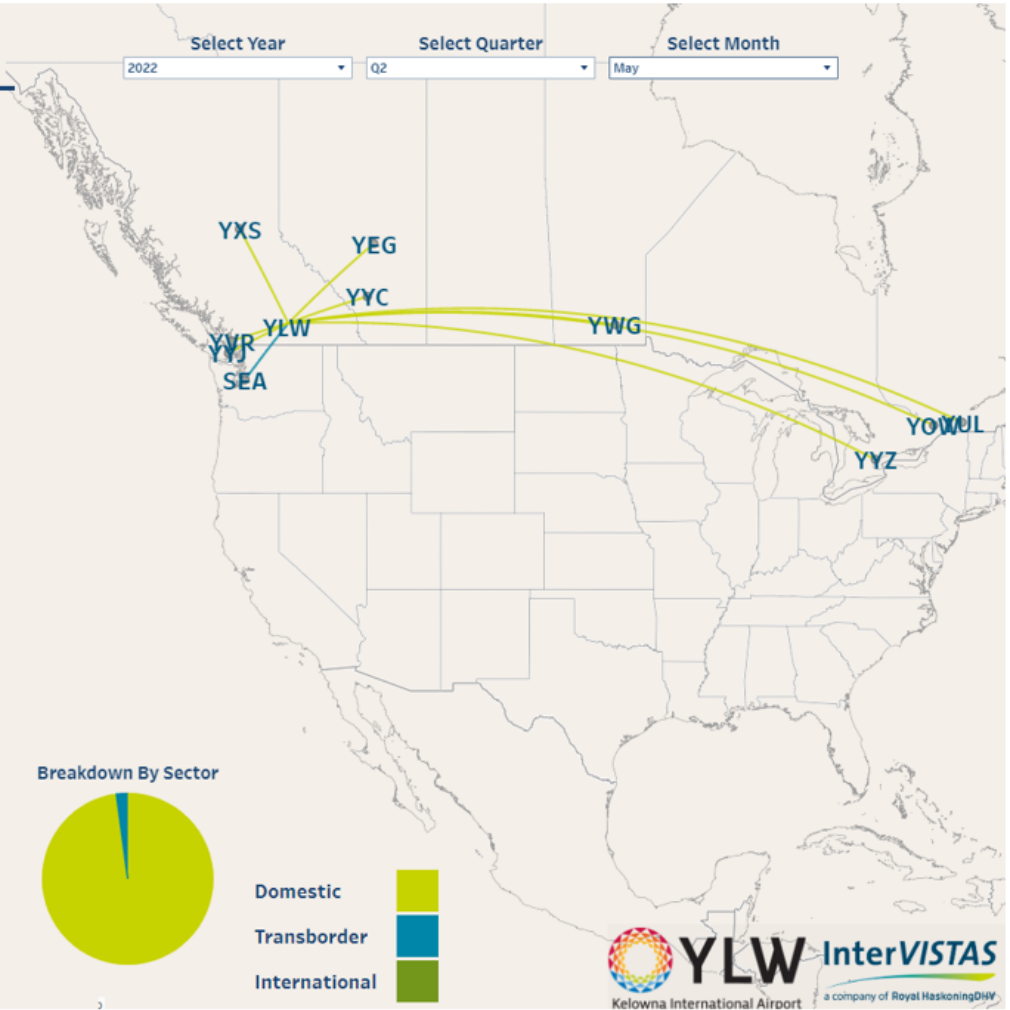
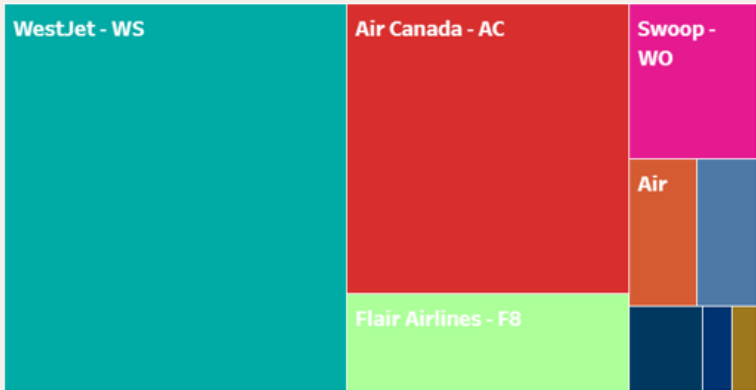


Air Service Development Update

May 2022

YLW Seat Capacity Dashboard

Select Year: 2022 | Select Quarter: Q2 | Select Month: May



Breakdown By Sector



Domestic
Transborder
International

YLW InterVISTAS
Kelowna International Airport | a company of Royal HaskoningDHV

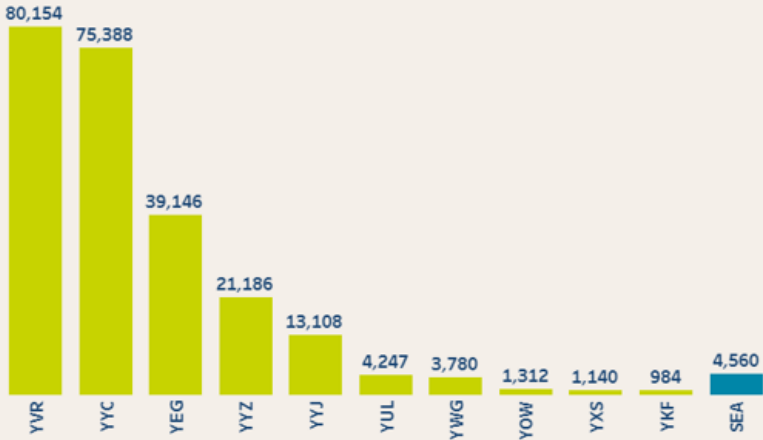
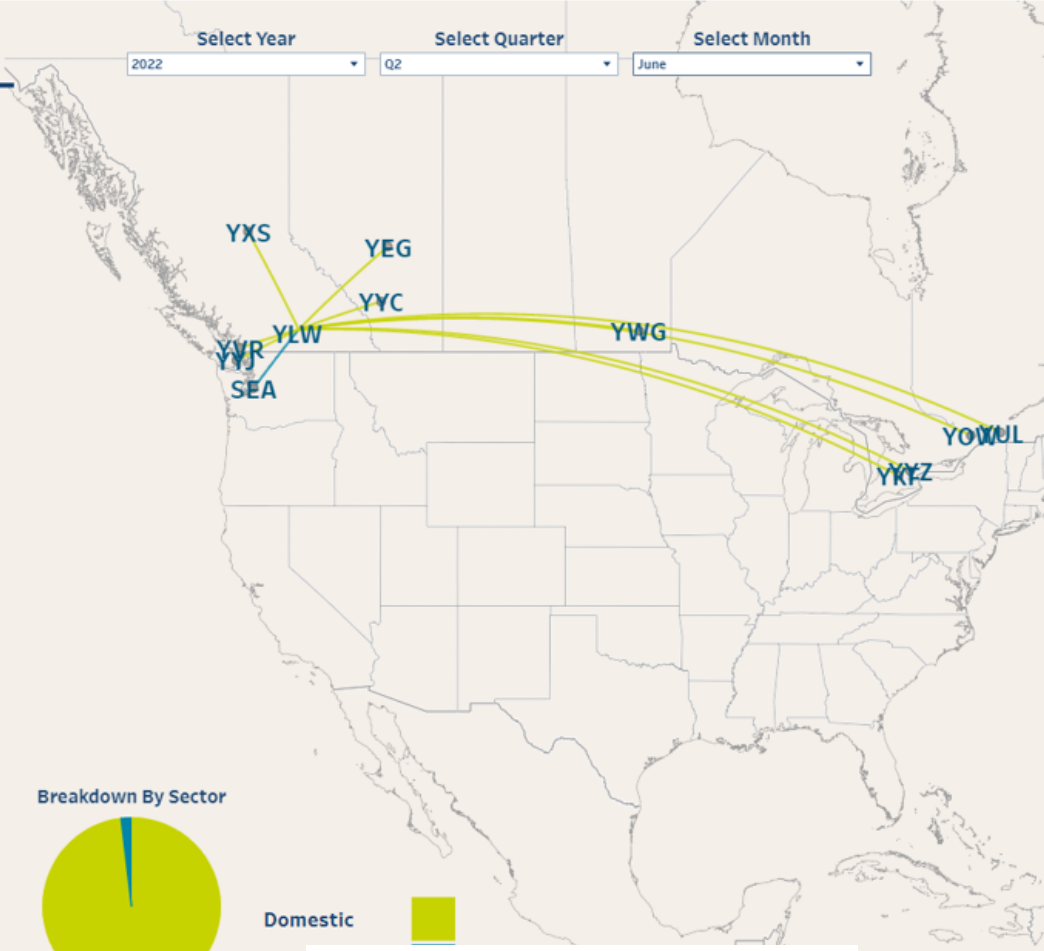
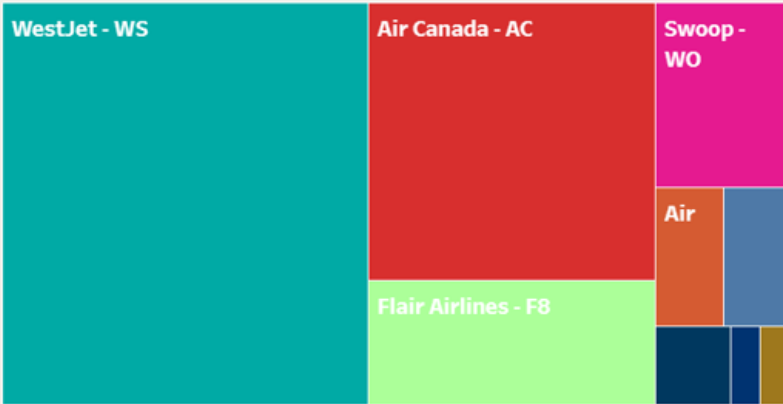
Source: Innovata Schedules via Dilo. Schedules as of April 11, 2022

Air Service Development Update

June 2022

YLW Seat Capacity Dashboard

Select Year: 2022 | Select Quarter: Q2 | Select Month: June



Breakdown By Sector



Domestic

Transborder

International



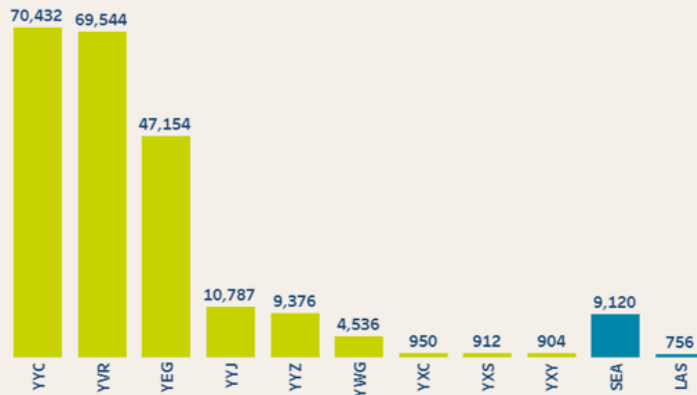
Source: Innovata Schedules via Dilo. Schedules as of April 11, 2022

Air Service Development Update

June 2019

11 Destinations

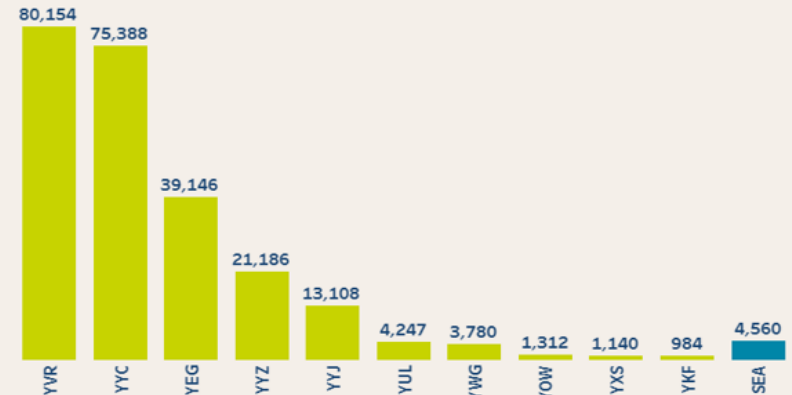
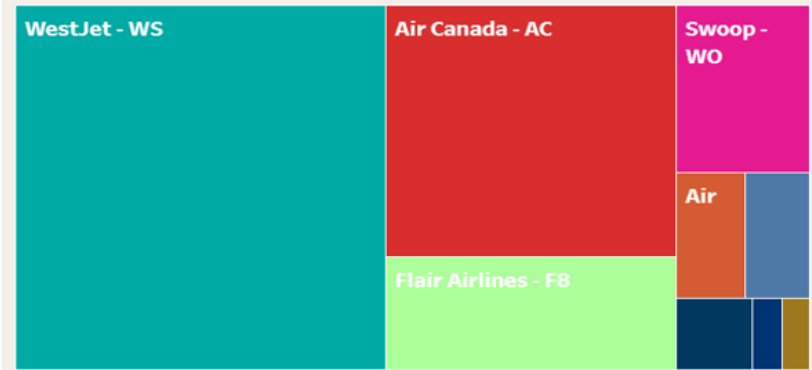
YLW Seat Capacity Dashboard



June 2022

11* Destinations

YLW Seat Capacity Dashboard



*Whitehorse

Air Service Development Update

May 2022 vs 2021

YLW Summary Table

Select Year: 2022 | Select Quarter: Q2 | Select Month: May

Summary by Destination

	Flights - Previous Year	Flights - Current Year	% Difference (Flights)	Seats - Previous Year	Seats - Current Year	% Difference (Seats) X
Seattle - SEA	0	62		0	4,712	
Edmonton - YEG	97	328	238.1%	7,566	35,924	374.8%
Ottawa - YOW	0	8		0	1,312	
Montreal-PET - YUL	0	16		0	2,192	
Vancouver - YVR	220	928	321.8%	17,421	77,225	343.3%
Winnipeg - YWG	0	16		0	3,024	
Prince George - YXS	26	62	138.5%	494	1,178	138.5%
Calgary - YYC	261	648	148.3%	20,706	69,232	234.4%
Victoria - YYJ	70	174	148.6%	1,330	9,498	614.1%
Toronto - YYZ	16	90	462.5%	3,024	17,072	464.6%
Grand Total	690	2,332	238.0%	50,541	221,369	338.0%

Air Service Development Update



LYNX Air started Operations on April 15th with Monday and Friday service to YYC and YVR with B737 Max8 Aircraft.



Air Service Development Update



SWOOP added YLW-YEG daily service starting May 5th. YLW-YWG service resumes at 3x weekly. YLW-YYZ continues at 4x weekly

Air Canada adds 50% additional system capacity May/June/July on 2019 numbers. Montreal returns to 4 days a week.



Federal Grant Funding

Airport Relief Fund (ARF) \$3.1M

Regional Air Transportation Initiative (RATI) \$3.2M

Airport Critical Infrastructure Program (ACIP) \$15M

Financial Update



2021 Financial Statements

**Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2021
(in thousands of dollars)**

	Budget 2021	Actual 2021	Actual 2020
Revenue			
Sale of services (Note 12)	\$ 7,669	\$ 12,331	\$ 11,536
Interest earned	158	185	301
Government transfers (Note 13)	936	7,269	1,149
Actuarial increase	-	262	194
	<u>8,763</u>	<u>20,047</u>	<u>13,180</u>
Airport improvement fee (Note 11)	5,860	9,483	7,351
	<u>14,623</u>	<u>29,530</u>	<u>20,531</u>
Expenses (Note 14)			
Administration	4,597	4,009	3,592
Interest	584	584	584
Terminal operations	4,708	5,475	5,445
Airport improvement fee	-	4,884	5,144
Airport policing	162	162	173
Groundside operations	2,497	3,257	3,305
Airside operations	3,483	3,674	3,711
	<u>16,031</u>	<u>22,045</u>	<u>21,954</u>
Annual Surplus (Deficit)	<u>\$ (1,408)</u>	7,485	(1,423)
Accumulated Surplus, beginning of year		<u>166,737</u>	<u>168,160</u>
Accumulated Surplus, end of year		<u>\$ 174,222</u>	<u>\$ 166,737</u>

2021 Financial Statements

Statement of Financial Position

As at December 31, 2021

(in thousands of dollars)

	Actual 2021	Actual 2020
Financial Assets		
Cash and cash equivalents	\$ 4,989	\$ 3,676
Accounts receivable	6,605	2,052
Portfolio investments	28,397	29,087
	<u>39,991</u>	<u>34,815</u>
Liabilities		
Accounts payable	2,425	2,904
Performance deposits	218	211
Deferred revenue	435	214
Mortgage payable (Note 3)	-	900
Long term payable (Note 4)	743	1,093
Debenture debt (Note 5)	11,904	14,062
	<u>15,725</u>	<u>19,384</u>
Net Financial Assets	<u>24,266</u>	<u>15,431</u>
Non-Financial Assets		
Prepaid expenses	216	107
Inventory	368	210
Work in progress (Note 6)	7,922	6,557
Tangible capital assets (Note 7)	141,450	144,432
	<u>149,956</u>	<u>151,306</u>
Accumulated Surplus (Note 8)	<u>\$ 174,222</u>	<u>\$ 166,737</u>

2021 Financial Statements

Statement of Cash Flows
For the Year Ended December 31, 2021
(in thousands of dollars)

	Actual 2021	Actual 2020
Net inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Annual surplus (deficit)	\$ 7,485	\$ (1,423)
Adjustment for non-cash items		
Amortization of tangible capital assets	7,543	7,748
Actuarial adjustment on debenture debt	(262)	(194)
(Increase) decrease in assets		
Accounts receivable	(4,552)	2,397
Inventory and prepaid expenses	(267)	138
(Decrease) increase in liabilities		
Accounts payable	(479)	(1,012)
Performance deposits	7	(99)
Deferred revenue	221	(267)
	<u>9,696</u>	<u>7,288</u>
Capital		
Acquisition of tangible capital assets	<u>(5,926)</u>	<u>(5,369)</u>
Investing		
Change in investments	<u>690</u>	<u>2,381</u>
Financing		
(Decrease) increase in long term payable	(350)	1,093
Repayment of mortgage payable	(900)	(900)
Repayment of debenture debt	(1,897)	(1,897)
	<u>(3,147)</u>	<u>(1,704)</u>
Net increase in cash and cash equivalents	<u>1,313</u>	<u>2,596</u>
Cash and cash equivalents, beginning of year	<u>3,676</u>	<u>1,080</u>
Cash and cash equivalents, end of year	<u>\$ 4,989</u>	<u>\$ 3,676</u>

Financial Update

Debt Repayment Schedule

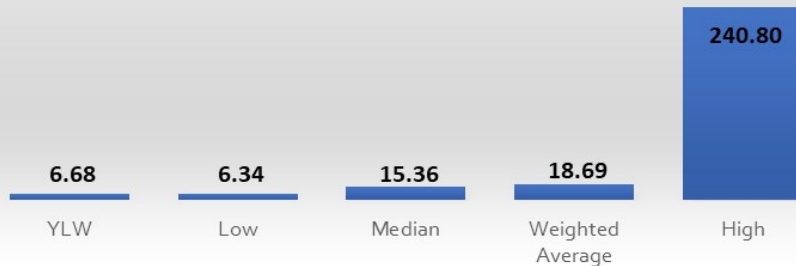
	2022	2023	2023	2024	2025	2026	Total
Principal	900,811	1,897,000	1,897,000	1,897,000	1,258,000	698,000	8,547,811
Interest	291,875	584,000	584,000	584,000	333,000	112,000	2,488,875
Total	1,192,686	2,481,000	2,481,000	2,481,000	1,591,000	810,000	11,036,686

- ▶ Paid in 2021
 - ▶ Principal: \$996,000
 - ▶ Interest: \$292,000
- ▶ Municipal Finance Authority Loans
 - ▶ \$7.5M (2.75%) – October 2015
 - ▶ \$3.5M (2.60%) – April 2016
 - ▶ \$3.0M (2.10%) – October 2016
 - ▶ \$8.0M (2.80%) – April 2017

Fees and Charges

Aeronautical Revenues per Landed Air Carrier Seat

Tier 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended Sept. 30, 2021)



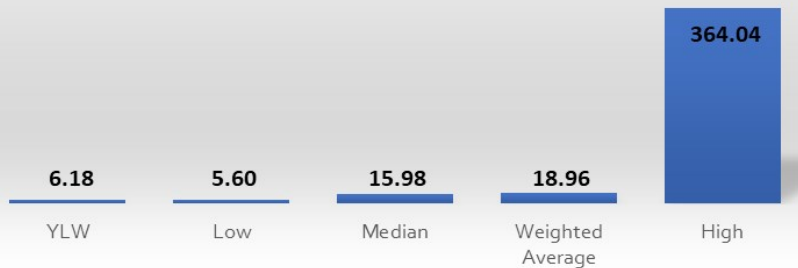
Tier 1 & 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended Sept. 30, 2021)



Fees and Charges

Aeronautical Revenues per Passenger

Tier 2 Aeronautical Revenues per Passenger
(12 Months Ended Sept. 30, 2021)



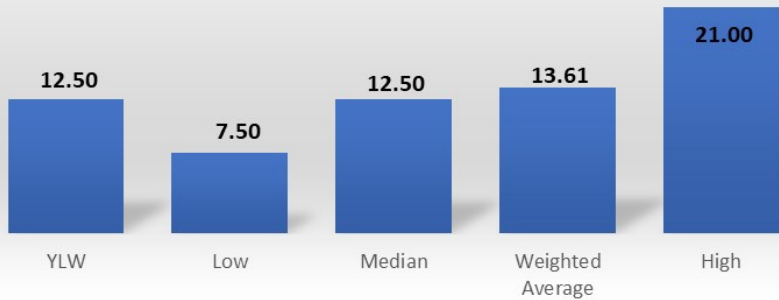
Tier 1 & 2 Aeronautical Revenues per Passenger
(12 Months Ended Sept. 30, 2021)



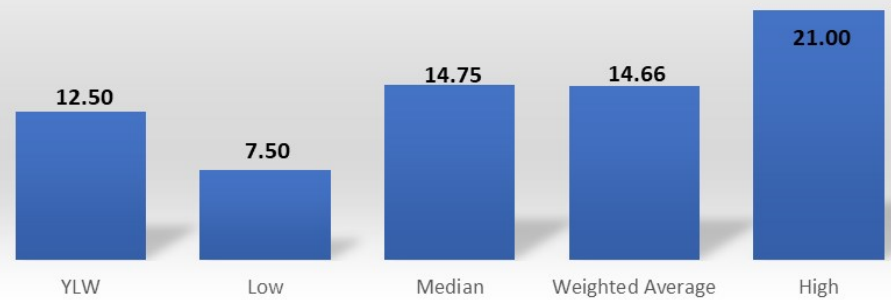
Fees and Charges

Airport Improvement Fee per Passenger

Tier 2 AIF per Passenger
(12 Months Ended Sept. 30, 2021)



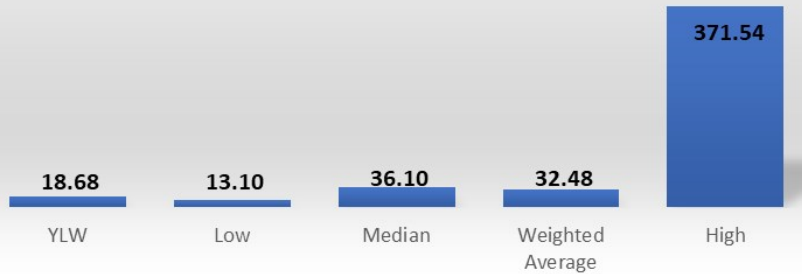
Tier 1 & 2 AIF per Passenger
(12 Months Ended Sept. 30, 2021)



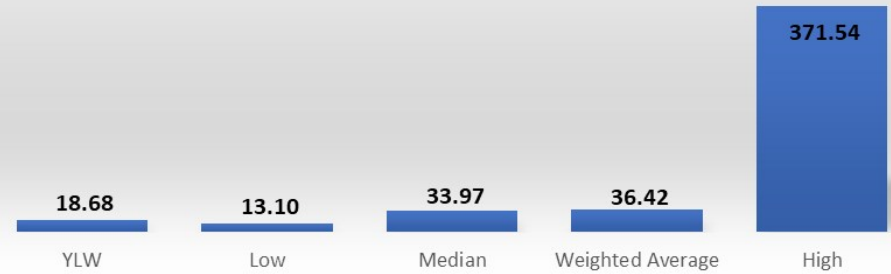
Fees and Charges

Aeronautical Revenues and Airport Improvement Fee per Passenger

Tier 2 Aeronautical Revenue and AIF per Passenger
(12 Months Ended Sept. 30, 2021)



Tier 1 & 2 Aeronautical Revenue and AIF per Passenger
(12 Months Ended Sept. 30, 2021)



Recommendations



Recommendations

- ▶ THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on May 19, 2022.

Questions?

For more information, visit ylw.kelowna.ca.

