

Airport Advisory Committee

AGENDA



Wednesday, May 29, 2024

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
1. Call to Order, Welcome and Introductions - Chair, Mayor Tom Dyas	
2. Confirmation of Minutes	2 - 5
Approve Minutes of the Meeting of November 15, 2023.	
3. Reports	6 - 66
3.1 Opening Remarks - Sam Sammadar, Airport Chief Executive Officer	
3.2 Operational Review - Phillip Elchitz, Director, Operations & Innovation	
3.3 Commercial, Capital Projects & Air Service Overview - Geoff Ritchie, Director, Commercial & Air Service	
3.4 Financial Overview - Shayne Dyrdal, Director, Finance & Corporate Services	
4. Questions & Wrap Up	
5. Termination of Meeting	
6. Tour - Airport Campus Tour - Geoff Ritchie	67 - 74
• Airport economic development construction and planning	



Airport Advisory Committee Minutes

Date:	Wednesday, November 15, 2023
Time:	9:00 am
Location:	Airport Administration Boardroom Kelowna International Airport 1-5533 Airport Way Kelowna, BC
Members Present	Chair, Mayor Tom Dyas, City of Kelowna Councillor Ron Cannan, City of Kelowna Blair Ireland, Mayor, District of Lake Country Keith Thom, Councillor, District of Peachland Grant Stevens, KF Aerospace, Aviation Industry Representative Kelly Watt, Chair, Tourism Kelowna Corie Griffiths, Regional District of Central Okanagan Kevin Kroft, Director, Regional District of Central Okanagan Martin Von Holst, Greater Vernon Chamber of Commerce Akbal Mund, Councillor, City of Vernon Councillor David Gonella (Alternate), City of Salmon Arm
Members Absent	Loyal Wooldridge, Chair, Regional District of Central Okanagan Chief Robert Louie, Westbank First Nation Louise Wallace Richmond, Councillor, City of Salmon Arm Lesley Cormack, Deputy Vice-Chancellor, UBCO Amber Hall, Greater Westside Board of Trade Julius Bloomfield, Mayor, City of Penticton Krista Mallory, Economic Development Commission Lesley Cormack, Deputy Vice-Chancellor, UBCO Paula Quinn, Kelowna Chamber of Commerce Roch Fortin, Summerland Chamber of Commerce
Members Participating Remotely	Rick de Jong, Councillor, City of West Kelowna
Staff Present	City Manager, Doug Gilchrist Chief Executive Officer, Sam Samaddar, City of Kelowna, YLW Director, Finance & Corporate Services, Shayne Dyrdal, City of Kelowna, YLW Director, Commercial & Air Service, Geoff Ritchie, City of Kelowna, YLW Director, Operations & Innovation, Phillip Elchitz, City of Kelowna, YLW
Staff Participating Remotely	Legislative Coordinator (Confidential), Clint McKenzie

1. Call to Order, Welcome and Introductions - Chair, Mayor Tom Dyas

The Chair called the meeting to order at 9:08 a.m.

2. Confirmation of Minutes

Moved By Blair Ireland/Seconded By Councillor Cannan

THAT the Minutes of the July 26, 2023 Airport Advisory Committee meeting be adopted.

Carried

3. Reports

3.1 Opening Remarks - Sam Samaddar, Airport Chief Executive Officer

The Mayor provided background and congratulations to Sam Samaddar for winning the Kelowna Chamber of Commerce Business Leader of the Year.

Chief Executive Officer:

- Thanked the Committee and welcomed everyone.
- Provided context to the growth and investment in the airport by the community.
- Provided some background to recovery of airports nationally and globally.
- Spoke to the development of Artificial Intelligence solutions and personal touch for travelers as they navigate through airports.
- Spoke to the contraction of many small and regional airports into a reduced air service as airlines are increasingly focused on risk averse approaches.
- Spoke to the leverage airlines find themselves currently in as well as significant labour shortages.
- Kelowna continues to hold its position and is close to achieving its 2019 passenger levels.
- Embarking on the largest ever investment in the airport.
- Responded to questions from the Committee.

3.2 Operational Review - Phillip Elchitz, Director, Operations & Innovation

- Provided an operating overview including 2023 monthly passenger counts forecasting just over 2 million passengers this year.
- Showed historical counts over the last 10 years.
- Spoke to aircraft movements with 65,632 to date, highest ever recorded to end of June 2023 prior to this summer's fires.
- Spoke to the new aircraft approach coming online at the end of January 2024.
- Spoke to the information sessions completed in the community for the new aircraft approach.
- Reminded the committee of the OCP federal airport height regulations being embedded into the Official Community Plan.
- Spoke to working with RDCO on the lands east of the airport boundary.
- Recapped innovation projects that are underway and include ground transportation management software to dispatch, manage and invoice commercial vehicle operators (CVOs) and automation of gate/counter scheduling.
- Spoke to the 2023 wildfires including the 85 hour airspace closure and the future goal to have a more collaborative process resulting in partial airspace closure versus a blanket airspace closure. Kelowna will be leading a national review with the federal government to have more collaborative approach with all Canadian airports.
- Spoke to the air passenger protection federal regulations including the increase of time eligible for a claim from 1 year to 3 years and limiting 'knock-on' effects to no more than 2 flights.
- Spoke to the unintended consequences the regulations will have on the airlines.
- Responded to questions from the Committee.
- Provided an update in relationship with Uber.

3.3 Commercial, Capital Projects & Air Service Overview - Geoff Ritchie, Director, Commercial & Air Service

- Displayed a PowerPoint presentation outlining the hotel and parkade development.
- Spoke to the future development of the east lands at the airport and the coordination of all levels of government to get access in and out of the area.
- Provided an update on the air terminal building expansion with the erection of the crane scheduled for January 2024.
- Spoke to the childcare facility as it is now open and full. A second funding application to expand into two additional classrooms is completed.
- Spoke to the planning cycles for airlines including long range planning, network planning, schedule planning and revenue management.
- Spoke to the differences between summer and winter scheduling.
- YLW recovery has kept up with the Canadian average and is the second fastest in recovery.
- Ninety percent of seats are recovered in comparison to 2019.
- Spoke to the collaboration of YLW with community stakeholders to align strategies and leverage efforts.
- Responded to questions from the Committee.

3.4 Financial Overview - Shayne Dyrdal, Director, Finance & Corporate Services

- Displayed a PowerPoint presentation outlining the year to date financials for the airport.
- Provided a comparison of actual versus budget with the 9-month surplus being 73 percent of what was budgeted for the year.
- 9-month revenues are 72 percent of annual budgeted amounts.
- Reviewed significant investments in 2024 including the terminal building expansion, combined operations building, airside pavement rehabilitation and equipment purchase.
- Reviewed fees and charges including the proposed three percent increase for landing and terminal fees, and the proposed reduction in the annual taxi and transportation network services licensing fee from \$50 to \$0.
- Reviewed changes to wording for clarity regarding land rental rates.
- Reviewed estimated aeronautical revenues and airport improvement fee per landed air carrier seat compared to other Tier 1 and Tier 2 airports.

Moved By Blair Ireland/Seconded By Councillor Akbal Mund

THAT the Committee receive the report dated November 15, 2023 and recommend to Council landing and terminal fees increase by 3% effective January 1, 2024, landing and terminal fees increase in future years by no more than the 12 month average increase in the BC all items consumer price index for the 12 months ended June 30 of the prior year, remove the \$50 annual taxi and transportation network services licensing fee, and update the land rental rate language in the Airport Fees Bylaw No. 7982.

Carried

4. Questions & Wrap Up

Staff:

- Responded to questions from the Committee.
- Provided an update on pre-board screening regulations.

5. Termination of Meeting

The Chair declared the meeting terminated at 10:44 a.m.

6. **Tour - KF Centre for Excellence, Okanagan Aerospace & Aviation Museum - Paula Quinn, Executive Director KF Aerospace Centre for Excellence**

The Committee departed to tour the KF Centre for Excellence and take a group photo.

7. **Group Photo**

Chair

DRAFT

Airport Advisory Committee Meeting

May 29, 2024



Agenda

- ▶ Welcome and introductions
- ▶ Approval of minutes
- ▶ Opening remarks
- ▶ Operational review
- ▶ Commercial, capital projects & air service overview
- ▶ Financial overview
- ▶ Questions
- ▶ Tour



YLW

Kelowna International Airport

Opening Remarks





Kelowna International Airport

Operational Overview

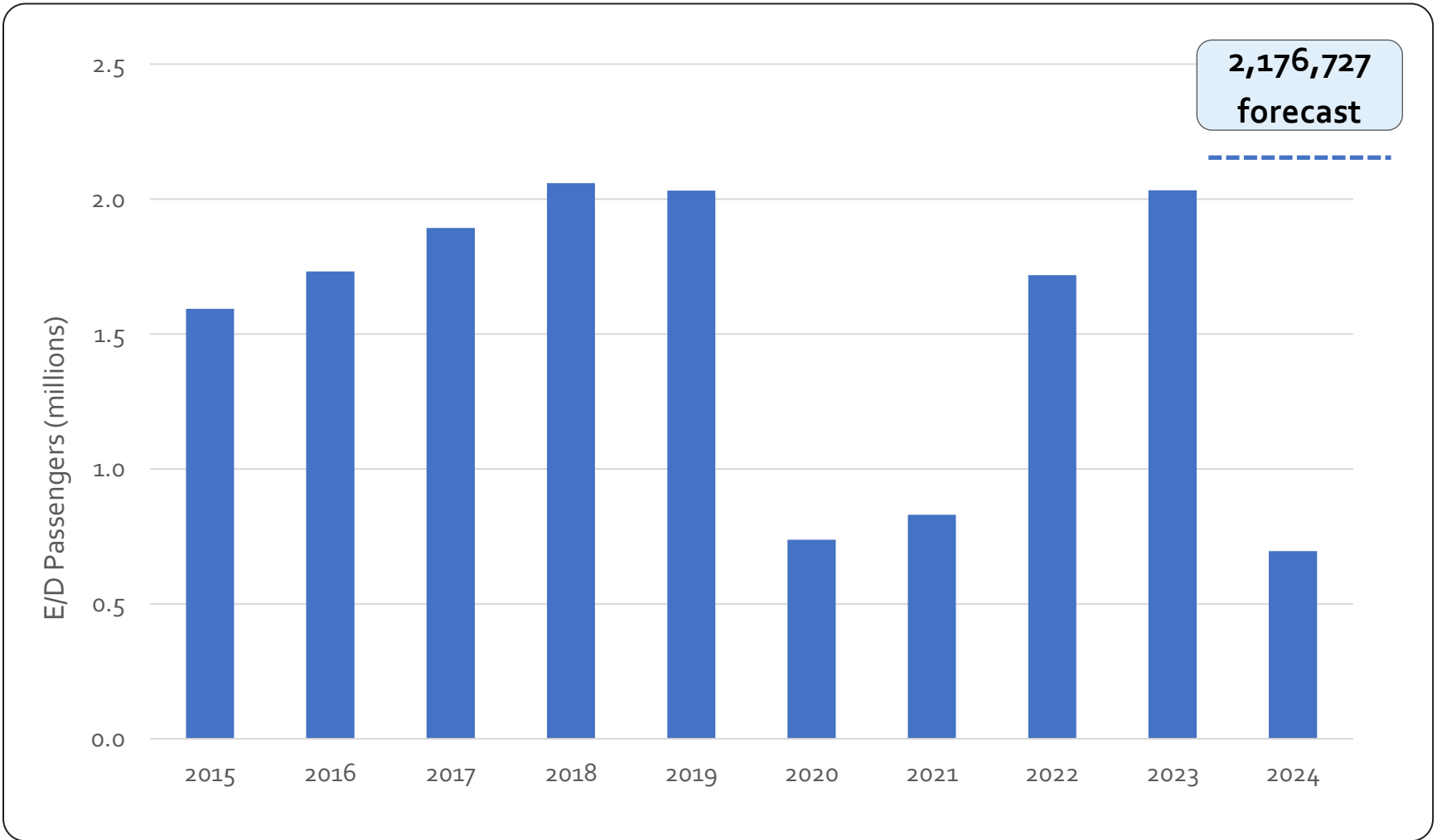


2024 Monthly Passengers

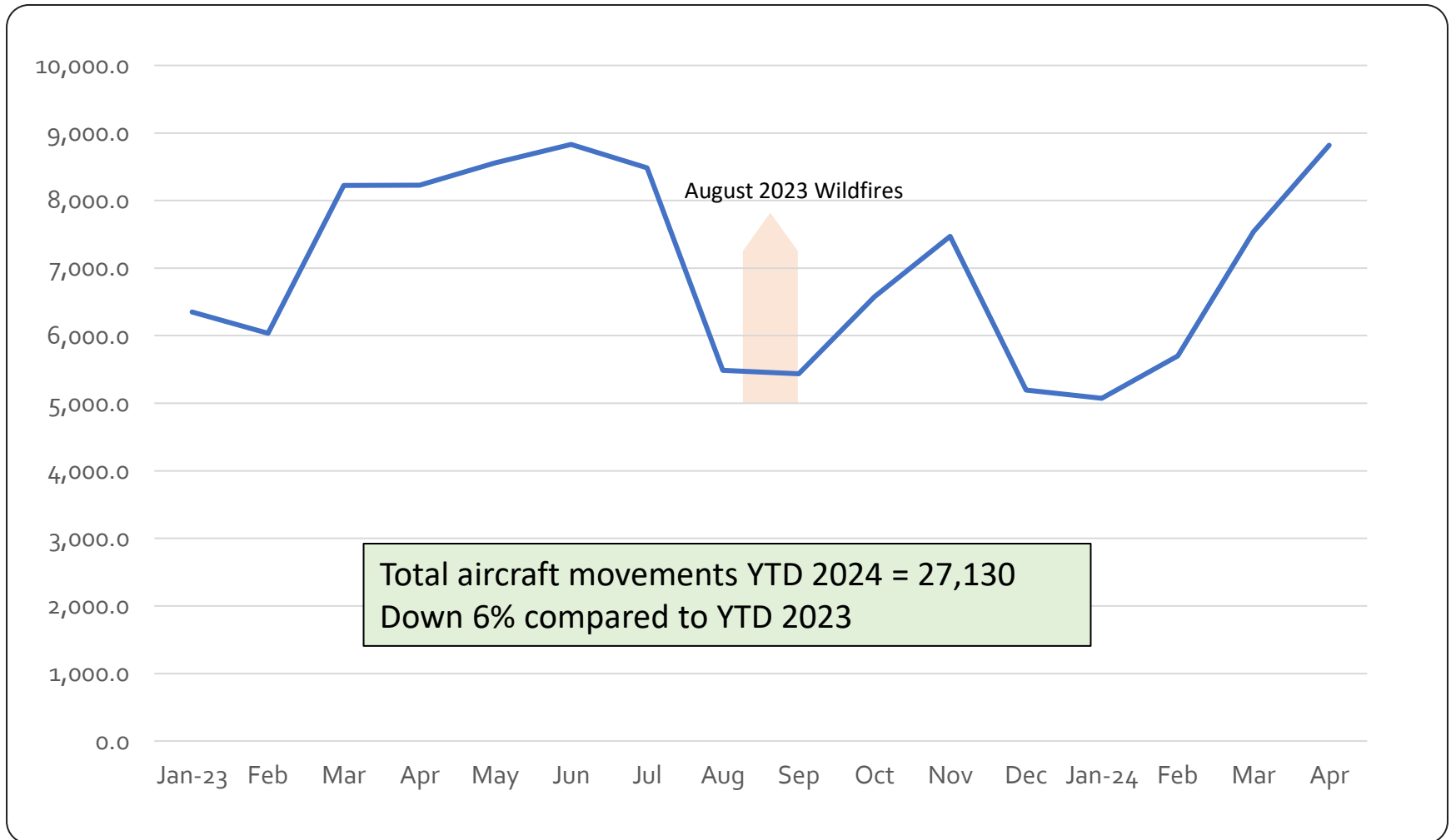
	Monthly 2024	YTD	Variance 2023 Monthly	Variance 2023 YTD
January	175,238	175,238	4.50%	4.50%
February	176,300	351,538	6.43%	5.46%
March	184,722	536,260	3.13%	4.64%
April	159,655	695,915	4.01%	4.50%

2024 Forecast	2,176,727
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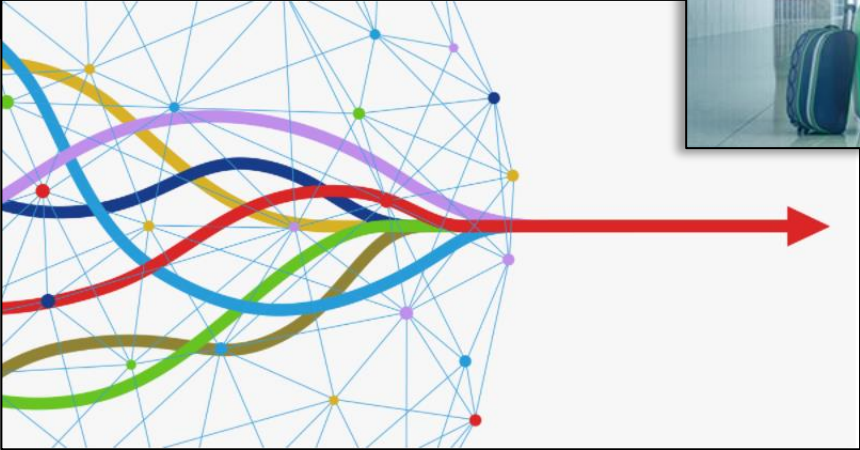
2015 – 2024 Passenger Statistics



2023 / 2024 Aircraft Movements



Operations & Innovation



Foundation

1. Optimize runway capacity and the surrounding airspace
2. Maximize & optimize efficiency of existing facility
 - Machine learning and AI
 - Use of technology for passenger processing
 - Defer large infrastructure programs
 - Meet 2030 and 2040 GHG reduction initiatives
3. Enhance passenger experience and reduce travel anxiety
 - Ensure majority of preflight items can be done at home (check-in, identify validation, payment of fees, prepay parking)
 - Minimize the number of times the passenger is required to que
 - Use of automated and self-service systems (kiosks, self boarding, flight information)
4. Reduce amount of time aircraft are on the ground through optimizing gate turns

New Aircraft Approach RNP (.30) RWY 34

COMPLETED

Foundation - Optimize runway capacity and the surrounding airspace

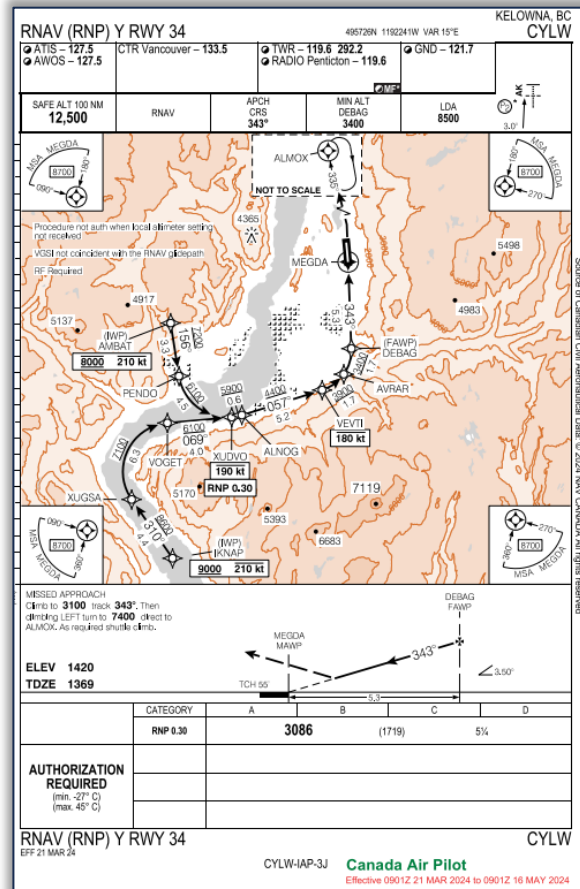


YLV Kelowna
International
Airport

New Aircraft Approach RNP (.30) RWY 34

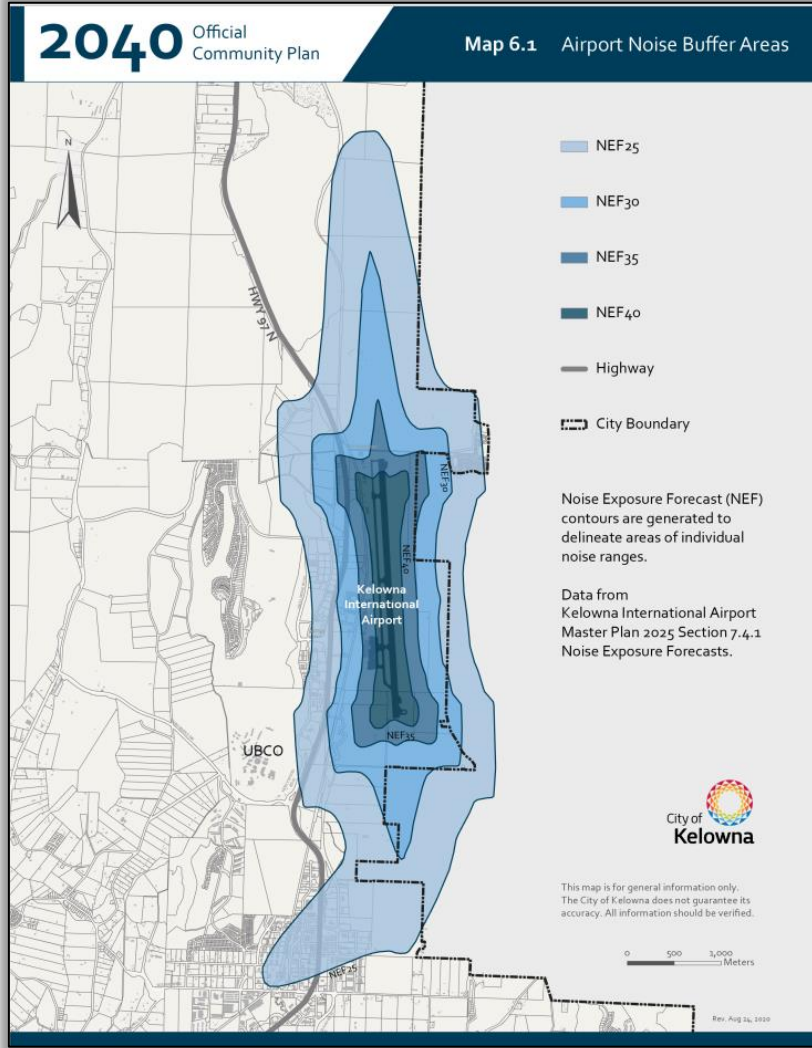
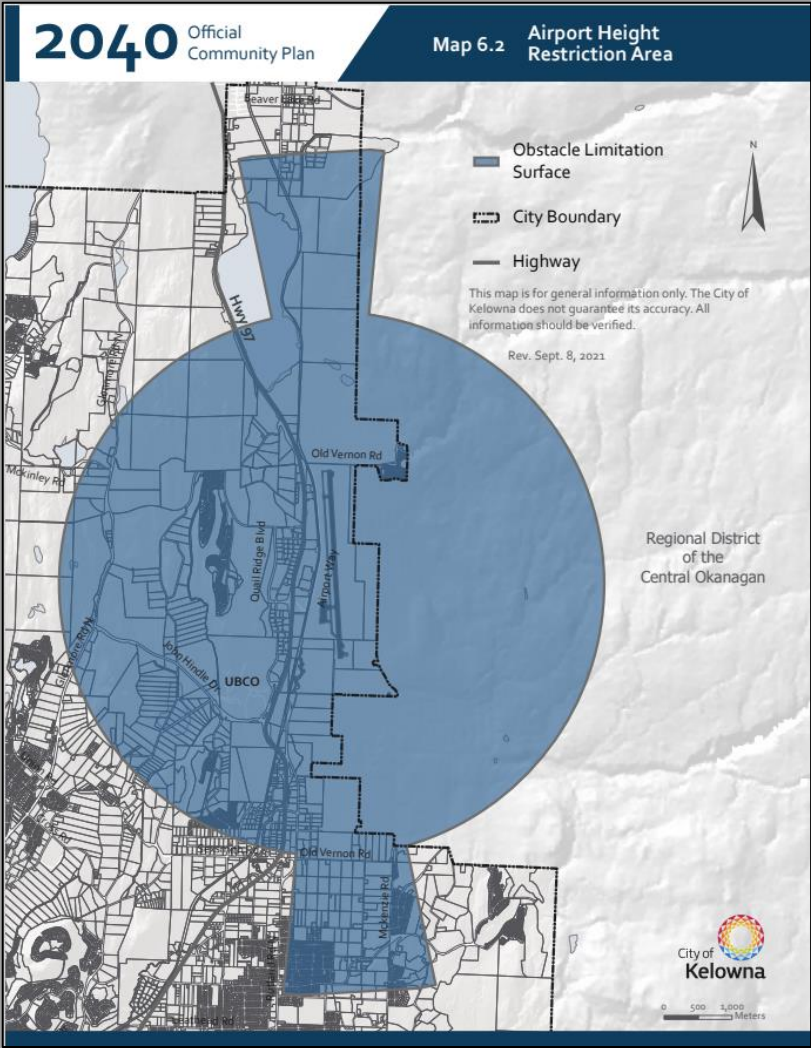
Foundation - Optimize runway capacity and the surrounding airspace

COMPLETED



Official Community Plan

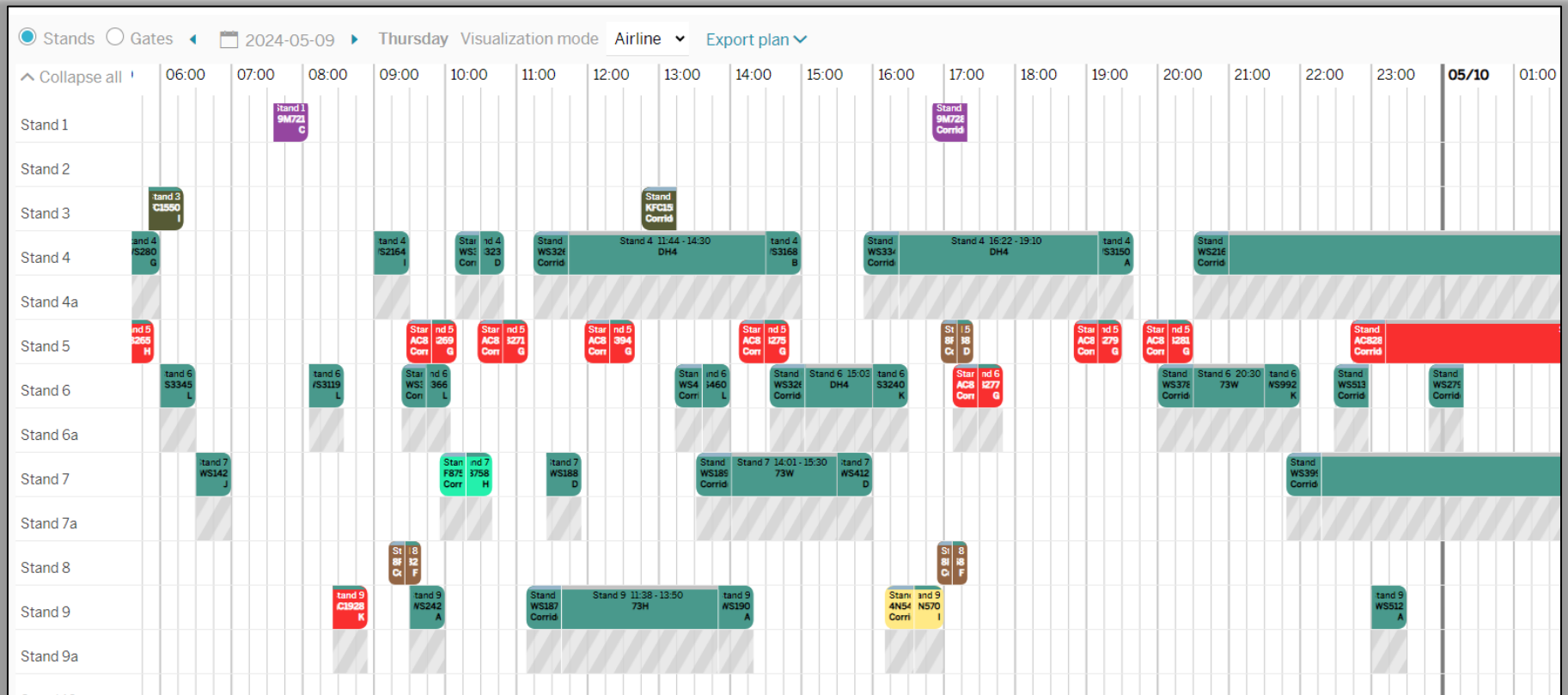
COMPLETED



Aircraft Gate Optimization

Foundation - Maximize & optimize efficiency of existing facility

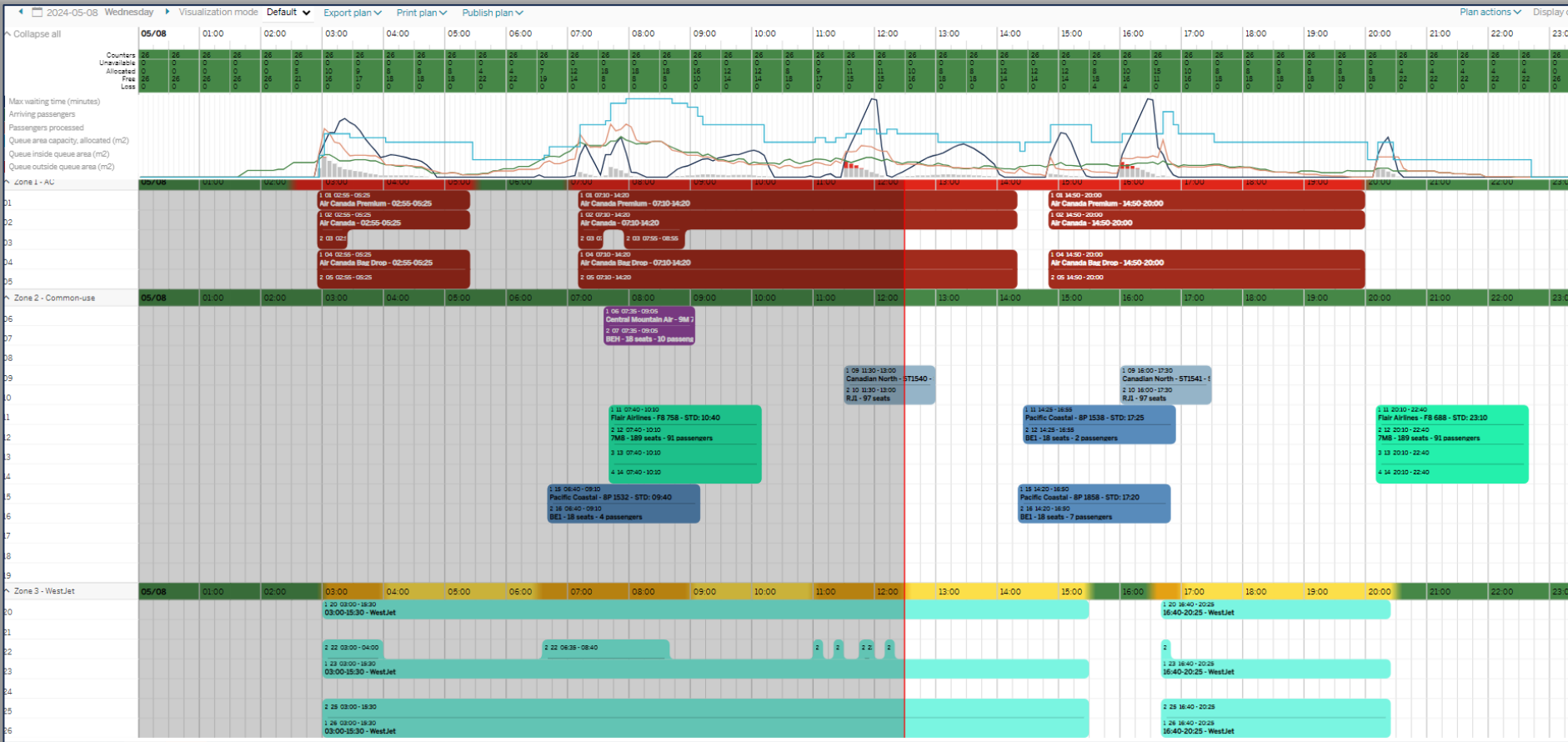
COMPLETED



Check in counter Optimization

Foundation - Maximize & optimize efficiency of existing facility

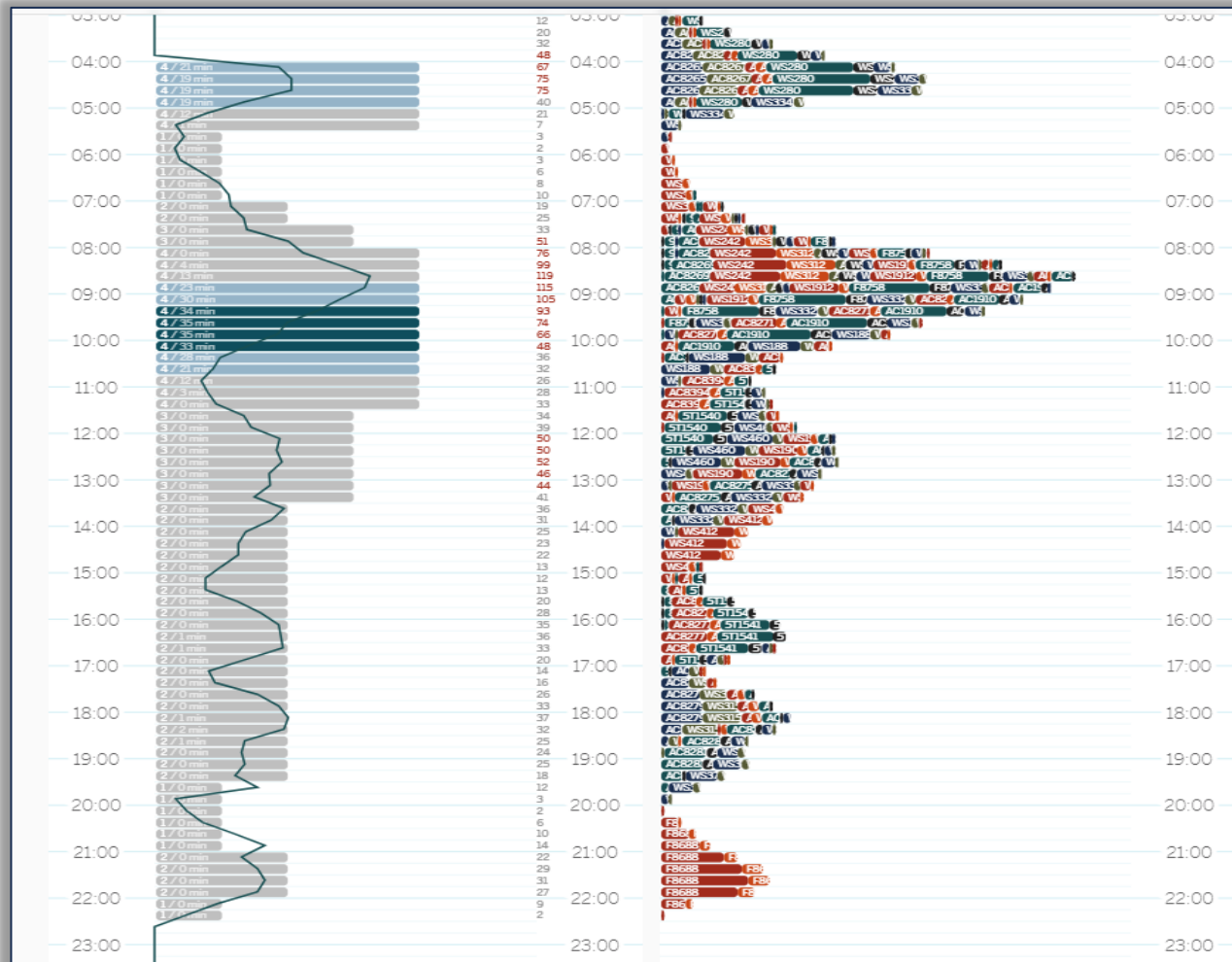
COMPLETED



Pre Board Screening Lane Optimization

Foundation - Maximize & optimize efficiency of existing facility

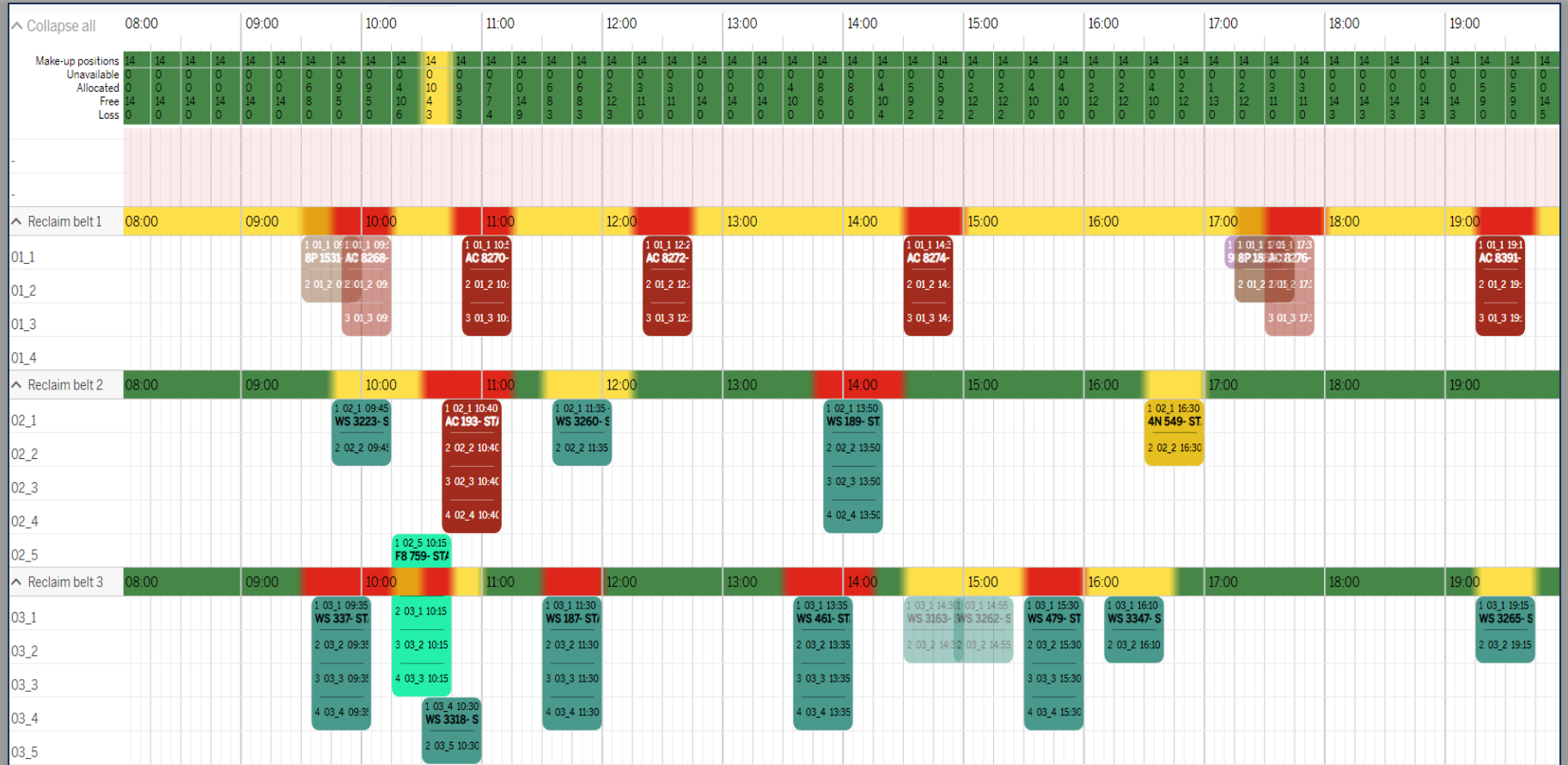
COMPLETED



Baggage Belt Optimization

Foundation - Maximize & optimize efficiency of existing facility

COMPLETED



ReserTrac – Ground Transportation

Foundation - Maximize & optimize efficiency of existing facility

COMPLETED



Virtual queue

Increases efficiencies

Accurate reporting tool

Enhances passenger experience

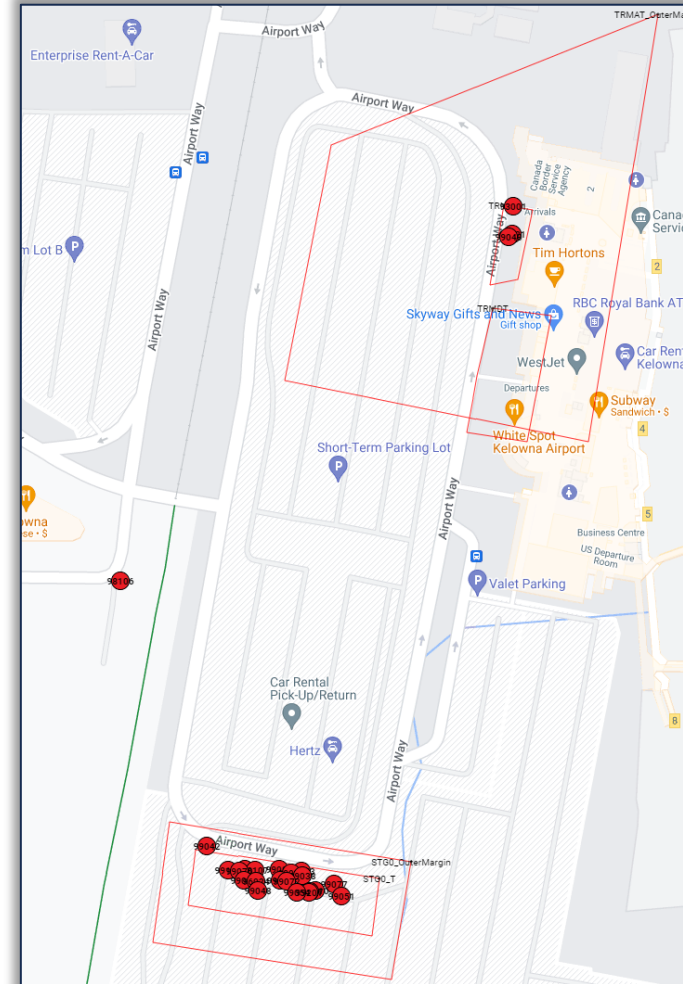
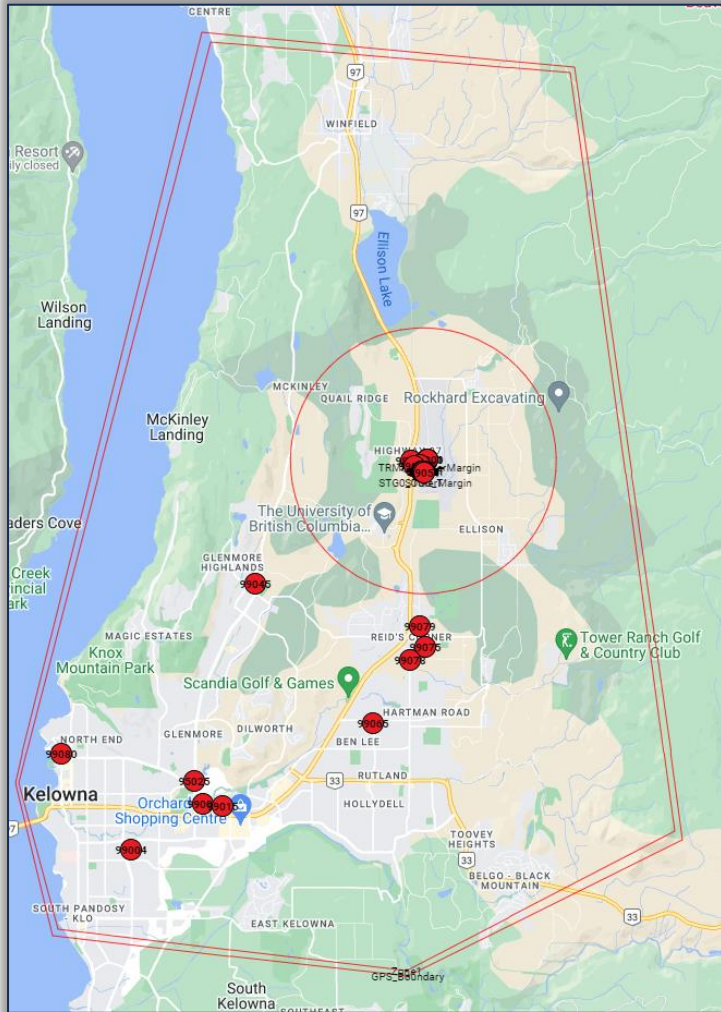
Solves multiple operational challenges

Reduces idling and greenhouse gas emissions

ReserTrac – Ground Transportation

Foundation - Maximize & optimize efficiency of existing facility

COMPLETED



Electric Conditioned Air

COMPLETED

Foundation - Meet 2030 and 2040 GHG reduction initiatives



Gate Turn Technology

Foundation - Reduce amount of time aircraft are on the ground through optimizing gate turns

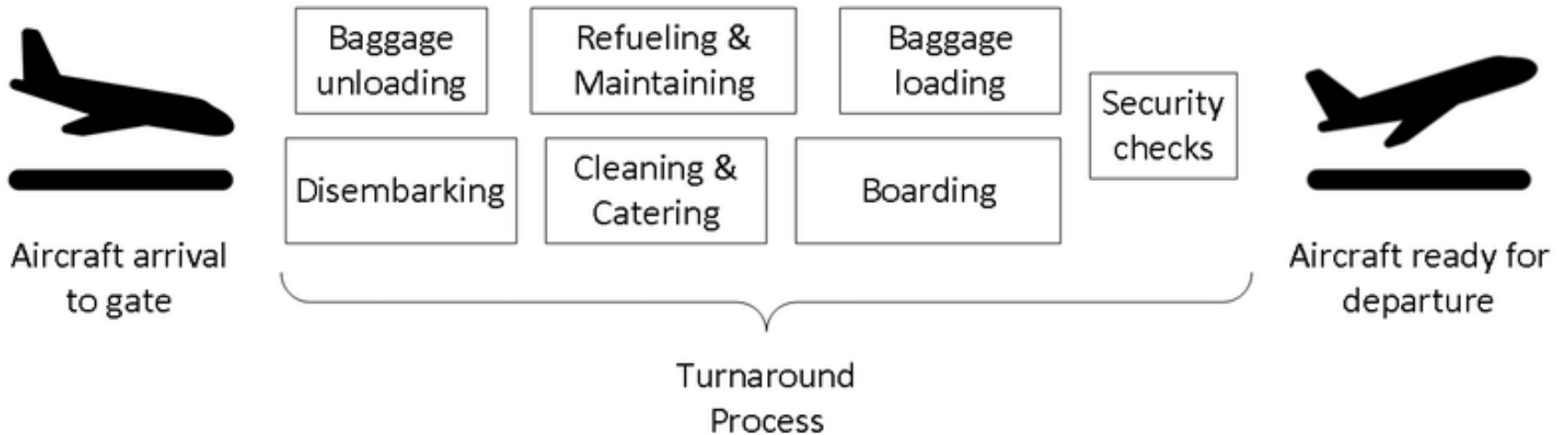
IN PROGRESS



Gate Turn Technology

Foundation - Reduce amount of time aircraft are on the ground through optimizing gate turns

IN PROGRESS



Simpleway PA System

Foundation - Enhance passenger experience and reduce travel anxiety

IN PROGRESS



- ▶ Pre-recorded messaging
- ▶ English/French

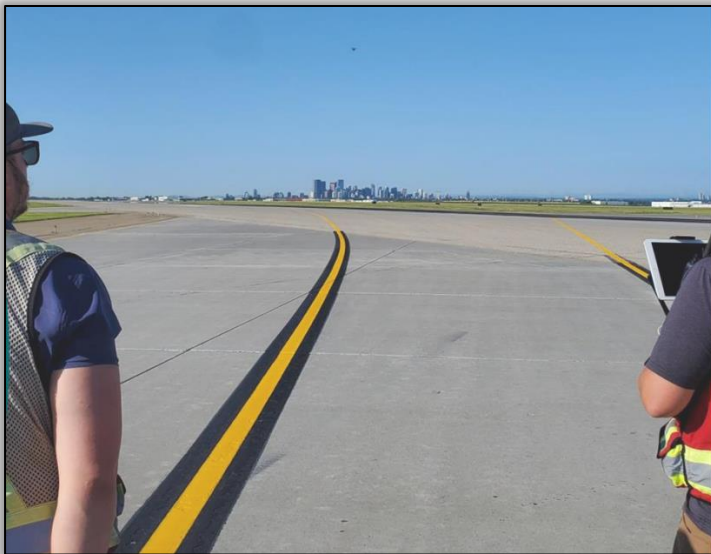
- ▶ PA system and FIDS system integrated
- ▶ Automated CIRIUM data feed



Automated Runway Reporting

Foundation - Optimize runway capacity and the surrounding airspace

IN PROGRESS



- ▶ Increased efficiencies
- ▶ Reallocation of resources

Common Use Upgrades CUSS

Foundation - Enhance passenger experience and reduce travel anxiety

- ▶ Expected award Q3
- ▶ Delivery of 25 new units Q4

IN PROGRESS



Common Use Upgrades CUTE/CUPPS

Foundation - Maximize & optimize efficiency of existing facility

IN PROGRESS

Planned implementation date
Q2 2025



CAT 7 ARFF Response

IN PROGRESS

- ▶ Increase in Aircraft Rescue Fire Fighting Category (Cat 6 → CAT 7)
- ▶ 2025 Delivery



Commercial, Capital Projects & Air Service Overview





Kelowna International Airport

Commercial and Capital Projects Overview



Economic Drivers

- ▶ YLW Child Care Facility
- ▶ Airport Infrastructure and Airfield Lighting
- ▶ Combined Operations Building
- ▶ Airport Terminal Building Expansion
- ▶ Airside Pavement Rehabilitation
- ▶ Airport Development Lots
- ▶ Airport Infrastructure - Private Investment
- ▶ Hotel and Parkade

YLW Projects & Investments



Private Investment

- 12 First Truck \$17,000,000
- 13 Hyatt Investment \$7,500,000
- 14 KF Centre for Excellence \$25,000,000
- 15 YLW Hotel \$100,000,000
- 16 YLW Parkade \$55,000,000

Completed

- 1 YLW Childcare Facility \$3,800,000
- 2 Runway End Safety Area \$9,100,000
- 3 Bio Security \$5,400,000
- 4 Terminal Building Roof Replacement \$4,000,000

In Progress

- 5 Airfield Lighting \$8,100,000
- 6 Combined Operations Building \$16,300,000
- 7 Air Terminal Building Expansion \$108,000,000
- 8 Airside Pavement Rehabilitation \$6,400,000

Upcoming

- 9 Aviation Infrastructure Lots
- 10 Airport Way Widening and Intersection Configuration
- 11 Apron Expansion

Child Care Facility

- ▶ Project Investment: \$3,800,000
- ▶ Project Timeline: Fall 2024
- ▶ Project Status: Open and Operational



- ▶ Facility is open and full - initiated a second funding application to expand into additional two classrooms

Airfield Lighting Control System

- ▶ Project Investment: \$300,000
- ▶ Project Timeline: Fall 2024
- ▶ Project Status: Procurement and Consultation Stages



- ▶ Interesting Fact: Nav Canada uses this system to control the various airfield lighting systems at YLW. They are controlled from YLW Control Tower and remotely from YYF (Penticton) Flight Service Station when the control tower closes for the night.

Airfield Lighting & Supporting Infrastructure

- ▶ Project Investment: \$8,100,000
- ▶ Project Timeline: Fall 2025
- ▶ Project Status: Consultation Stage



- ▶ Interesting Fact: The various airfield lighting systems are well over 20 years old and are reaching their end of life. This project will upgrade all airfield lighting systems at YLW to the most advanced systems available.

Combined Operations Building

- ▶ Project Investment: \$16,300,000
- ▶ Project Timeline: Completed late 2025
- ▶ Project Status: In Construction



- ▶ Interesting Fact: 50% funded by Transport Canada under the Airport Critical Infrastructure Program under grants secured during COVID 19.

Air Terminal Building Expansion

- ▶ Project Investment: \$108,000,000
- ▶ Project Timeline: Completed late 2026
- ▶ Project Status: In Construction



- ▶ Interesting Fact: Fully funded, designed, value engineered, and project managed by YLW.

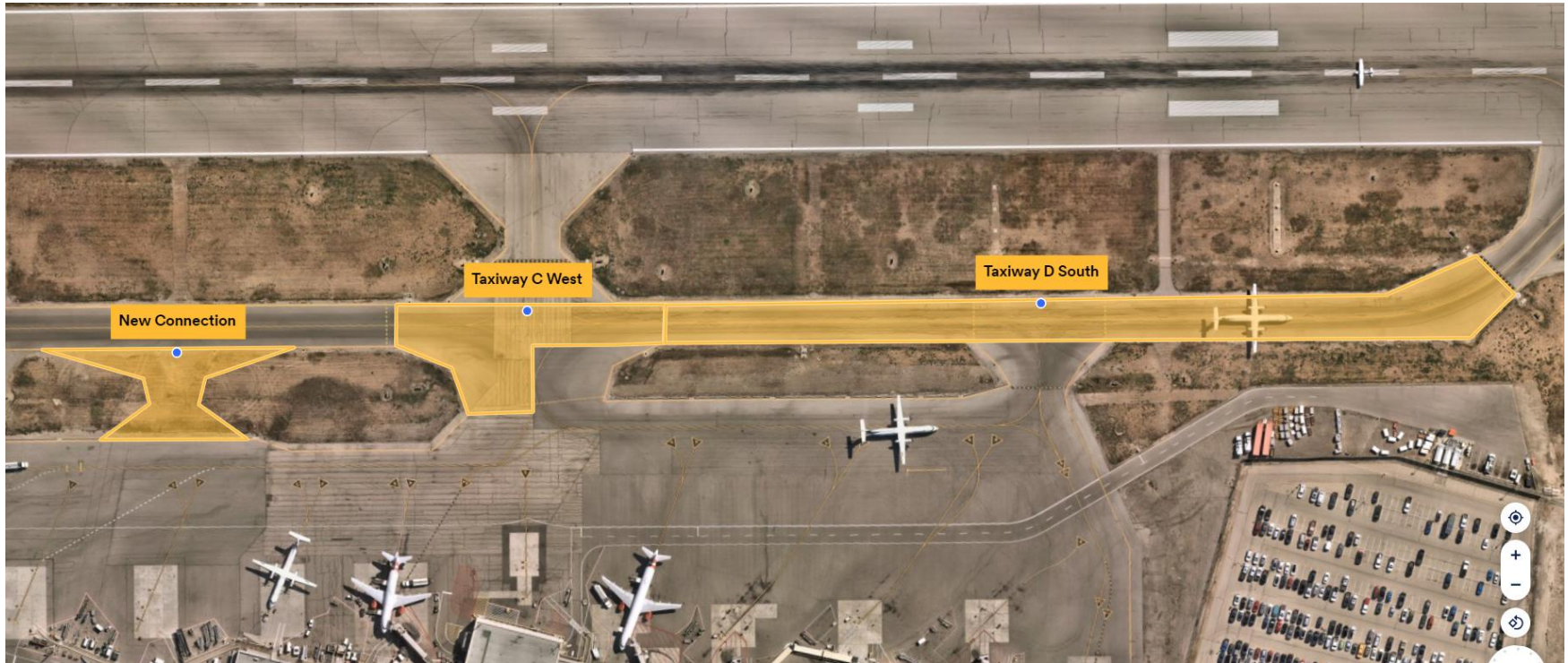
Air Terminal Building Expansion

May - Present Progress



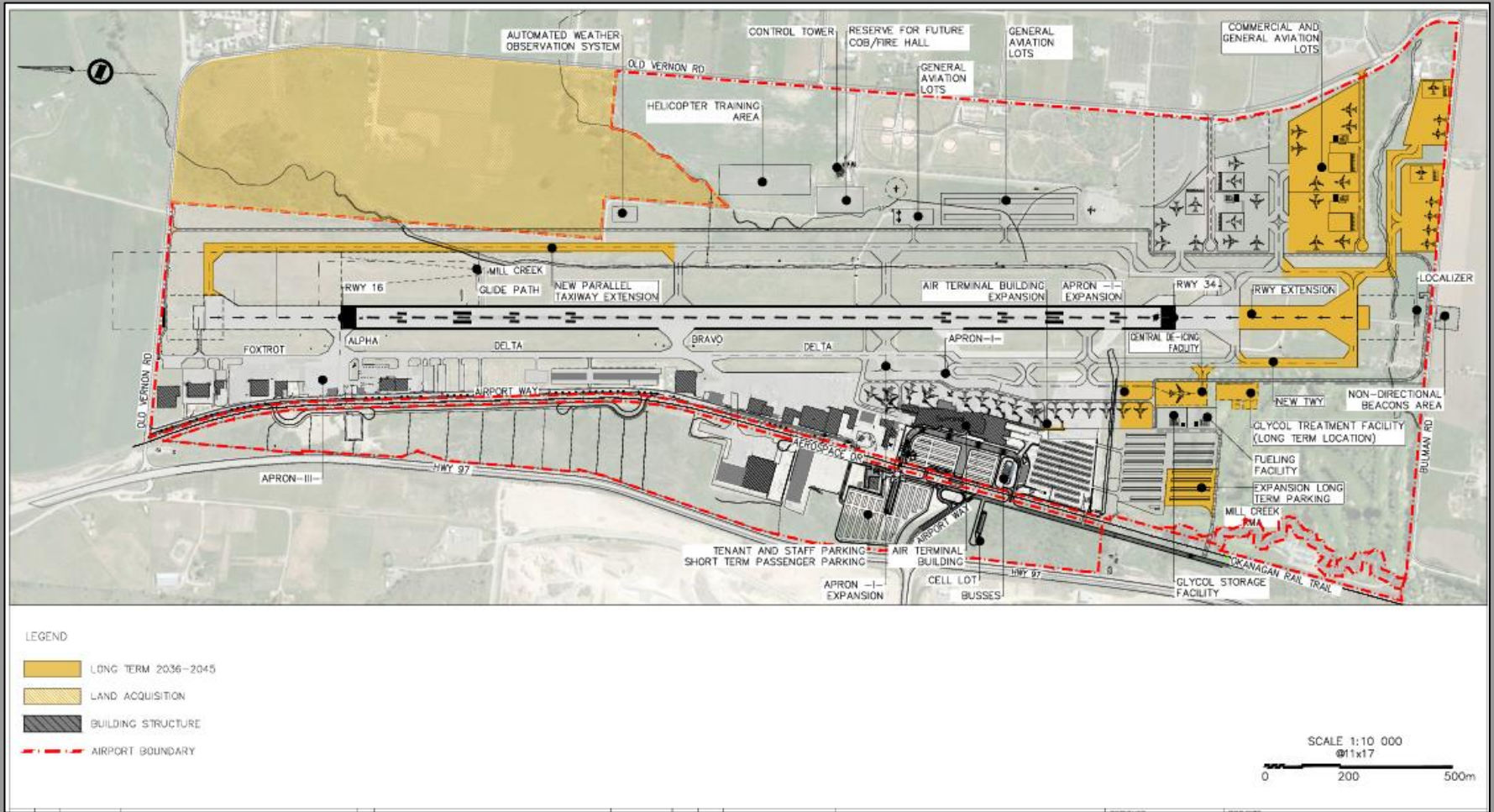
Airside Pavement Rehabilitation

- ▶ Project Investment \$6,400,000
- ▶ Project Timeline: Fall 2024
- ▶ Project Status: In Construction



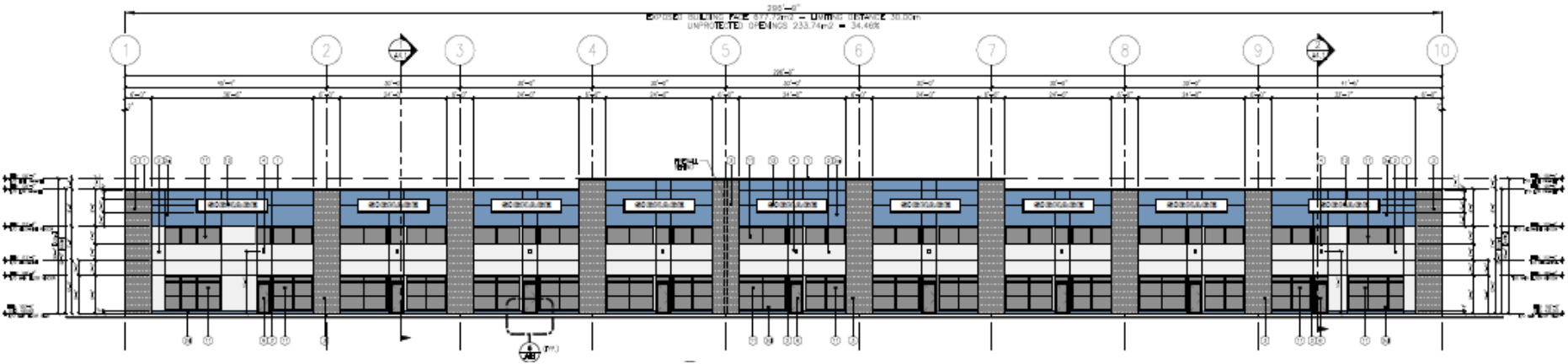
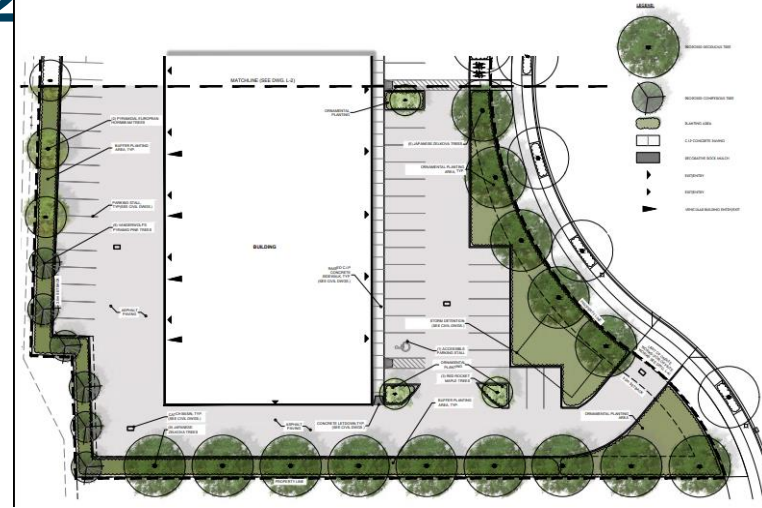
- ▶ Interesting Fact: Once completed, it will allow YLW to maintain at least two routes on/off Apron I during the construction of the western portion of Taxiway C.

Airport Development Lots



Hyatt Group – Lot 2

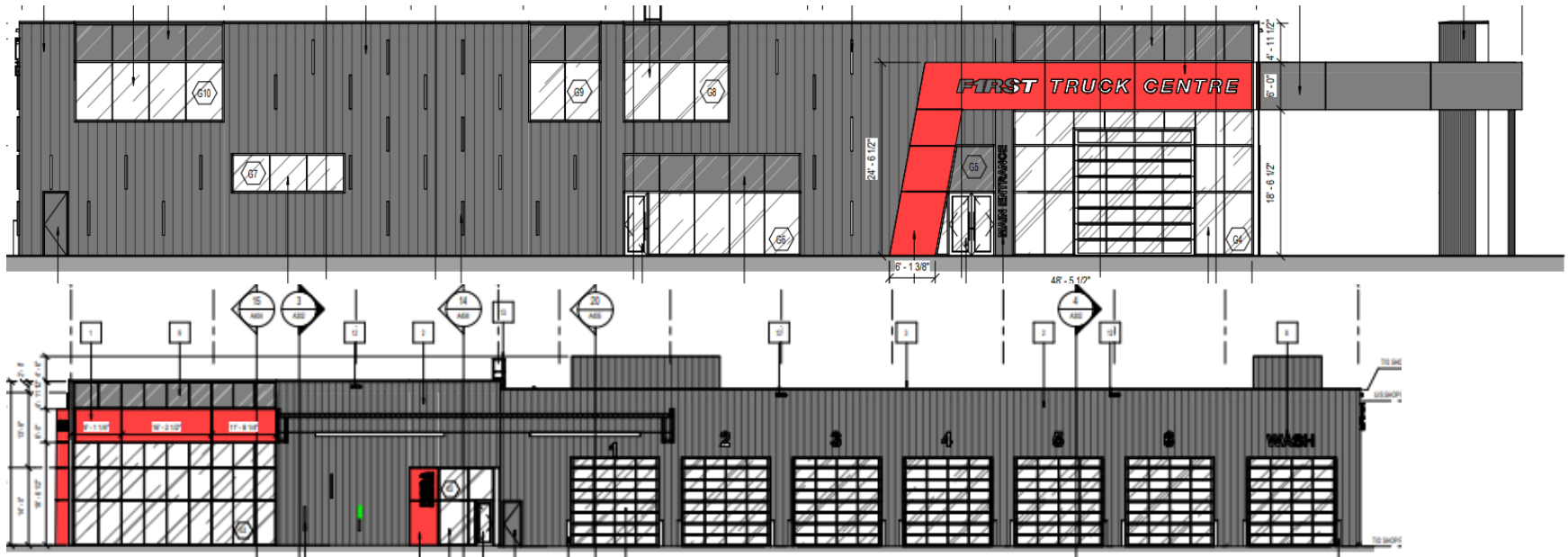
- ▶ Project Investment: \$4,000,000
- ▶ Project Timeline: Late Summer 2024
- ▶ Project Status: In construction



- ▶ Interesting Fact: 38,000 sq.ft. Industrial Warehouse with nine bays.

Velocity Truck Centre – Lot 1

- ▶ Project Investment: \$13,500,000
- ▶ Project Timeline: Complete late 2024
- ▶ Project Status: In Construction



- ▶ Interesting Fact: Service and sales with 19 service bays, focussed on zero emission trucks including hydrogen compressed natural gas (HCNG).

YLW Hotel

- ▶ Project Investment: \$100,000,000
- ▶ Project Timeline: 2025-2027
- ▶ Project Status: Planning Approvals



- ▶ Interesting Fact: This will be Kelowna's first five star hotel.

YLV Parkade

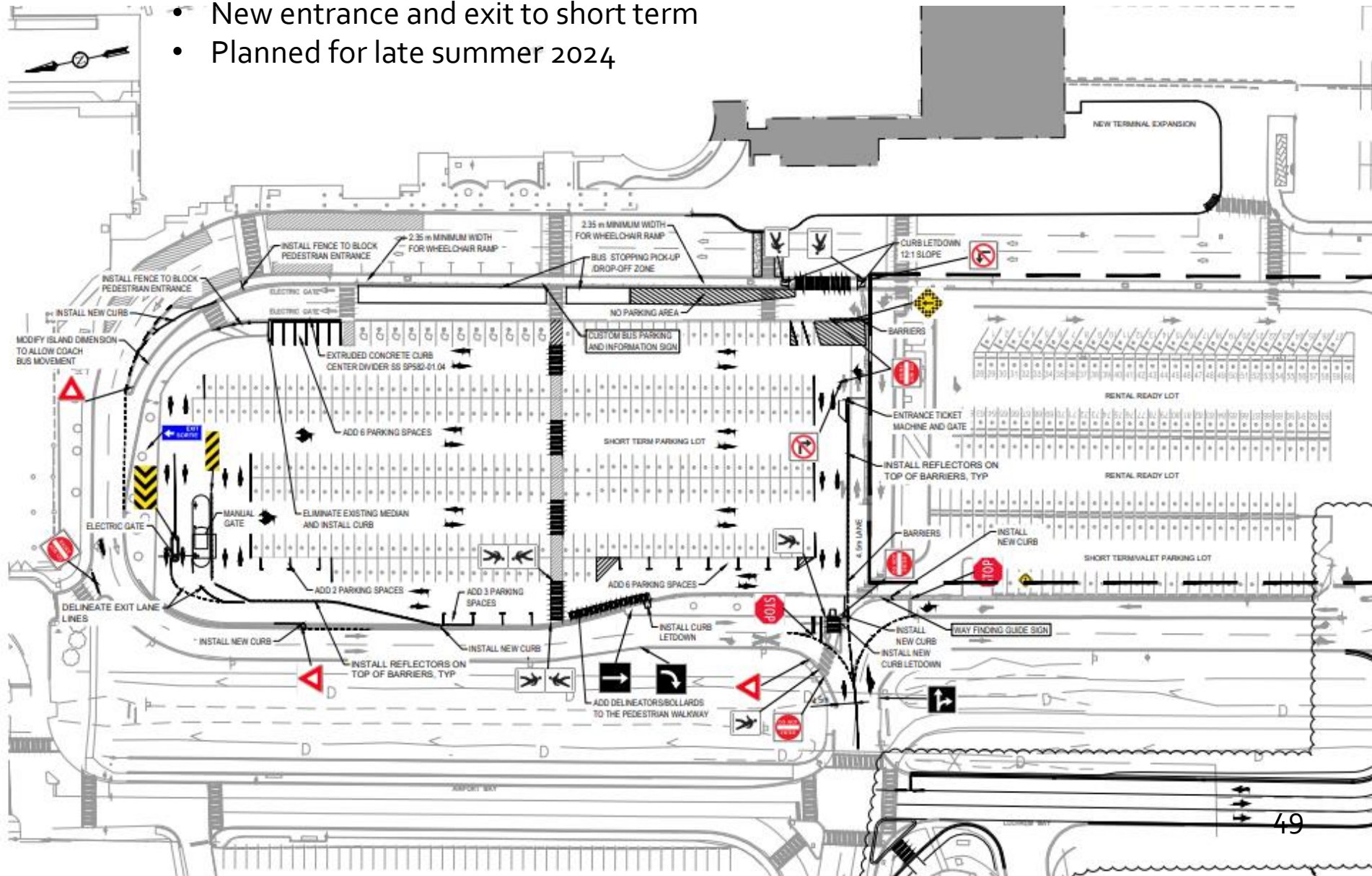
- ▶ Project Investment: \$55,000,000
- ▶ Project Timeline: 2025-2027
- ▶ Project Status: Planning Approvals



- ▶ Interesting Fact: The 1,100-stall parkade provides multi storey parking that reduces YLV's land requirement footprint.

Parking Lot Reconfiguration

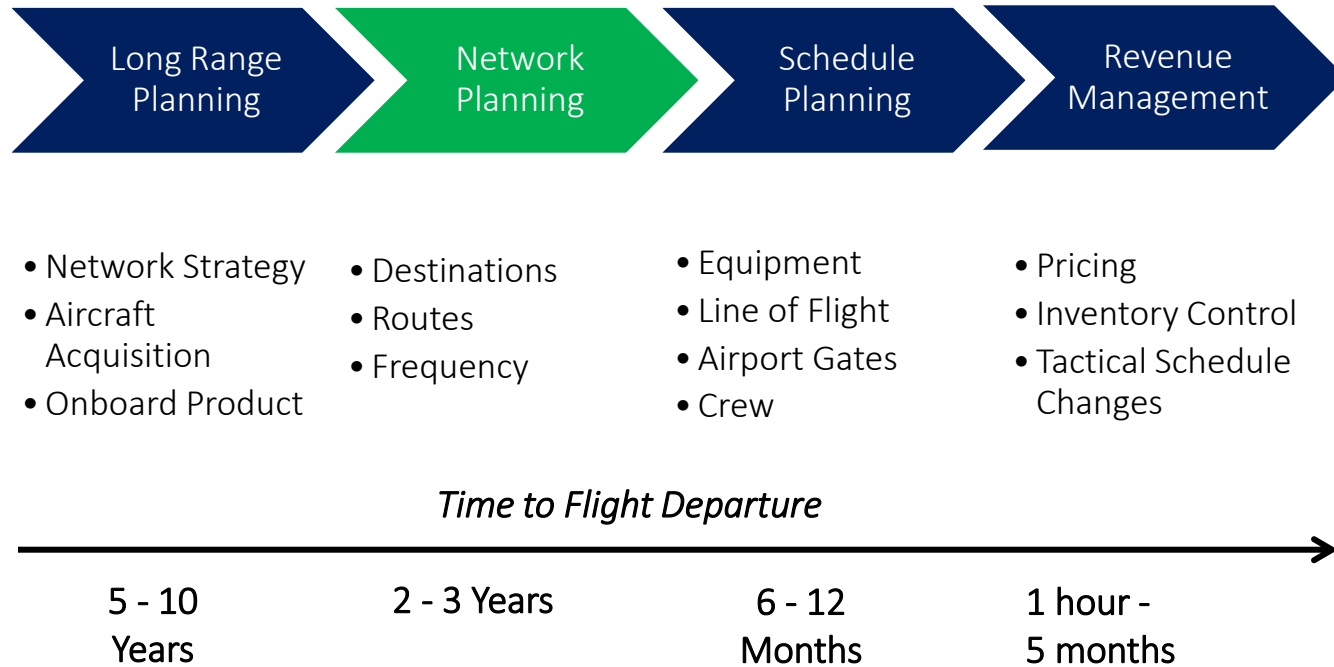
- New entrance and exit to short term
- Planned for late summer 2024



Air Service Development Overview



Airlines work on planning cycles

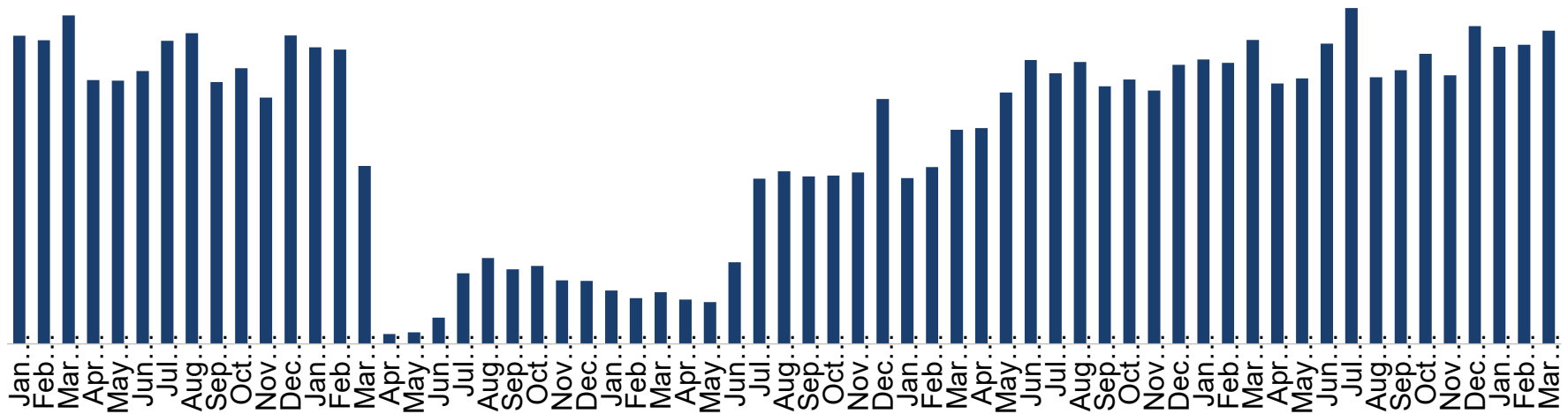


Passenger traffic continues to be strong at YLW

YLW Passenger Traffic by Month
Total Enplaned & Deplaned Passengers

101%

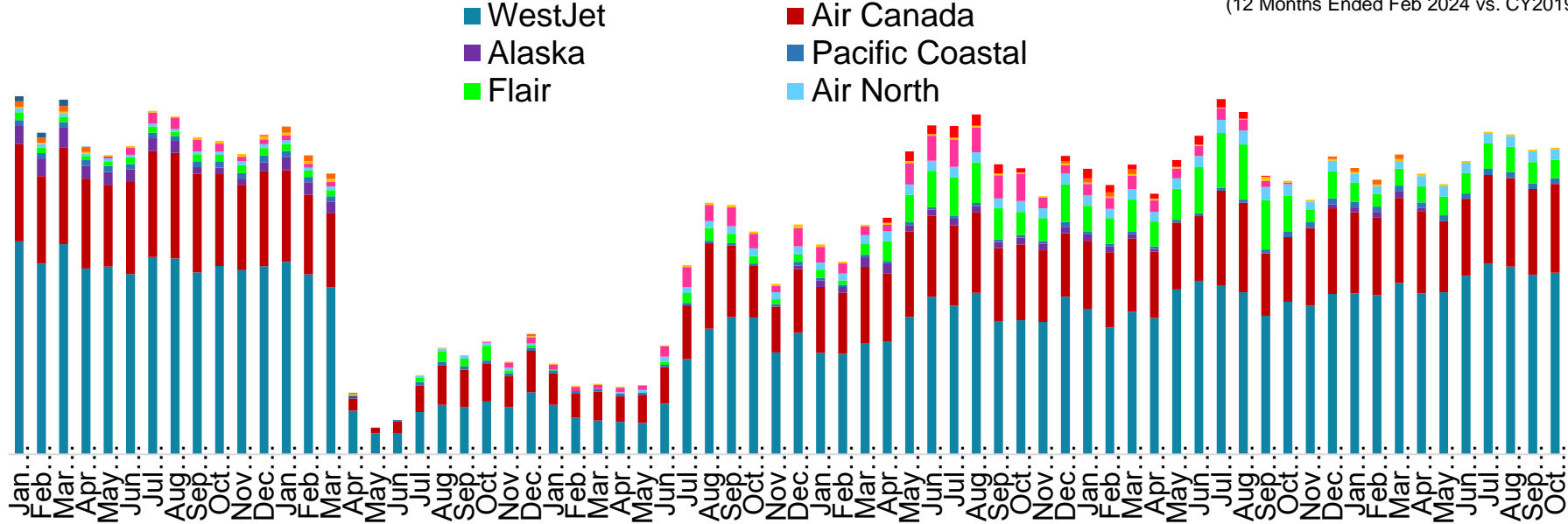
Passengers Recovered
(12 Months Ended Mar 2024 vs. Calendar Year 2019)



Source: Kelowna International Airport

However, overall seat capacity is lagging demand

YLW Seats by Airline
Both Directions

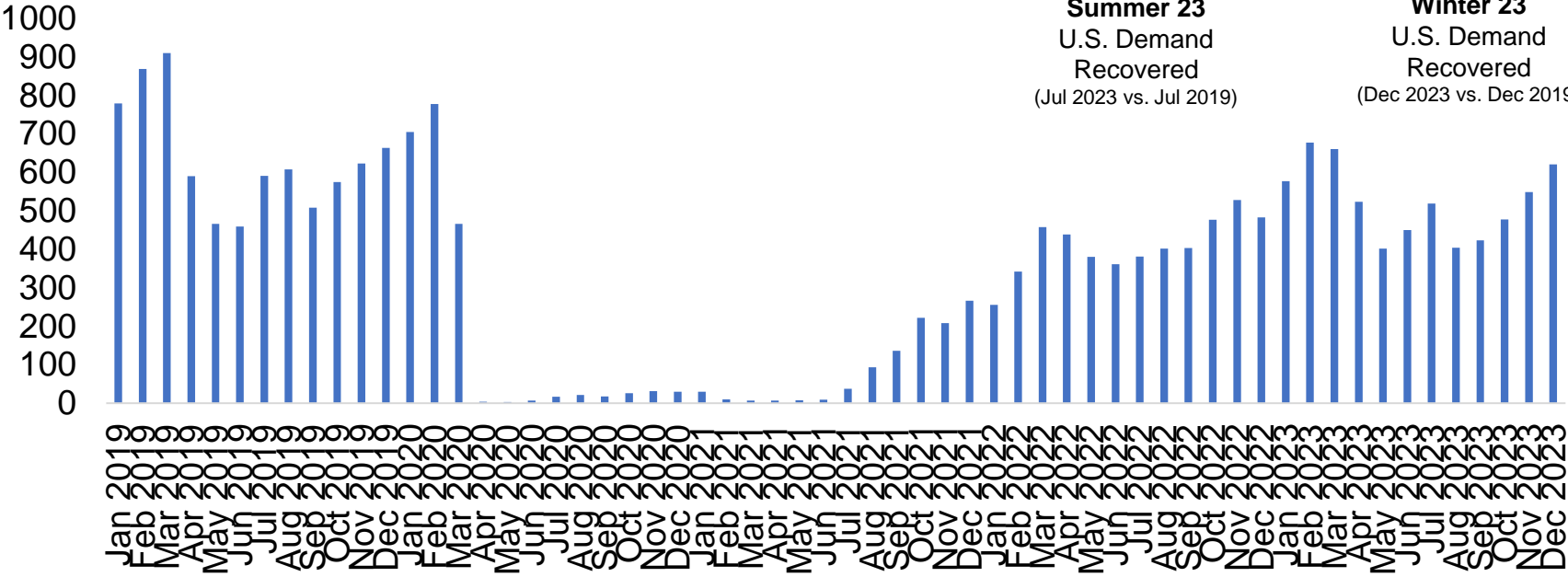


91%
Seats Recovered
(12 Months Ended Feb 2024 vs. CY2019)

Source: Innovata Schedules via Diio, as of Feb 2024.

Transborder market demand is almost fully recovered

Kelowna – U.S. Demand (Full Market Sizes)
 Passengers Daily Each Way (PDEW), Jan 2019 – Dec 2023



88% → **94%**

Summer 23
 U.S. Demand Recovered
 (Jul 2023 vs. Jul 2019)

Winter 23
 U.S. Demand Recovered
 (Dec 2023 vs. Dec 2019)

Source: Sabre MIDT Global Demand Database (GDD) as of Jan 2024 & InterVISTAS Leakage Study

YLW Kelowna 2024 Air Service Overview



2.03M
Passengers
(CY2023)



101%
Passengers Recovered
(TTM Mar 24 vs CY2019)



#10
Busiest airport
In Canada
(2019, 2023*)
*estimate



Air Service Update Air Canada



AIR CANADA

Capacity share (2024):



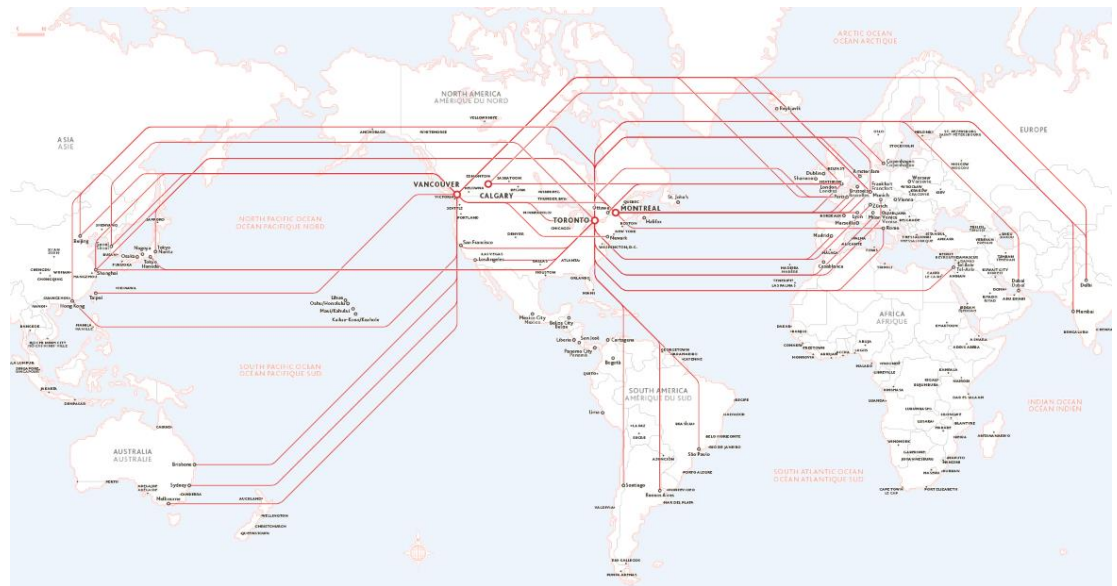
Routes (2024):

YYZ (hub), YUL (hub),
YVR (hub), YYC (focus city)

Aircraft (2024):

Regional turboprop,
narrow-body jet

- Focused on building global hubs – YYZ, YUL, and YVR.
- Adding capacity from YYZ and YVR to YLW with additional frequency and larger aircraft/
- Recently added:
 - Singapore-YVR
 - Madrid-YUL



Source: Innovata schedules, as of Apr 2024. * Summer only.



YLW Kelowna
International
Airport 56

Air Service Update WestJet



Capacity share (2024):



Routes (2024):

YYC (hub), YVR (hub light), YEG, YYJ, YYZ, YWG*, YQR*, YXE*, LAS, PHX, CUN, PVR, SJD

Aircraft (2024):

Regional turboprop, narrow-body jet

Returning to its roots – a Western leisure focused airline.

- YLW fits well with strategy and continues to perform well.
- Continuing to build up international network at YYC and YVR.
- 6/day YYC-YLW and 7/day YVR-YLW facilitate good connectivity.
- Swoop brand is gone and YYZ converted to WestJet mainline.

WestJet US and long-haul service at YYC and YVR.

- Atlanta
- Austin
- Barcelona
- Boston
- Chicago–O'Hare
- Denver
- Detroit
- Dublin
- Edinburgh
- Honolulu
- Houston–Intercontinental
- Kahului
- Kailua-Kona
- Las Vegas
- London–Heathrow
- Los Angeles
- Nashville
- New York–JFK
- Orange County
- Orlando
- Palm Springs
- Paris–Charles de Gaulle
- Phoenix–Sky Harbor
- Portland
- Reykjavík–Keflavík
- Rome–Fiumicino
- San Diego
- San Francisco
- Seattle
- Seattle/Tacoma
- Seoul–Incheon
- Tampa
- Tokyo–Narita
- Washington–Dulles

Source: Innovata schedules, as of Apr 2024. * Summer only.



Air Service Update Alaska



Capacity share (2024):



Routes (2024):

SEA (hub)

Aircraft (2024):

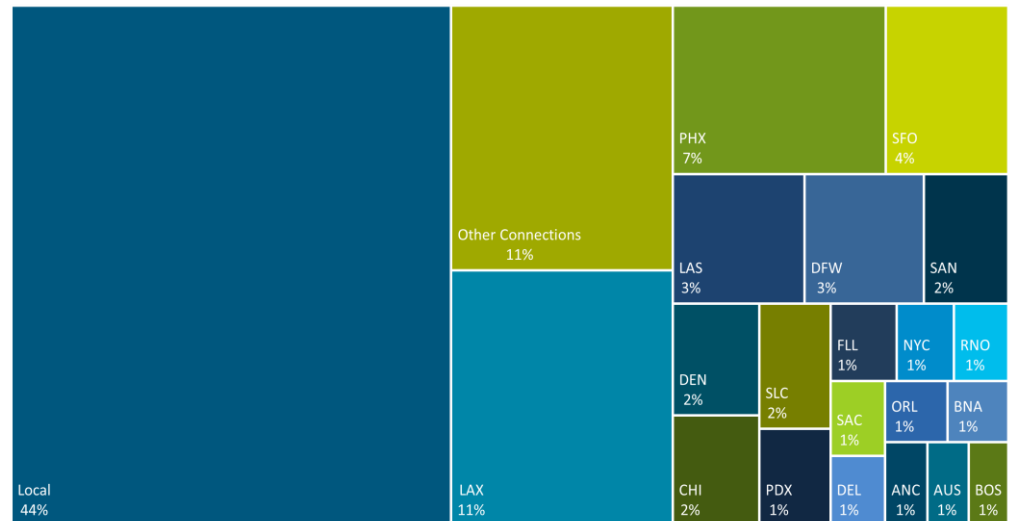
Regional jet

Not offering service in summer 2024 but returning for winter 2024/25.

- We are working with Alaska to get service reinstated for summer and improved for winter.
- Alaska indicate that YLW performed well, and will consider adding more frequency for winter.
- SEA hub offers global connectivity via Alaska membership in oneworld alliance.



Alaska Airlines YLW-SEA Onboard Passenger Composition
Share of Onboards Passengers by Market, Winter 2022/23 (Nov-Mar)



Source: Innovata schedules, as of Apr 2024. * Summer only.



Strategically focused on areas with the greatest impact

Priority	Market Segment	Target Markets	Rationale
1	Transborder	<ul style="list-style-type: none"> Western / Central US hub service Point-to-point large markets 	<ul style="list-style-type: none"> Large imbalance between demand and supply Service has not recovered since COVID With the exit of Alaska for the summer, YLW is without US hub service US is a major market for inbound and outbound travel
2	Domestic (excl. regional BC)	<ul style="list-style-type: none"> Improved hub connectivity Point-to-point secondary markets 	<ul style="list-style-type: none"> Domestic is the foundation of demand Rebound post-COVID has been strong, but still potential for additional service in big markets
3	Other International	<ul style="list-style-type: none"> Additional sun options 	<ul style="list-style-type: none"> Limited inbound potential in short-term (most opportunities are sunspot) Interest from airlines limited at this point
4	Regional BC	<ul style="list-style-type: none"> Unserved point-to-point business and leisure markets 	<ul style="list-style-type: none"> Relatively well served Smaller markets with less impact compared to other segments



Y^LW

Kelowna International Airport

Financial Overview



Financial Overview

2023 Statement of Financial Position

	Actual 2023	Actual 2022
		(Restated - Note 3)
Financial Assets		
Cash and cash equivalents	\$ 7,131	\$ 5,215
Accounts receivable	5,810	11,426
Portfolio investments (Note 4)	55,731	38,540
	<u>68,672</u>	<u>55,181</u>
Liabilities		
Accounts payable and accrued liabilities	11,698	5,951
Performance deposits	996	929
Deferred revenue	128	525
Long term payable (Note 5)	44	393
Debenture debt (Note 6)	7,373	9,675
Asset retirement obligations (Note 7)	542	422
	<u>20,781</u>	<u>17,895</u>
Net Financial Assets	<u>47,891</u>	<u>37,286</u>
Non-Financial Assets		
Prepaid expenses	241	226
Inventory	437	328
Work in progress (Note 8)	23,463	13,075
Tangible capital assets (Note 9)	153,716	147,729
	<u>177,857</u>	<u>161,358</u>
Accumulated Surplus	<u>225,748</u>	<u>198,644</u>
Accumulated surplus is comprised of		
Accumulated surplus (Note 10)	223,602	198,644
Accumulated remeasurement gains	2,146	-
Accumulated Surplus, end of year	<u>\$ 225,748</u>	<u>\$ 198,644</u>



Financial Overview

2023 Statement of Operations and Accumulated Surplus

	Budget 2023	Actual 2023	Actual 2022
			(Restated - Note 3)
Revenue			
Sale of services (Note 14)	\$ 26,049	\$ 25,188	\$ 22,642
Interest earned	132	1,917	1,010
Government transfers (Note 15)	11,922	5,178	7,784
Actuarial increase	-	404	332
	<u>38,103</u>	<u>32,687</u>	<u>31,768</u>
Airport improvement fee (Note 13)	<u>24,406</u>	<u>22,892</u>	<u>19,432</u>
	<u>62,509</u>	<u>55,579</u>	<u>51,200</u>
Expenses (Note 16)			
Administration	5,977	4,960	4,246
Interest	584	584	584
Terminal operations	5,973	7,661	6,330
Airport improvement fee	-	6,041	5,499
Airport policing	230	230	183
Groundside operations	5,117	5,792	4,799
Airside operations	4,529	5,140	4,741
Write-down of tangible capital assets	-	213	38
	<u>22,410</u>	<u>30,621</u>	<u>26,420</u>
Annual Surplus	<u>\$ 40,099</u>	<u>24,958</u>	<u>24,780</u>
Accumulated surplus, beginning of year		<u>198,644</u>	<u>173,864</u>
Accumulated surplus, end of year		<u>\$ 223,602</u>	<u>\$ 198,644</u>



Financial Overview

2023 Statement of Cash Flows

	Actual 2023	Actual 2022
		(Restated - Note 3)
Net inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Annual surplus	\$ 24,958	\$ 24,780
Adjustment for non-cash items		
Amortization of tangible capital assets	8,864	8,162
Accretion on asset retirement obligation	20	20
Actuarial adjustment on debenture debt	(404)	(332)
Writedown of tangible capital assets	213	38
Unrealized gains on portfolio investments	2,146	-
(Increase) decrease in assets		
Accounts receivable	5,616	(4,821)
Inventory and prepaid expenses	(124)	30
(Decrease) increase in liabilities		
Accounts payable and accrued liabilities	5,747	3,526
Performance deposits	67	711
Deferred revenue	(397)	90
	<u>46,706</u>	<u>32,204</u>
Capital		
Acquisition of tangible capital assets	<u>(25,352)</u>	<u>(19,588)</u>
Investing		
Change in portfolio investments	<u>(17,191)</u>	<u>(10,143)</u>
Financing		
Decrease in long term payable	(349)	(350)
Repayment of debenture debt	(1,898)	(1,897)
	<u>(2,247)</u>	<u>(2,247)</u>
Net increase in cash and cash equivalents	<u>1,916</u>	<u>226</u>
Cash and cash equivalents, beginning of year	<u>5,215</u>	<u>4,989</u>
Cash and cash equivalents, end of year	<u>\$ 7,131</u>	<u>\$ 5,215</u>





Kelowna International Airport

Recommendations



Recommendations

- ▶ THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on May 29, 2024.

Questions?

For more information, visit ylw.kelowna.ca.



Y.L.W. Infrastructure Projects

Y.L.W. Projects & Investments



Private Investment

- 12 First Truck \$27,000,000
- 13 Hyatt Investment \$7,500,000
- 14 KF Centre for Excellence \$25,000,000
- 15 YLW Hotel \$100,000,000
- 16 YLW Parkade \$55,000,000

Completed

- 1 YLW Childcare Facility \$3,800,000
- 2 Runway End Safety Area \$9,100,000
- 3 Bio Security \$5,400,000
- 4 Terminal Building Roof Replacement \$4,000,000

In Progress

- 5 Airfield Lighting \$8,100,000
- 6 Combined Operations Building \$16,300,000
- 7 Air Terminal Building Expansion \$108,000,000
- 8 Airside Pavement Rehabilitation \$6,400,000

Upcoming

- 9 Aviation Infrastructure Lots
- 10 Airport Way Widening and Intersection Configuration
- 11 Apron Expansion

Y.L.W. is expanding the airport to better meet the needs of our growing region. Our multi-year expansion plans include our largest terminal expansion to date, fully serviced lots for light industrial and commercial business, new parking options, safety and sustainability upgrades, and much more.

Between 2024 and 2033, Y.L.W. will invest approximately \$422 million in upgrades to airport infrastructure. The expansion is funded through airport revenues and Airport Improvement Fees and is not funded by tax dollars.

YLV Infrastructure Projects

Child Care Facility

Project Investment: \$3,800,000

Project Status: Facility is open and at capacity – a second funding application has been initiated to expand into an additional two classrooms.

The Kelowna Airport YMCA Child Care Facility is a response to the community's high need for childcare spaces, as Kelowna continues to experience exponential growth, and in support of our strong aviation economic sector. YLV and the City of Kelowna partnered with the YMCA of Southern Interior BC and KF Aerospace (KFA) to build a new licensed childcare facility on the YLV campus. The project supports families who work on the YLV campus, including KFA the city's largest employer, by providing access to 86 new quality, affordable and inclusive childcare spaces. Access to reliable and affordable childcare close to the workplace will continue to remove return to work barriers and to encourage diversity in the aviation trade and sector workforce. The success of this project required funding through the Childcare BC New Spaces Fund.



YLV Infrastructure Projects

Runway End Safety Area

Project Investment: \$9,100,000
 Project Status: Complete

The project designed and constructed the Runway End Safety Area (RESA) at runways 16 and 34 in compliance with federal regulation. Proposed amendments to the Canadian Aviation Regulations requires Canadian-certified aerodromes to extend their current safety area from the existing mandated 60 m to a minimum of 150 m at the ends of runways that serve scheduled commercial passenger-carrying flights.



Biosecurity Testing Facility

Project Investment: \$5,400,000
 Project Status: Complete

The Biosecurity Testing Facility project invested in infrastructure that enabled testing to address the risks of introduction and transmission of COVID-19 and future viruses to passengers, employees and the community. The project’s focus on technology development and an application that can integrate with ArriveCAN and other applications improved the flow of information and assisted with notifications and provision of health credentials. Ultimately, this project enabled economic and physical recovery from the air travel restrictions associated with the COVID-19 pandemic.

Terminal Building Roof Replacement

Project Investment: \$4,000,000
 Project Status: Complete

The public and employees at YLV are protected by 31 separate roof areas. As most of the roof had reached the end of its useful life, YLV embarked upon a multi-year project to replace the existing Airport Terminal Building (ATB) roof with a higher insulation value assembly thus making it more energy efficient and providing the additional benefit of reducing greenhouse gas emissions. The project demonstrates environmental leadership in the Okanagan and aligns with the Federal government’s commitment to meet its net-zero emissions target by 2050.

YLV Infrastructure Projects

Airfield Lighting Infrastructure

Project Investment: \$8,100,000
Project Timeline: Fall 2025
Project Status: Construction Stage

The purpose of this project is to complete an airfield lighting feasibility assessment and design for an upgrade to the current airfield lighting systems and supporting infrastructure for Runway 16/34. The airfield lighting systems is a critical safety component of operating a safe and efficient airport. This project will require the replacement and realignment of all the airports airfield lighting and increasing the intensity from medium to high.

Interesting Fact: The various airfield lighting systems are well over 20 years old and are reaching their end of life. This project will upgrade all airfield lighting systems at YLV to the most advanced systems available.



Combined Operations Building

Project Investment: \$16,300,000
Project Timeline: Late 2025
Project Status: In Construction

The Combined Operations Building (COB) is critical to house all the people, equipment, and infrastructure required to provide emergency and maintenance services to YLV. The ultimate benefit will be improved efficiencies in aircraft rescue, fire fighting, snow clearance, and operational responses to ensure the highest safety standards. The Airport Operations Centre will be strategically located to maximize visibility to airside surfaces which will assist in providing efficient and timely responses. An Emergency Coordination Centre will be housed adjacent to the Operations Centre to ensure efficient emergency communication.

Interesting Fact: 50% funded by Transport Canada under the Airport Critical Infrastructure Program under grants secured during COVID 19.



YLV Infrastructure Projects

Air Terminal Building Expansion

Project Investment: \$108,000,000

Project Timeline: Late 2026

Project Status: In Construction

As a regional economic hub, the capacity of YLV is vital to support flights to move people and goods throughout the Okanagan region and beyond. This critical terminal expansion project will increase capacity by making efficient use of the existing and new spaces, while minimizing environmental footprints and overall costs.

The Air Terminal Building (ATB) expansion project will allow YLV to handle a greater number of flights and passengers while implementing necessary infrastructure to handle larger aircraft. The expansion will aid in the growth of air cargo activity to increase the export of fresh, high value and time sensitive products from the Central Okanagan to key overseas markets such as Asia and Europe. By stimulating air cargo demand, this project will benefit both the transportation and agriculture sectors by helping to alleviate the stress on the regional highway system while providing local producers efficient means for their time sensitive products to reach global markets. In addition, it will assist in bio health management in the terminal by allowing for significant improvements in operations and efficiency of movement of people and goods.



Interesting Fact: The ATB expansion project funded, designed, value engineered, and project managed by YLV.

MassTimber

YLV received the Forestry Innovation and Investment Mass Timber Demonstration Grant, in fall 2021, as the design of the structure was directly developed to utilize and promote the BC mass timber industry and develop innovative approaches for construction with mass timber materials.

YLV Infrastructure Projects

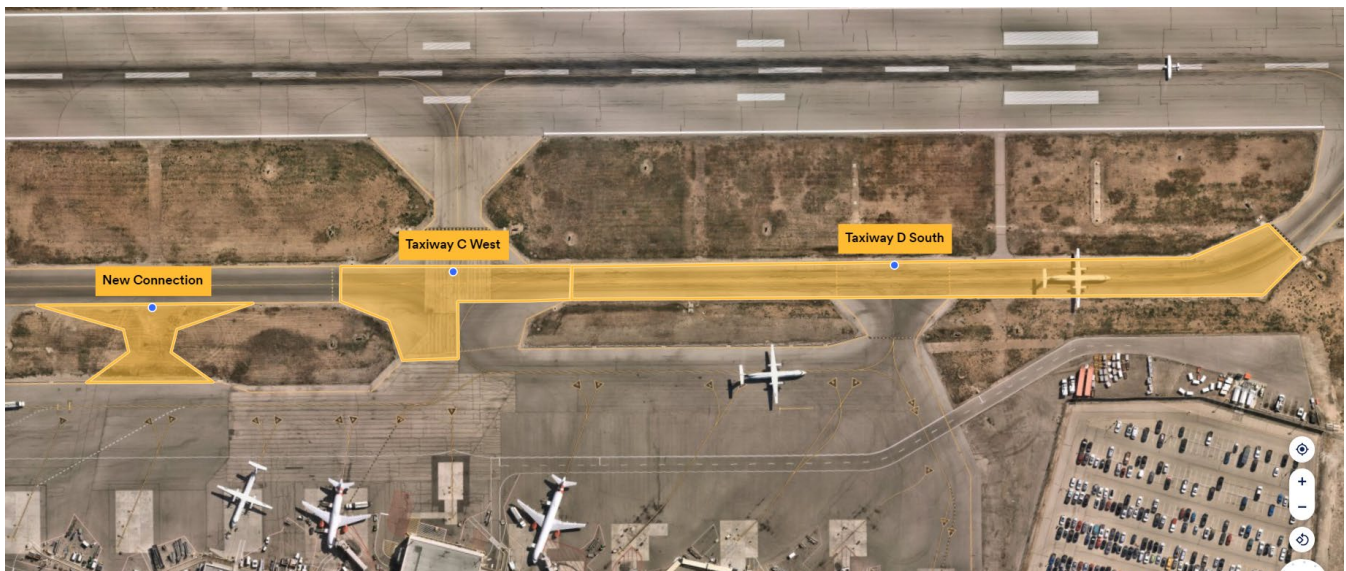
Airside Pavement Rehabilitation

Project Investment: \$6,400,000

Project Timeline: Fall 2024

Project Status: In Construction

The purpose of this multi-year project is to address the deterioration of asphalt on taxiways at YLV. The project will minimize impacts to critical infrastructure and the health and safety of passengers, by ensuring that significant disruptions related to airport operations due to failed pavement structures and/or Foreign Object Damage (FOD), are never realized or are reduced. In addition, the creation of a new taxiway will increase efficiency and capacity of aircraft arrivals.

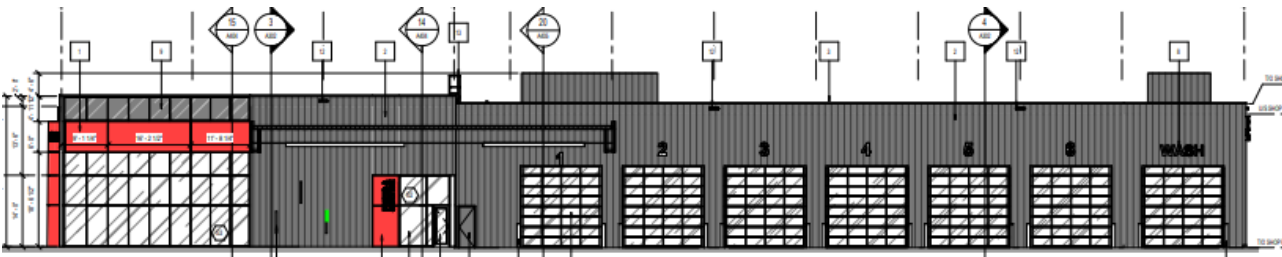


Y.L.W. Infrastructure Projects

Velocity Truck Centre – Lot 1

Project Investment: \$13,500,000
 Project Timeline: Late 2024
 Project Status: In Construction

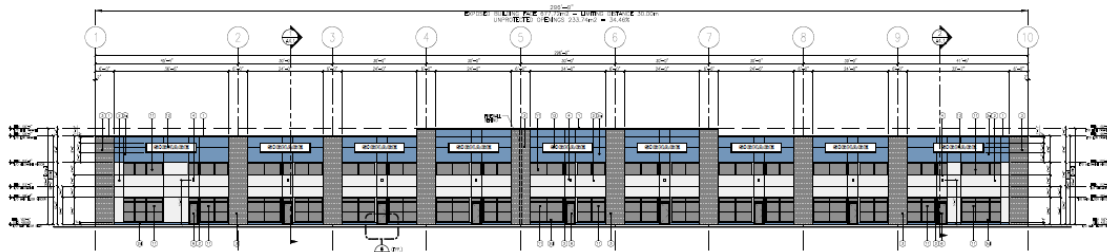
Interesting Fact: Service and sales with 19 service bays, focused on zero emission trucks including hydrogen compressed natural gas (HCNG).



Hyatt Group – Lot 2

Project Investment: \$4,000,000
 Project Timeline: Summer 2024
 Project Status: In Construction

Interesting Fact: 38,000 sq.ft. Industrial Warehouse with nine bays.



YLV Infrastructure Projects

YLV Hotel

Project Investment: \$100,000,000

Project Timeline: 2025-2027

Project Status: Planning Approvals

Interesting Fact: This will be Kelowna's first five star hotel.



YLV Parkade

Project Investment: \$55,000,000

Project Timeline: 2025-2027

Project Status: Planning Approvals

Interesting Fact: The 1,100-stall parkade provides multi storey parking that reduces YLV's land requirement footprint.

