



YLW

Kelowna International Airport

Council Report Soaring Beyond 2.5 Million Passengers AIF Program

December 10, 2018

Agenda

- ▶ Background
- ▶ Soaring Beyond 2.5 Million Passengers AIF Program



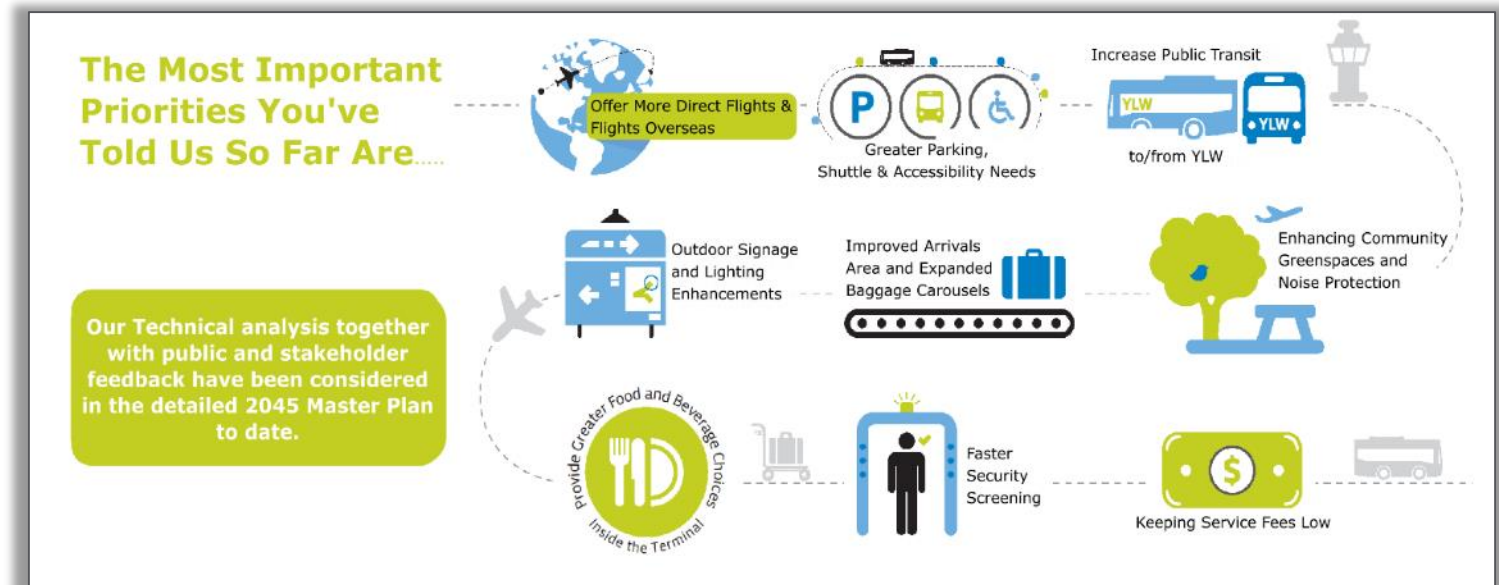
YLW

Kelowna International Airport

Background

Background

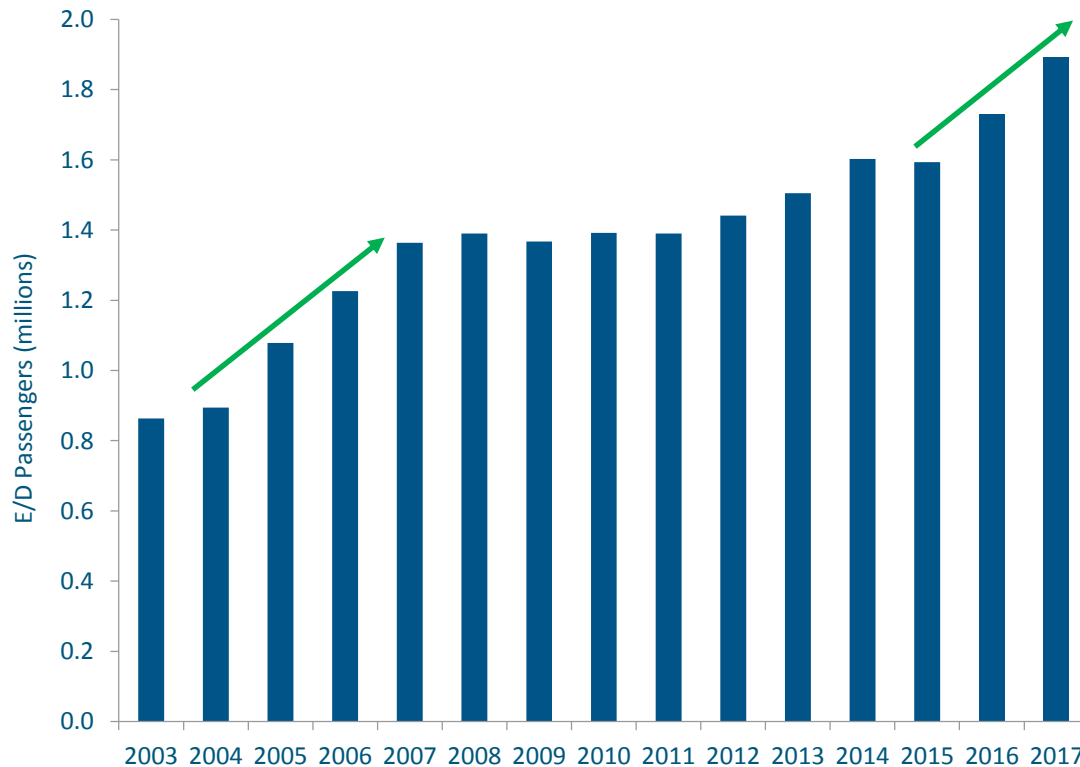
- ▶ 2045 Master Plan
 - ▶ Approved by Council in 2016
 - ▶ Priorities



Background

► Passenger Traffic

► 2018 – exceed 2 million passengers



38% growth 2013 - 2018

Background

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

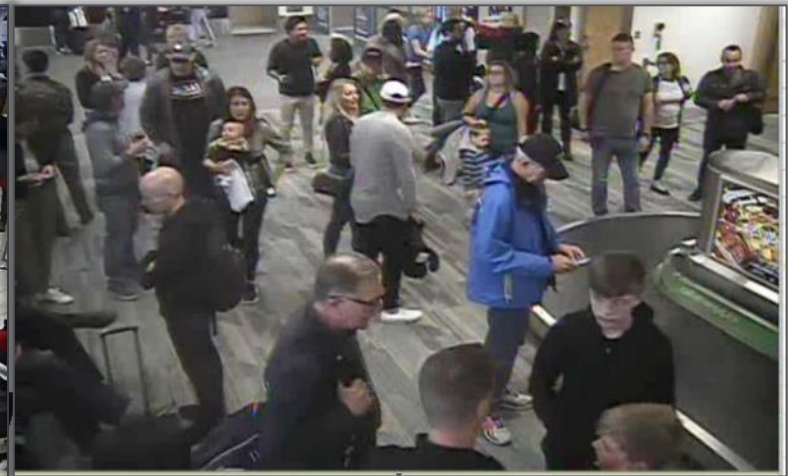
Departures



Pre-board screening



Arrivals





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Kelowna International Airport

Soaring Beyond 2.5 Million Passengers AIF Program

Soaring Beyond 2.5 Million Passengers

- ▶ Presented to the AAC
 - ▶ AAC in support of Soaring Beyond 2.5 Million Passengers AIF Program
- ▶ Consultation with the ACC
 - ▶ ACC has endorsed the first phase of Soaring Beyond 2.5 Million Passengers

Project	Cost (Millions)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Terminal Expansion - Phase 1	50.2											
Runway End Safety Area	7.8											
Terminal Expansion - North Bridge	4.2											
Self- Serve Baggage Drop	1.6											
Loading Bridges	3.0											
Apron Expansion	16.6											
Combined Operations Building	10.4											
CUTE/CUSS	2.8											
Terminal Expansion - Phase 2	33.4											
Airside Pavement Rehabilitation	41.8											
Airside Equipment	11.2											
Total	183.0											

Legend

- Design
- Construction

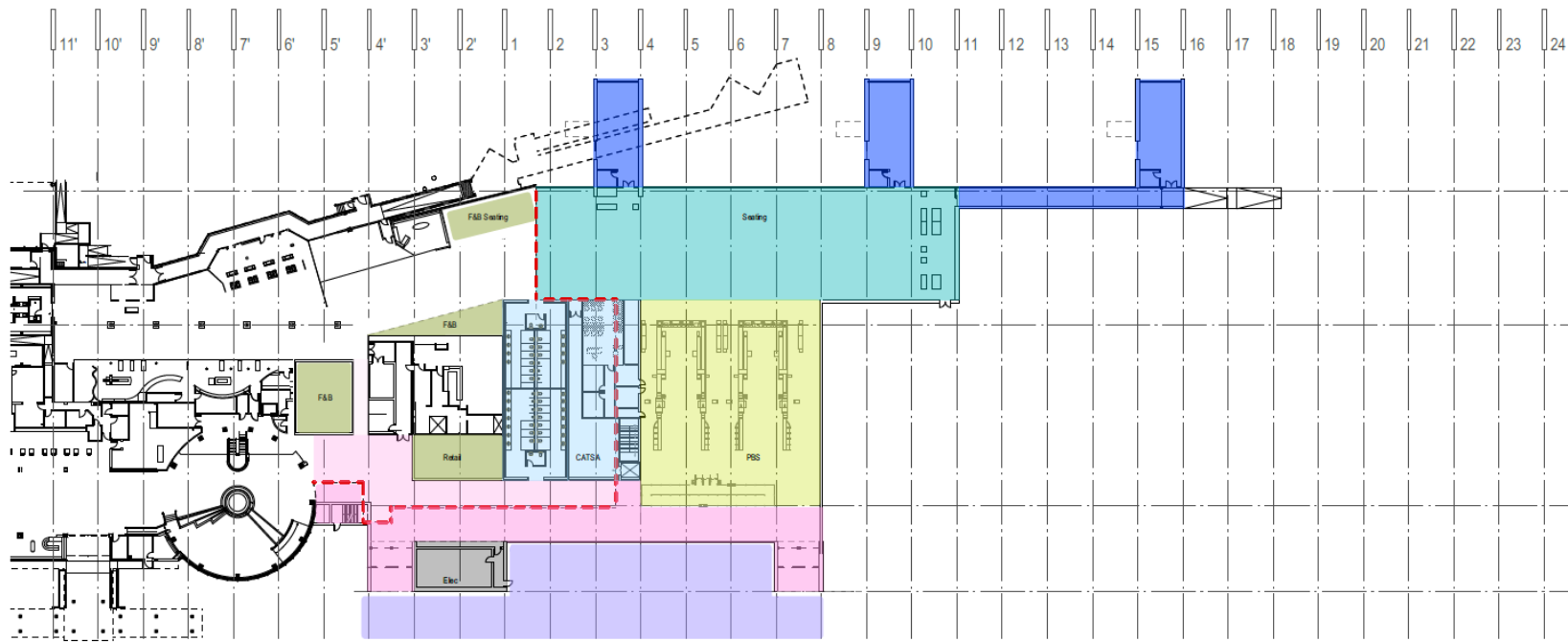
Development

- ▶ Terminal Expansion – Phase 1 (\$50.2 million)
 - ▶ 2020 – commencement of construction
 - ▶ 2022 – completion of construction
 - ▶ Issues being addressed
 - ▶ Departures lounge – increase operational capacity
 - ▶ Pre-board screening – reduction in wait times
 - ▶ Way finding - 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 (\$50.2 million)

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

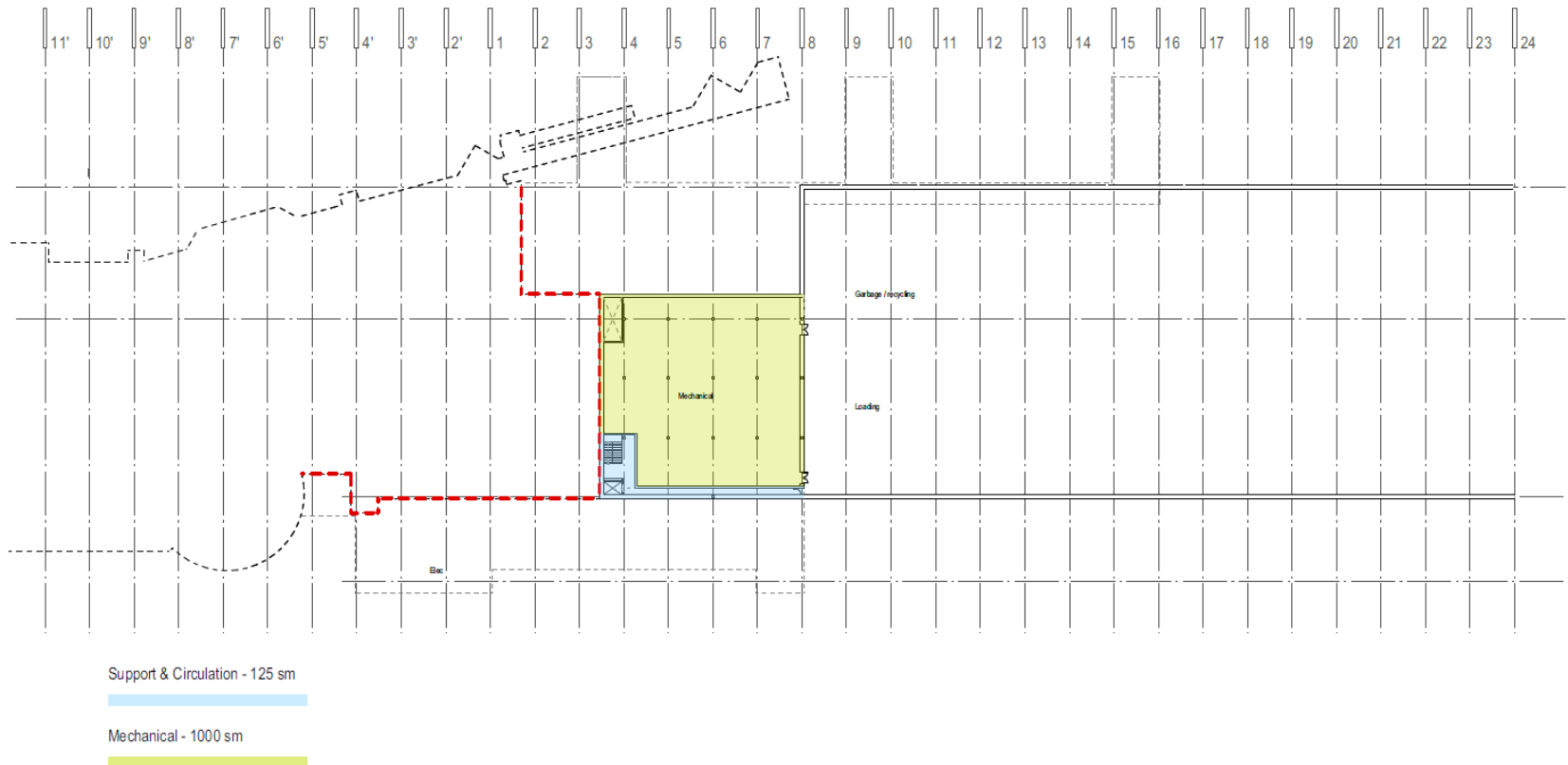
Support & Storage - 650 sm

Mech/Elec I.T. - 120 sm

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 1 (\$50.2 million)

01 ATB - PHASE 1 Lower Floor Plan - South End



Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – Phase 1 (\$50.2 million)



Soaring Beyond 2.5 Million Passengers

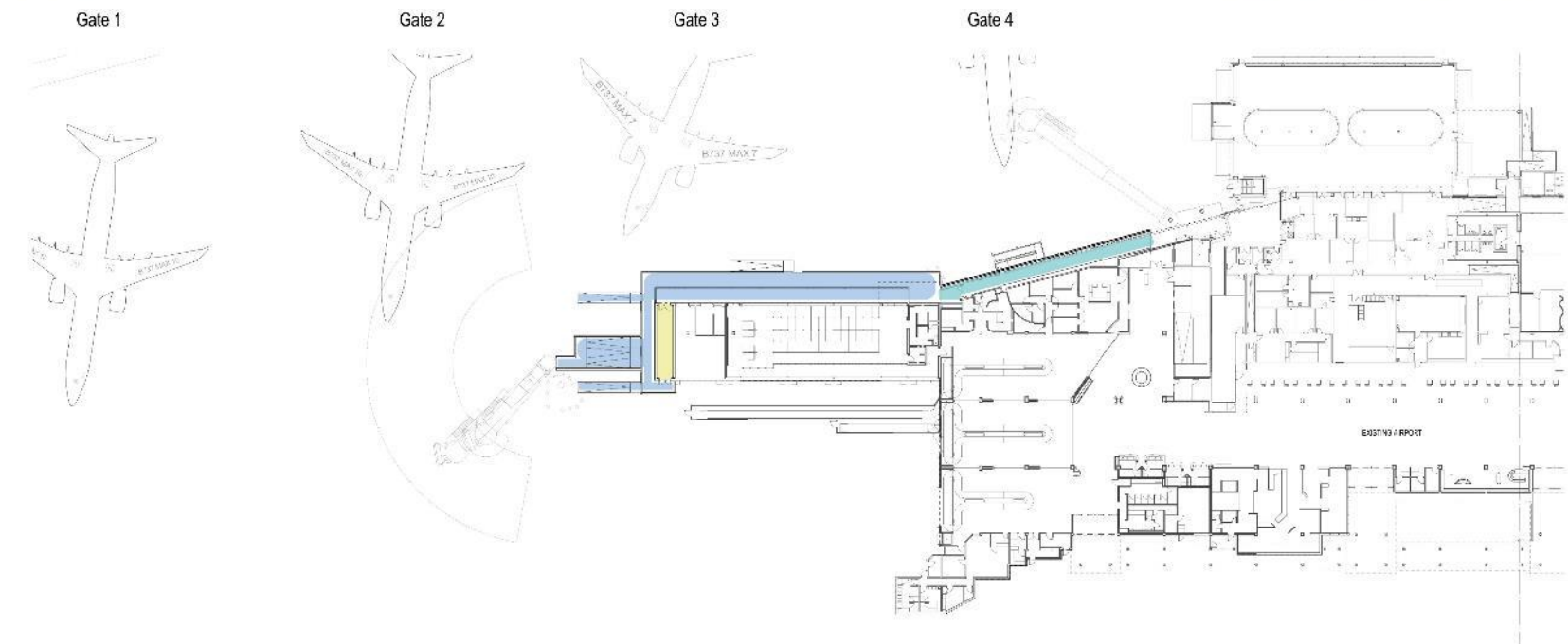
- ▶ Terminal Expansion – North Bridge (\$4.2 million)
 - ▶ 2021 – commencement and completion of construction
 - ▶ Issues being addressed
 - ▶ Simultaneous domestic and international arrivals - mitigation of operational constraints

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – North Bridge (\$4.2 million)

01 ATB - PHASE NORTH Main Floor Plan - North End

DRAFT



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



Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – Phase 2 (\$33.4 million)
 - ▶ 2024 – commencement of construction
 - ▶ 2025 – completion of construction
 - ▶ Issues being addressed
 - ▶ Arrivals and baggage carousels – increase in operational capacity
 - ▶ Improved way finding – second step in elimination of airside corridor
 - ▶ Walking distances - second step in reduction

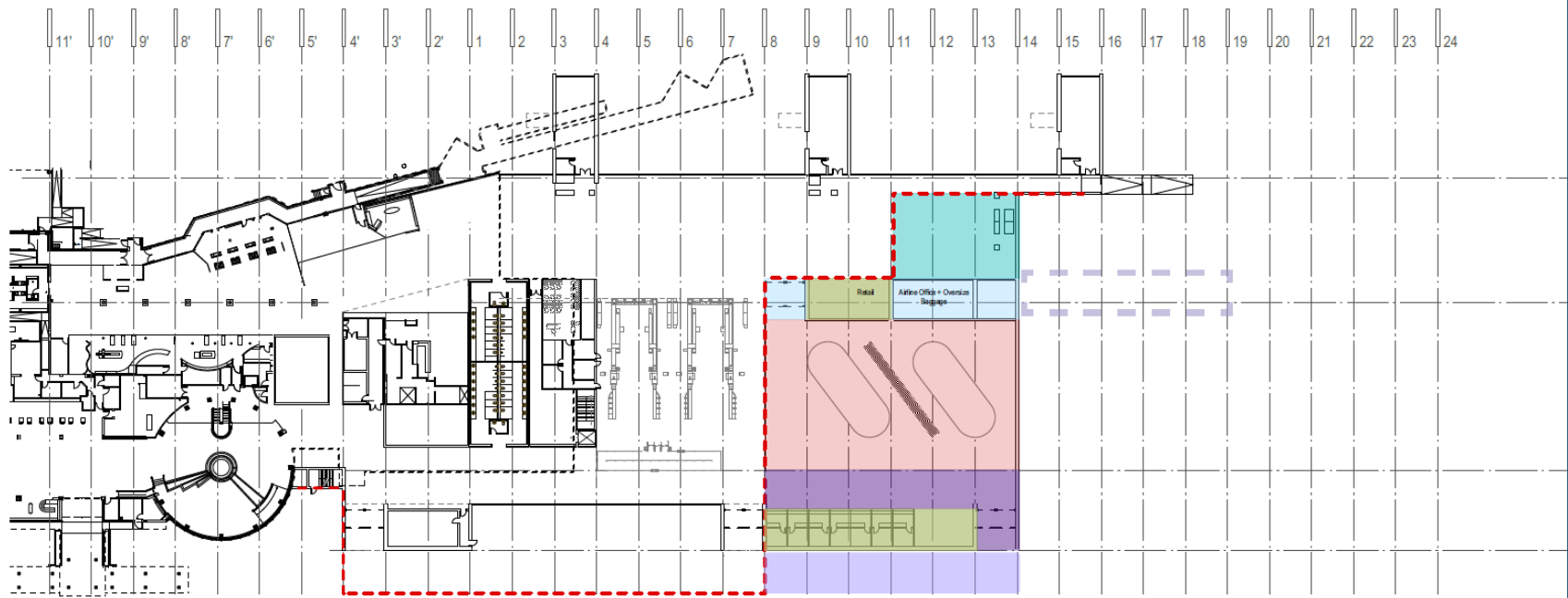
Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 2 (\$33.4 million)

01

ATB - PHASE 2

Main Floor Plan - South End



Holdroom Addition - 320 sm

Domestic Baggage - 1150 sm

Canopy Addition

Arrivals Meet & Greet - 360 sm

Support & Storage - 215 sm

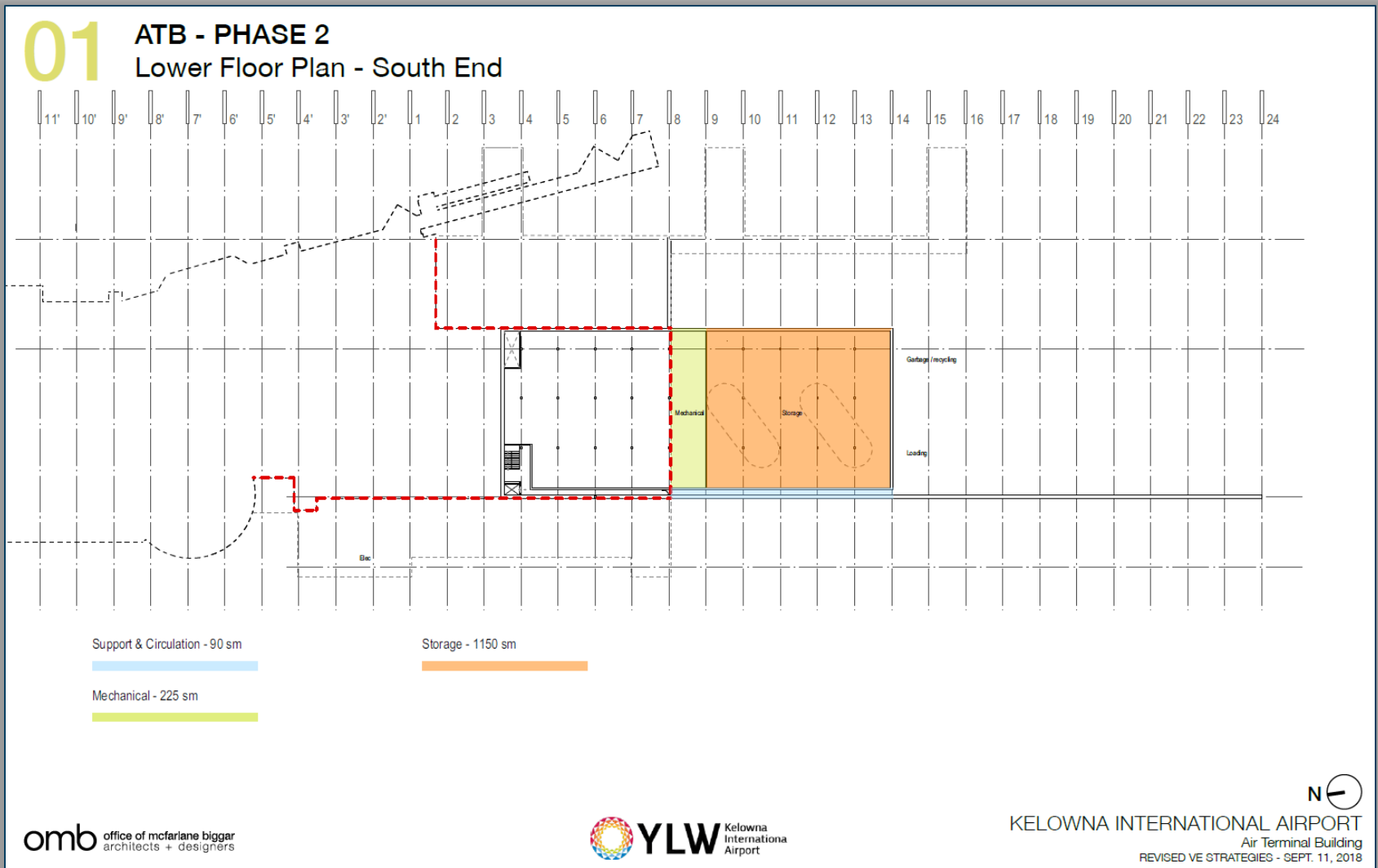
Concession - 365 sm

Additional Airside Canopy for In-bound Baggage Induction Belts - 260 sm



Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 2 (\$33.4 million)



Soaring Beyond 2.5 Million Passengers

- ▶ Self-serve Baggage Drop (\$1.6 million)
 - ▶ Construction: 2021 – 2023
 - ▶ Issues being addressed
 - ▶ Improved customer service



Soaring Beyond 2.5 Million Passengers

► Loading Bridges (\$3.0 million)

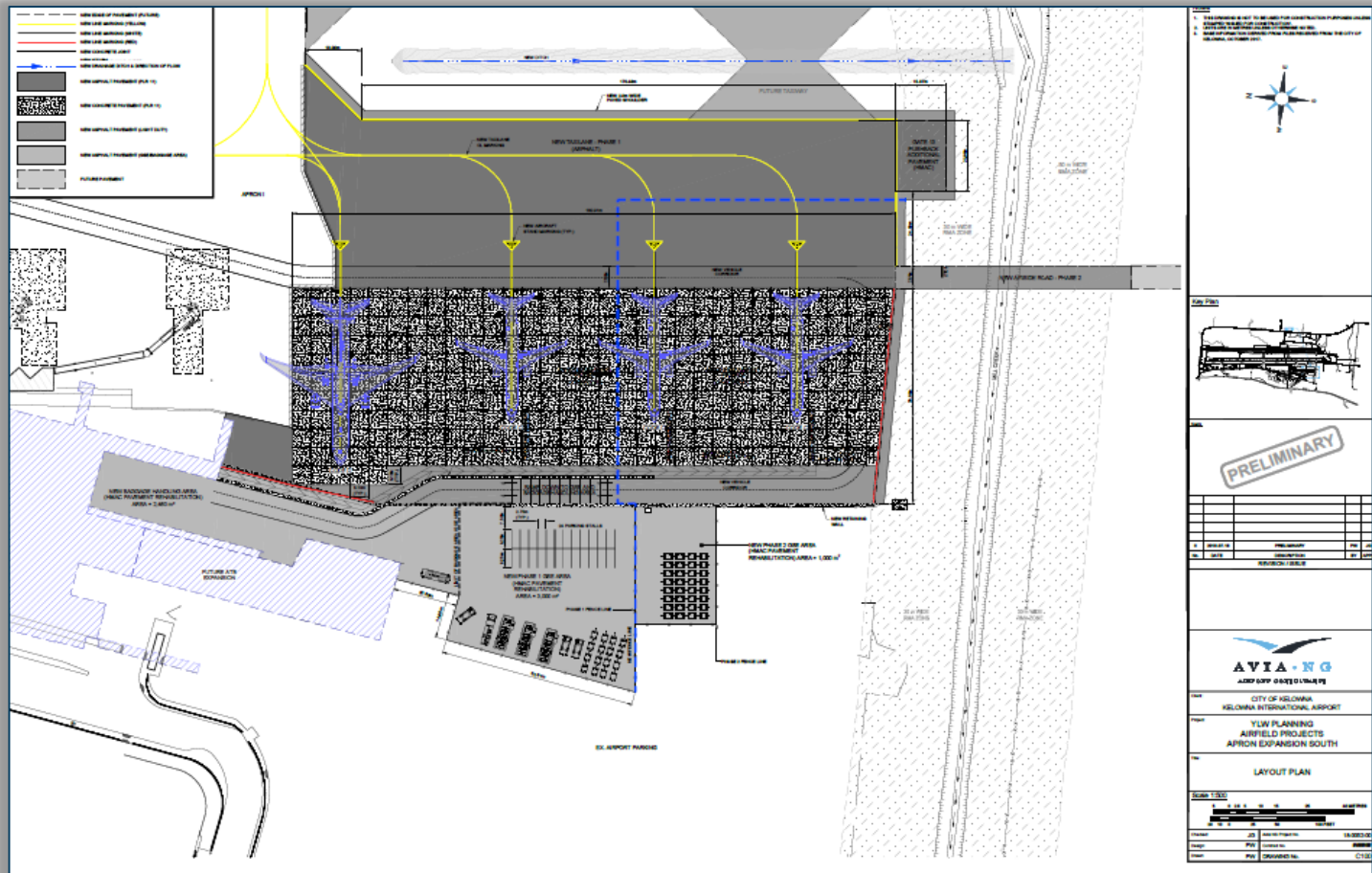
- Rehabilitation – 2022
- New bridge – 2028
- Issue being addressed – lifecycle replacement

Bridge	Rehabilitate and/or Relocate Existing	Construct New
Gate 3	X	
Gate 6	X	
Gate 7	X	
Gate 8		X
Gate 9	X	



Soaring Beyond 2.5 Million Passengers

- ▶ Apron Expansion (\$16.6 million)
 - ▶ Construction: Gate 11 – 2022, Gates 12 and 13 – 2025
 - ▶ Issue being addressed: Increase air service

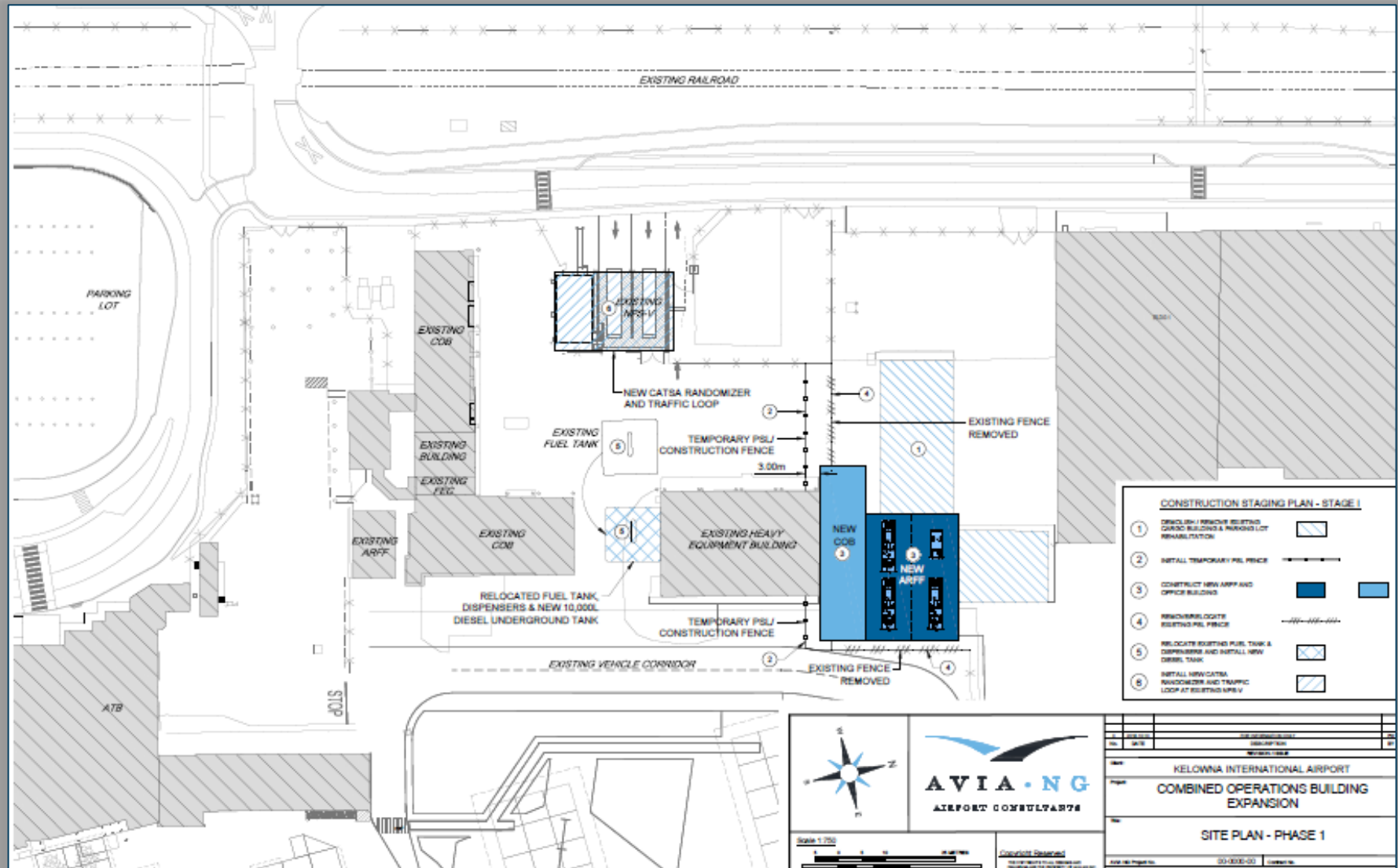


Soaring Beyond 2.5 Million Passengers

- ▶ Combined Operations Building (\$10.4 million)
 - ▶ 2022 – commencement of construction
 - ▶ 2024 – completion of construction
 - ▶ Issues being addressed
 - ▶ Airport Operations Centre and office growth
 - ▶ Storage and maintenance areas for fire fighting and airside operational vehicles to facilitate fleet plan growth

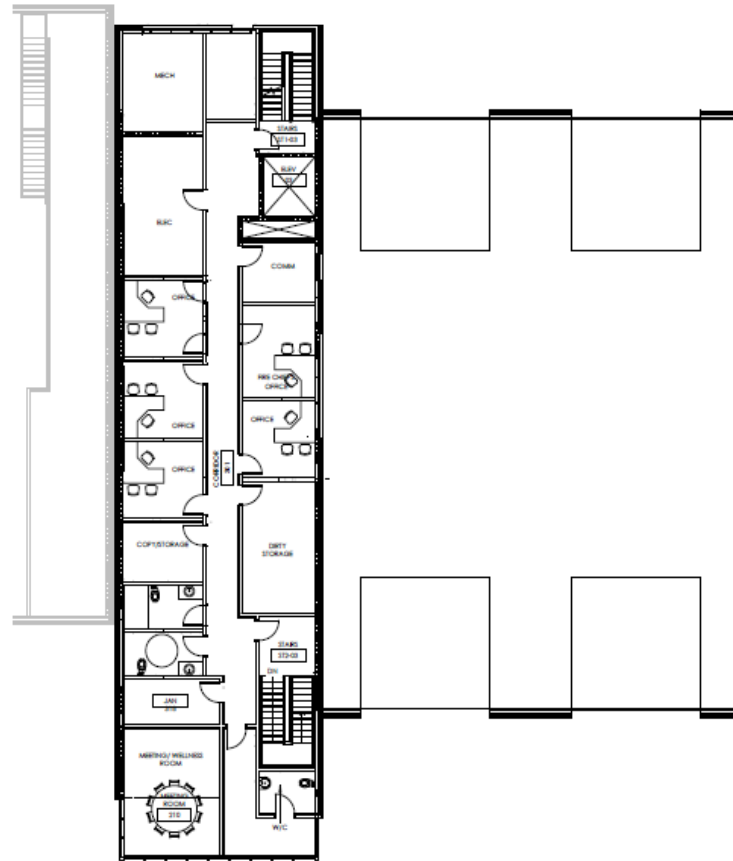
Soaring Beyond 2.5 Million Passengers

► Combined Operations Building (\$10.4 million)



Soaring Beyond 2.5 Million Passengers

- ▶ Combined Operations Building (\$10.4 million)

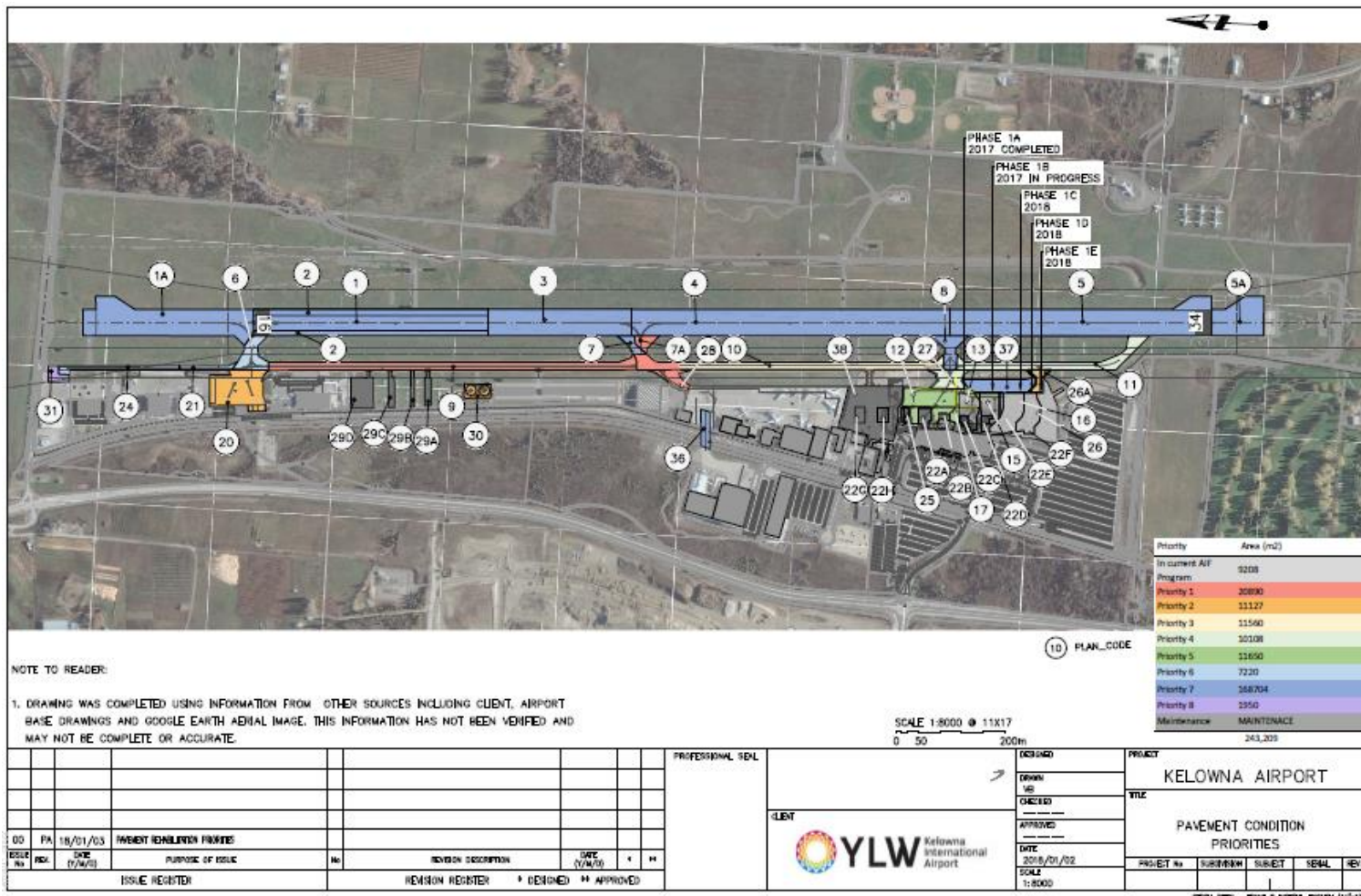


Soaring Beyond 2.5 Million Passengers

- ▶ Common Use Terminal Equipment (CUTE)/Common Use Self Serve Equipment (CUSS) (\$2.8 million)
 - ▶ Replacement: 2022
 - ▶ Issue being addressed: lifecycle replacement



► Issue being addressed: lifecycle rehabilitation



Soaring Beyond 2.5 Million Passengers

- ▶ Airside Equipment (\$11.2 million)
 - ▶ Purchases: 2019-2029
 - ▶ Issues being addressed: lifecycle replacement and growth



Soaring Beyond 2.5 Million Passengers

▶ Financial Implications

▶ YLW Financial Goals

- ▶ Maintain an AIF equal to or less than \$25.00
- ▶ Do not exceed \$40 million in debt during the Program
- ▶ Do not exceed \$20 million in debt at the end of the Program
- ▶ Have a positive AIF reserve balance by the end of the Program

▶ Where We Started

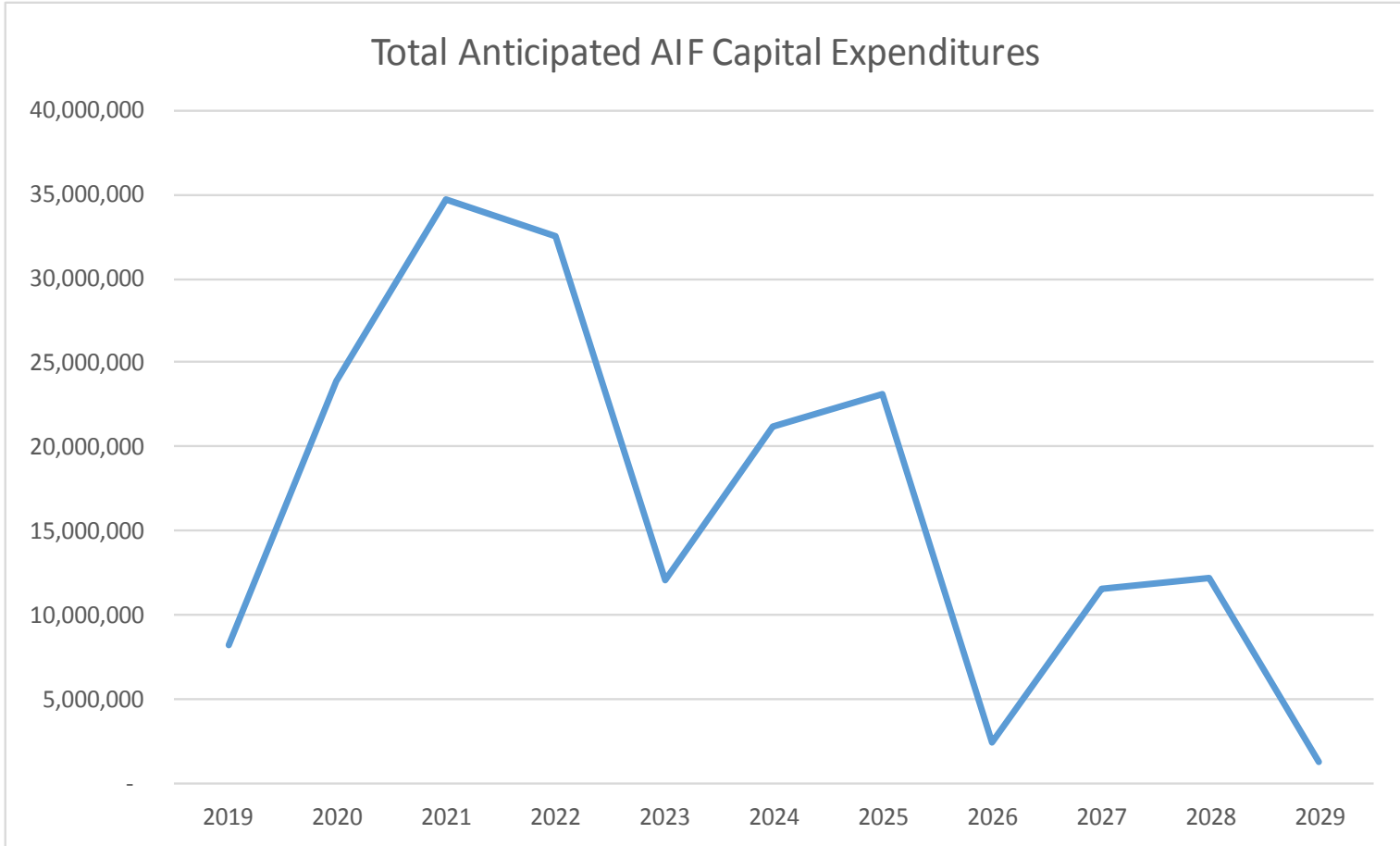
- ▶ Total cost - \$329 million (no escalation)

▶ Where We Are Now

- ▶ Total cost - \$183 million (no escalation)
 - ▶ Reduction of \$146 million

Soaring Beyond 2.5 Million Passengers

► Financial Implications



Soaring Beyond 2.5 Million Passengers

- ▶ Financial Implications

- ▶ Assumptions

- ▶ Passenger growth

- ▶ 2.1 million passengers in 2018

- ▶ Passenger growth in accordance with the 2045 Master Plan

- ▶ Low – 2.0 million passengers by 2025

- ▶ Medium – 2.25 million passengers by 2025

- ▶ High – 2.5 million passengers by 2025

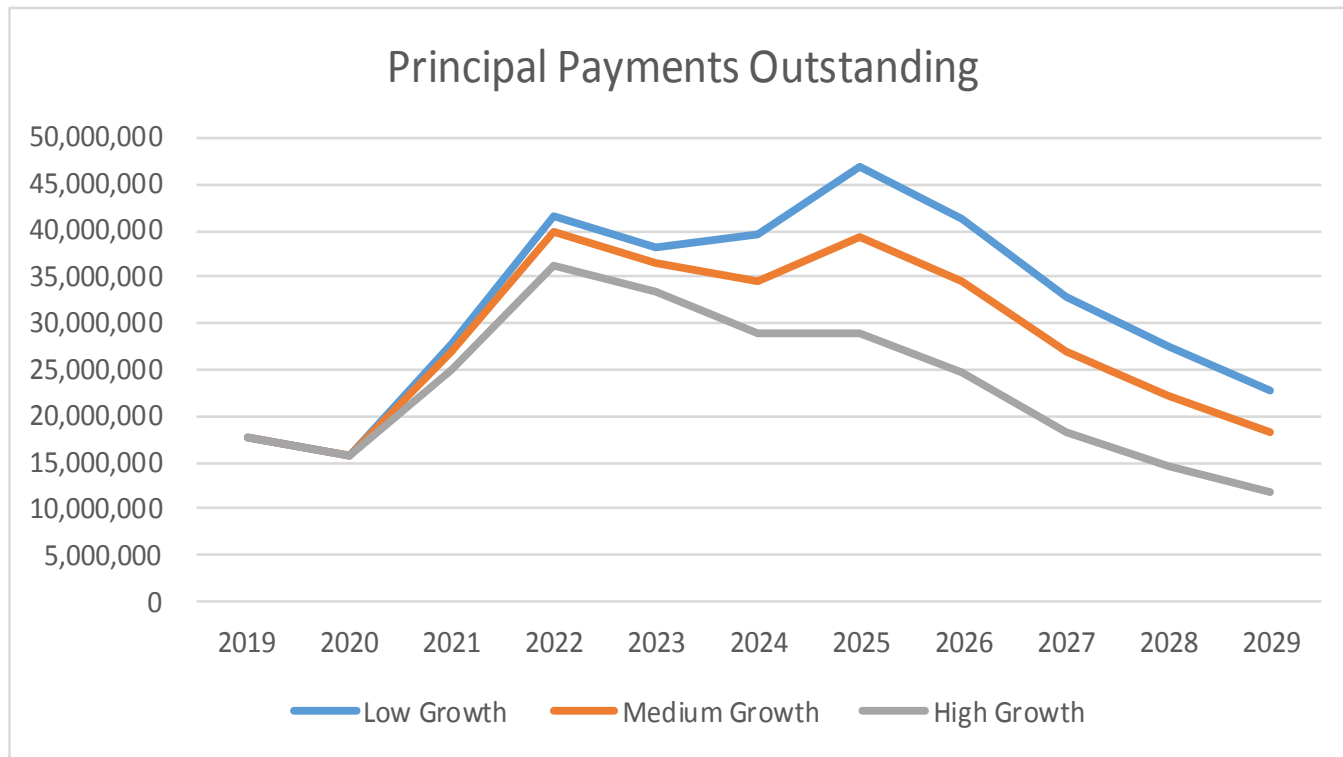
- ▶ Debt: MFA and ten-year term

- ▶ Escalation: 3.41%

Soaring Beyond 2.5 Million Passengers

► Financial Implications

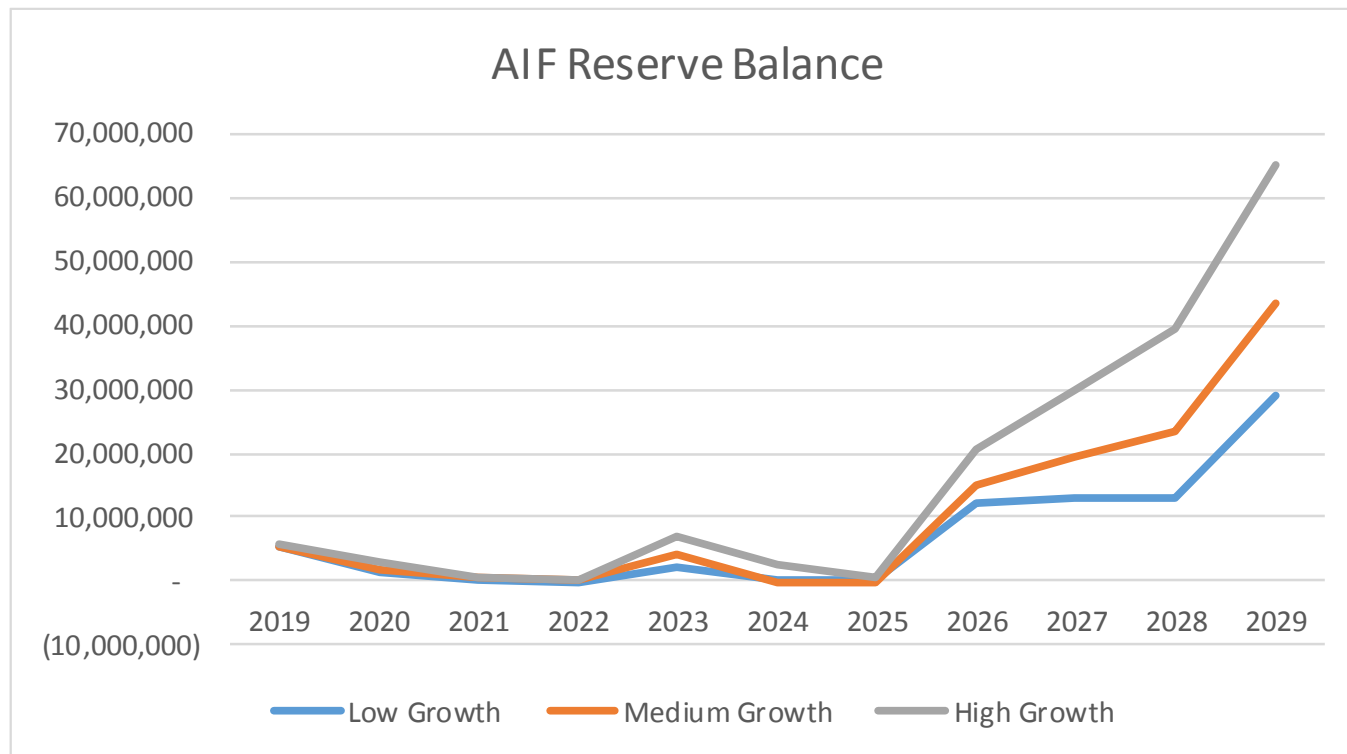
- \$20.00 AIF per departing passenger (April 1, 2019)
- \$25.00 AIF per departing passenger (January 1, 2020)



Soaring Beyond 2.5 Million Passengers

► Financial Implications

- \$20.00 AIF per departing passenger (April 1, 2019)
- \$25.00 AIF per departing passenger (January 1, 2020)





Questions?

For more information, visit ylv.kelowna.ca.