

# Report to Council



**Date:** February 7, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Kelowna International Airport 2022 Financial Plan Amendment  
**Department:** Kelowna International Airport

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## **Recommendation:**

THAT Council receives for information the report from Kelowna International Airport dated February 7, 2022, with respect to the amendment of Kelowna International Airport's 2022 Financial Plan;

AND THAT the 2022 Financial Plan be amended to include all costs and proceeds as outlined in the report from Kelowna International Airport dated February 7, 2022;

AND FURTHER THAT the Airport Director be authorized to execute all documents necessary to enter into agreements for the grants as outlined in the report from Kelowna International Airport dated February 7, 2022.

## **Purpose:**

To obtain Council approval to amend Kelowna International Airport's 2022 Financial Plan.

## **Background:**

In 2019, 2,032,019 passengers utilized Kelowna International Airport (the Airport). Due to the impact of the COVID-19 pandemic, 737,447 passengers utilized the Airport in 2020 and 829,804 passengers utilized the Airport in 2021.

As a result of the significant, negative impact that the COVID-19 pandemic has had on the aviation industry, the Federal government announced support through the Airport Critical Infrastructure Program (ACIP). The Airport submitted applications to the ACIP program in 2021.

## **Discussion:**

On January 26, 2022, the Federal government announced that five of the Airport's capital projects would receive funding from the ACIP program, as outlined below.

Description	Amount (\$)	Budget Previously Approved	Budget Amendment Requested
Combined Operations Building (COB)	\$16,300,000	\$0	\$16,300,000
Combined Operations Building Grant	(7,100,000)	0	(7,100,000)
Runway End Safety Area (RESA)	9,200,000	0	9,200,000
Runway End Safety Area Grant	(4,550,000)	0	(4,550,000)
Airport Biosecurity Infrastructure	5,450,000	0	5,450,000
Airport Biosecurity Infrastructure Grant	(2,725,000)	0	(2,725,000)
Terminal Building Roof Replacement	1,618,900	(1,618,900)	0
Terminal Building Roof Replacement Grant	(800,000)	0	(800,000)
Airfield Lighting and Supporting Infrastructure Design	240,000	(225,000)	15,000
Airfield Lighting and Supporting Infrastructure Design Grant	(120,000)	0	(120,000)
<b>TOTAL</b>	<b>\$17,513,900</b>	<b>\$1,843,900</b>	<b>\$15,670,000</b>

All of these projects were included in the City's 10-year Capital Plan presented to Council in 2021, except for the Airport Biosecurity Infrastructure. The ACIP grants will allow the Airport to move these five strategic projects forward for \$15,295,000 less than what they're forecasted to cost. The expenditures will be funded from the Airport Fund and there will be no impact to taxation.

**Conclusion:**

The Airport recommends Council approve amending Kelowna International Airport's 2022 Financial Plan as outlined in this report, so five strategic projects can be completed at significant cost savings.

**Internal Circulation:**

Communications  
Finance

**Considerations applicable to this report:**

***Financial/Budgetary Considerations:***

If approved, Kelowna International Airport's 2022 Financial Plan would be amended to include \$15,295,000 in grants, and \$30,965,000 in capital expenditures. The expenditures will be funded from the Airport Fund and there will be no impact to taxation.

**Considerations not applicable to this report:**

***Legal/Statutory Authority:***

***Legal/Statutory Procedural Requirements:***

***Existing Policy:***

***External Agency/Public Comments:***

***Communications Comments:***

Submitted by:

S. Dyrdal, Senior Airport Finance and Corporate Services Manager

**Approved for inclusion:**

SS

cc:

S. Dyrdal, Senior Airport Finance and Corporate Services Manager

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C. Brannagan, Communications Advisor