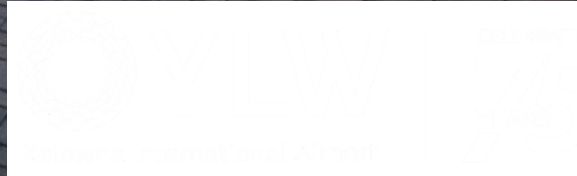


# Airport Advisory Committee Meeting

May 19, 2022



# Agenda

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



# Operational Update

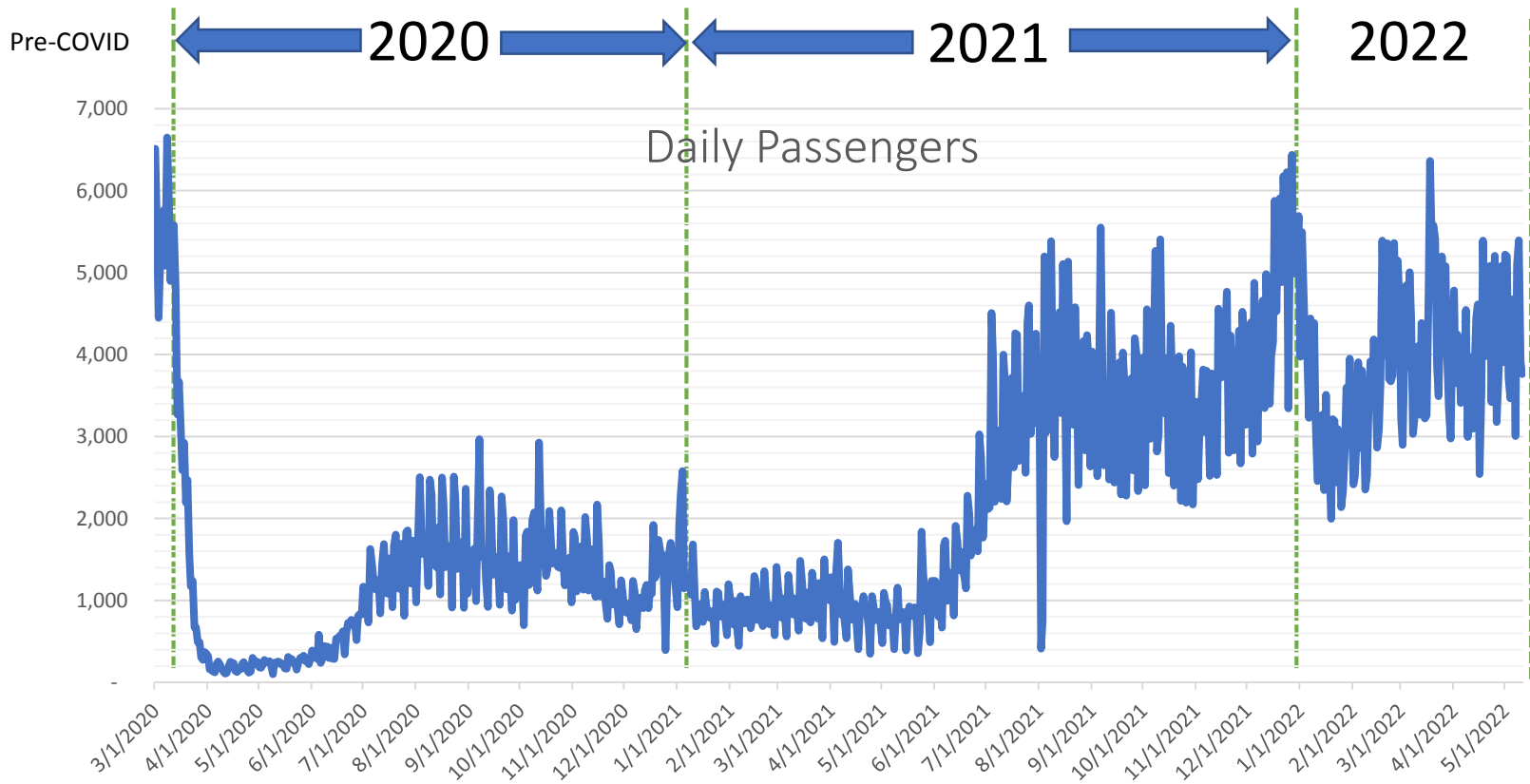


# 2022 Monthly Passengers

	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%
<b>Total (est)</b>			1,730,000	208%	-15%



# Passenger Statistics – Tracked Daily

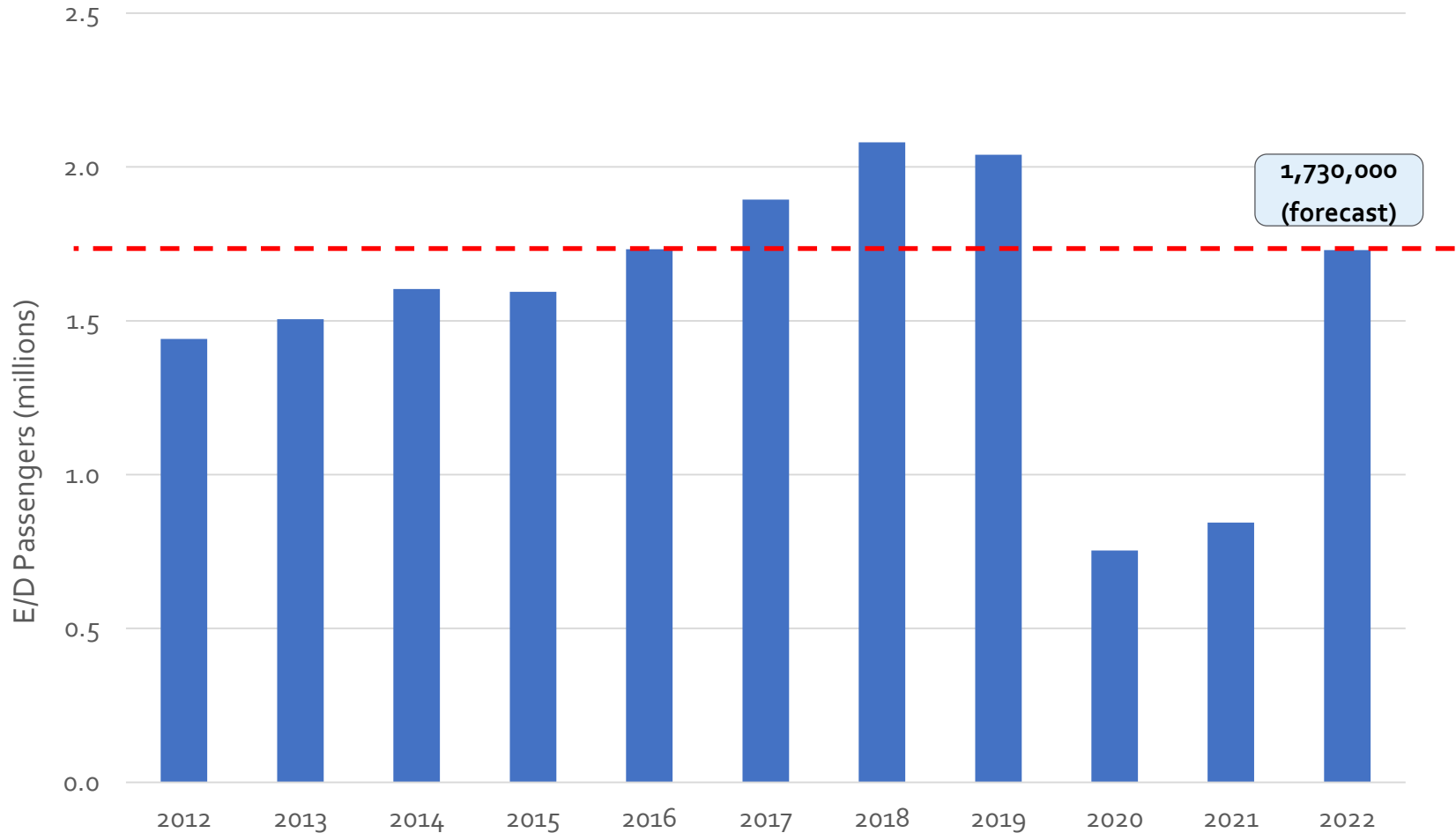


# 2022 comparison to pre-COVID

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



# 2012 – 2022 Passenger Statistics



Source: Innovata Schedules (via Diio) 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

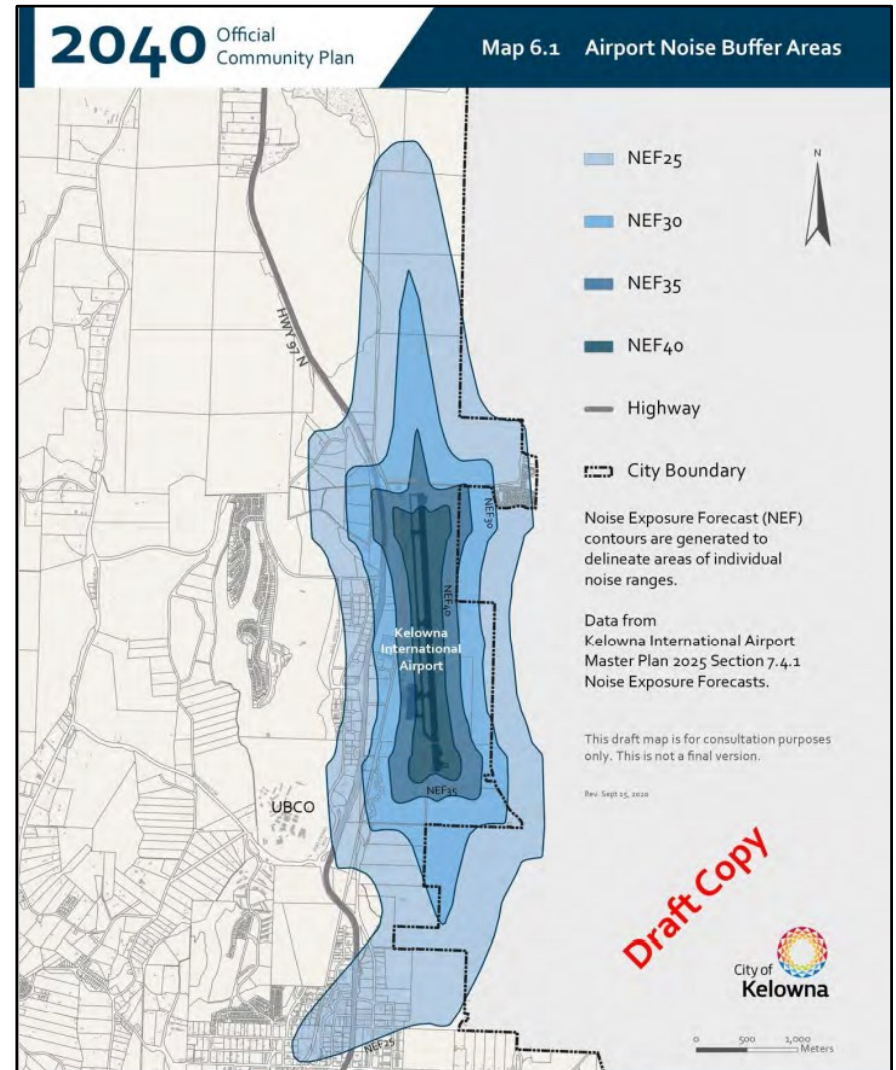
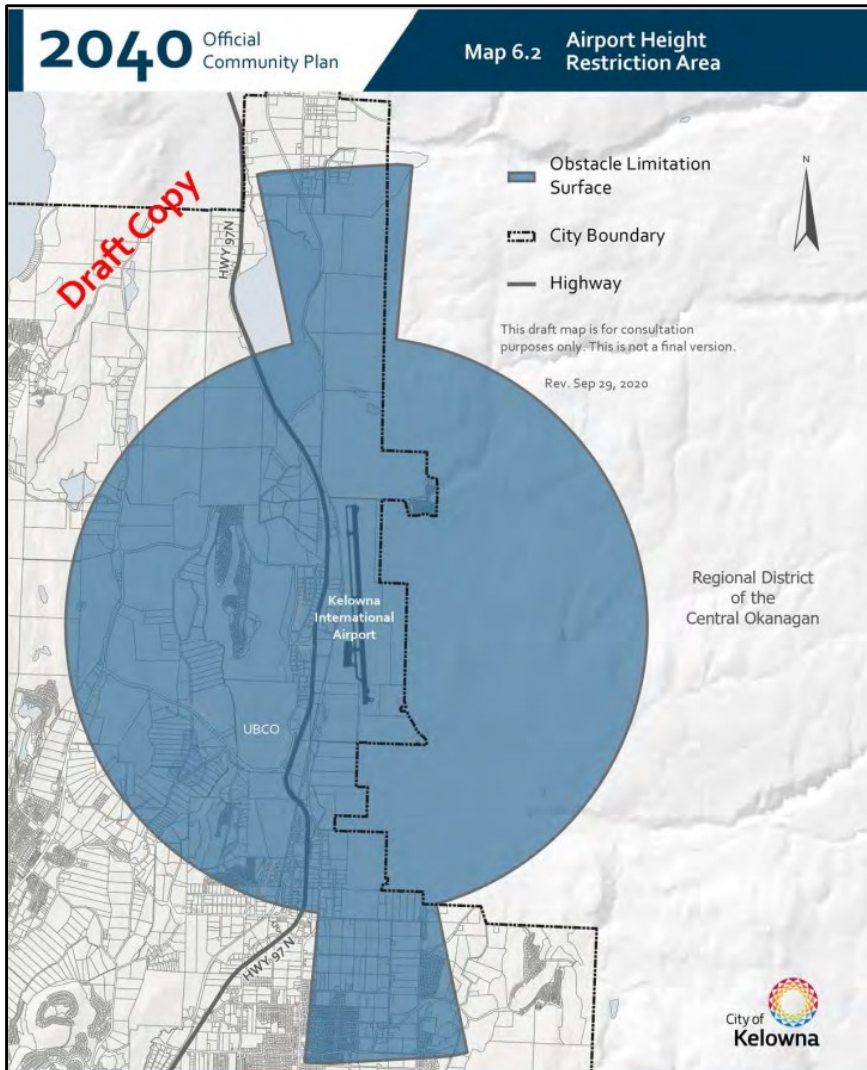




# ACI-NA Health Accreditation Maintained



# 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



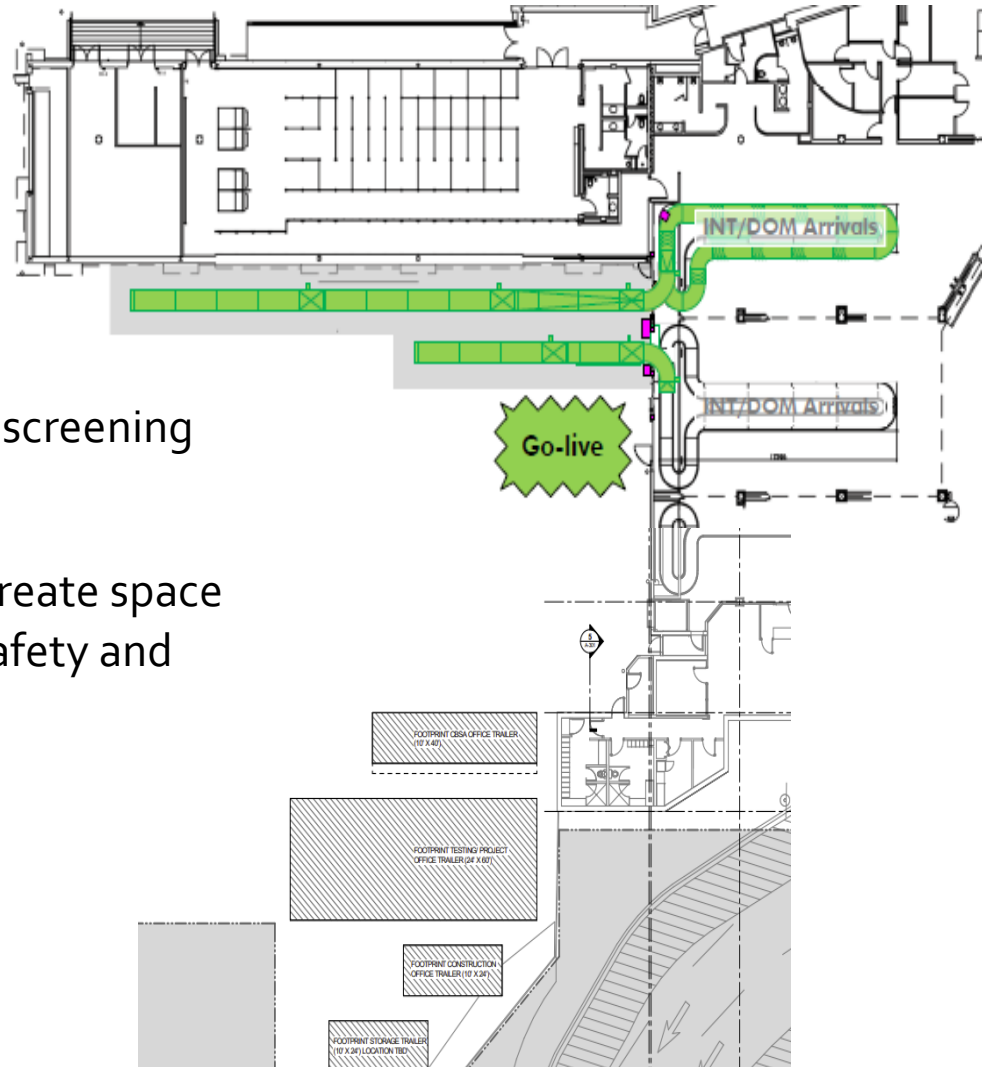
# Air Terminal Building Expansion



# 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



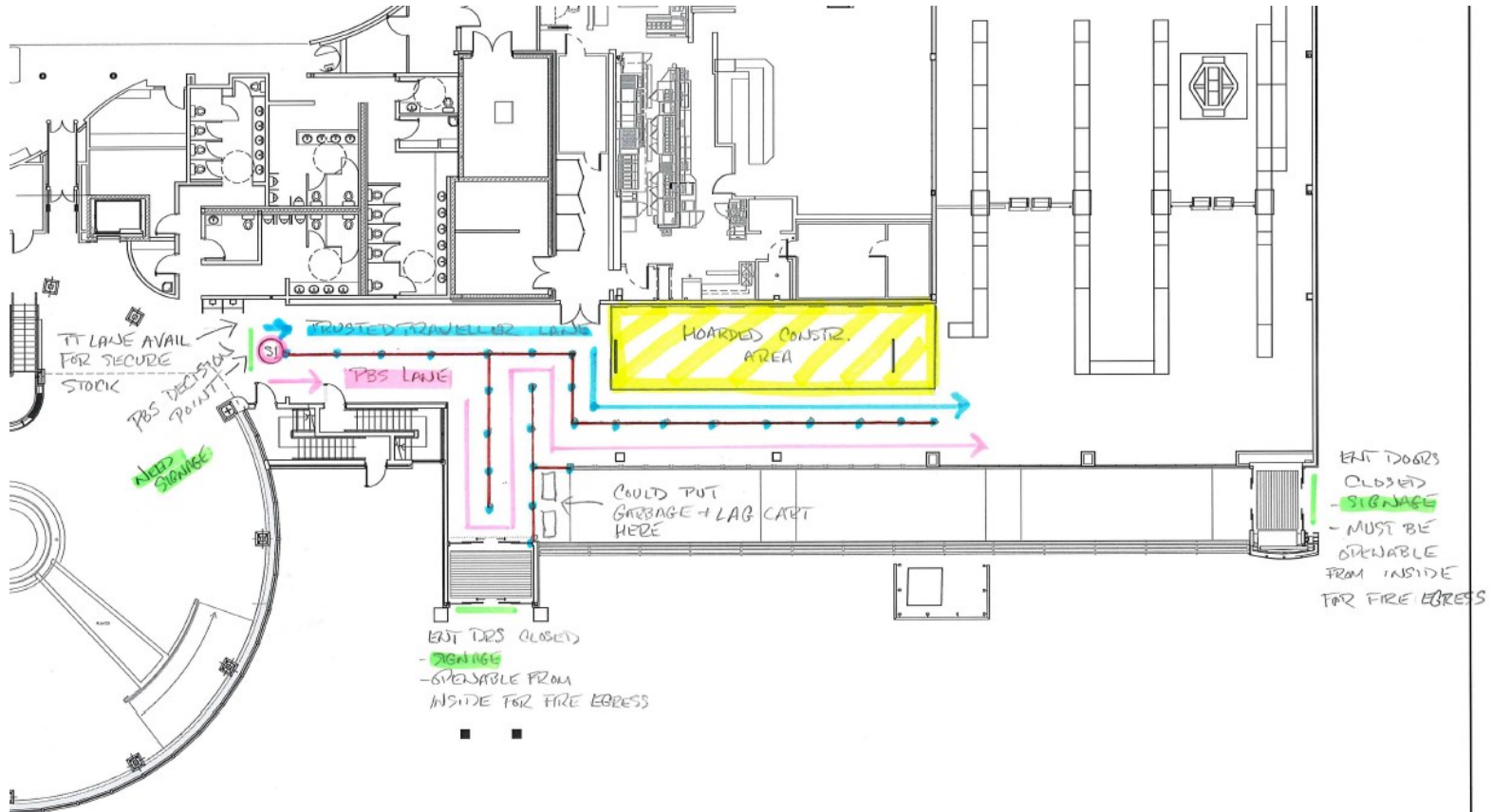
# Airport Biosecurity Infrastructure



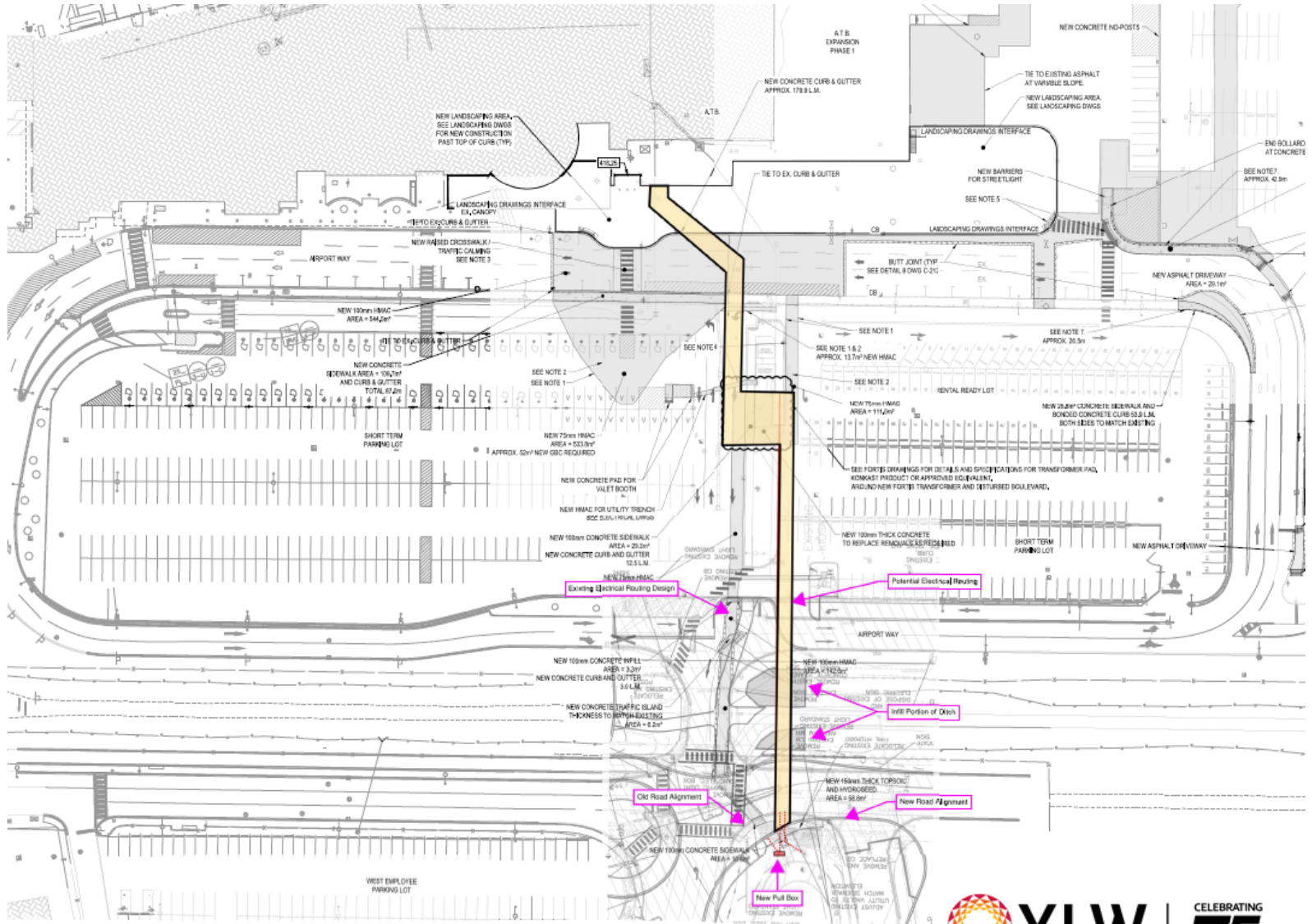




# Enabling Works – Grease Interceptor



# 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

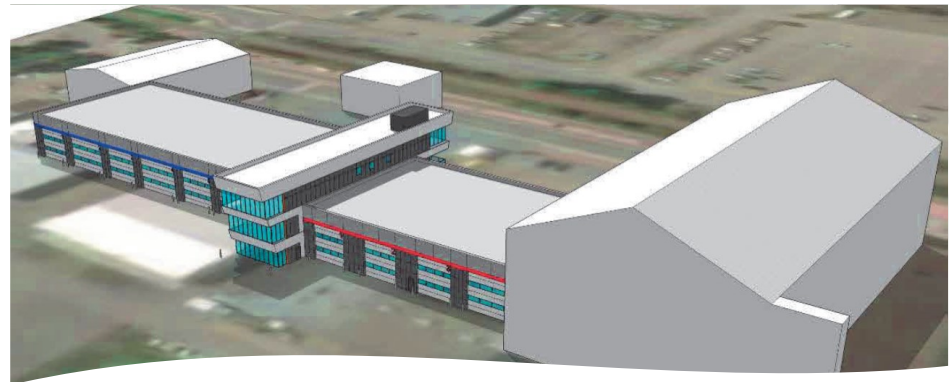
Purpose is to house all fire/operations equipment and personnel in a new building as the current building was constructed in 1960s and nearing the end of its life. Preliminary design was completed in 2019.

## 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

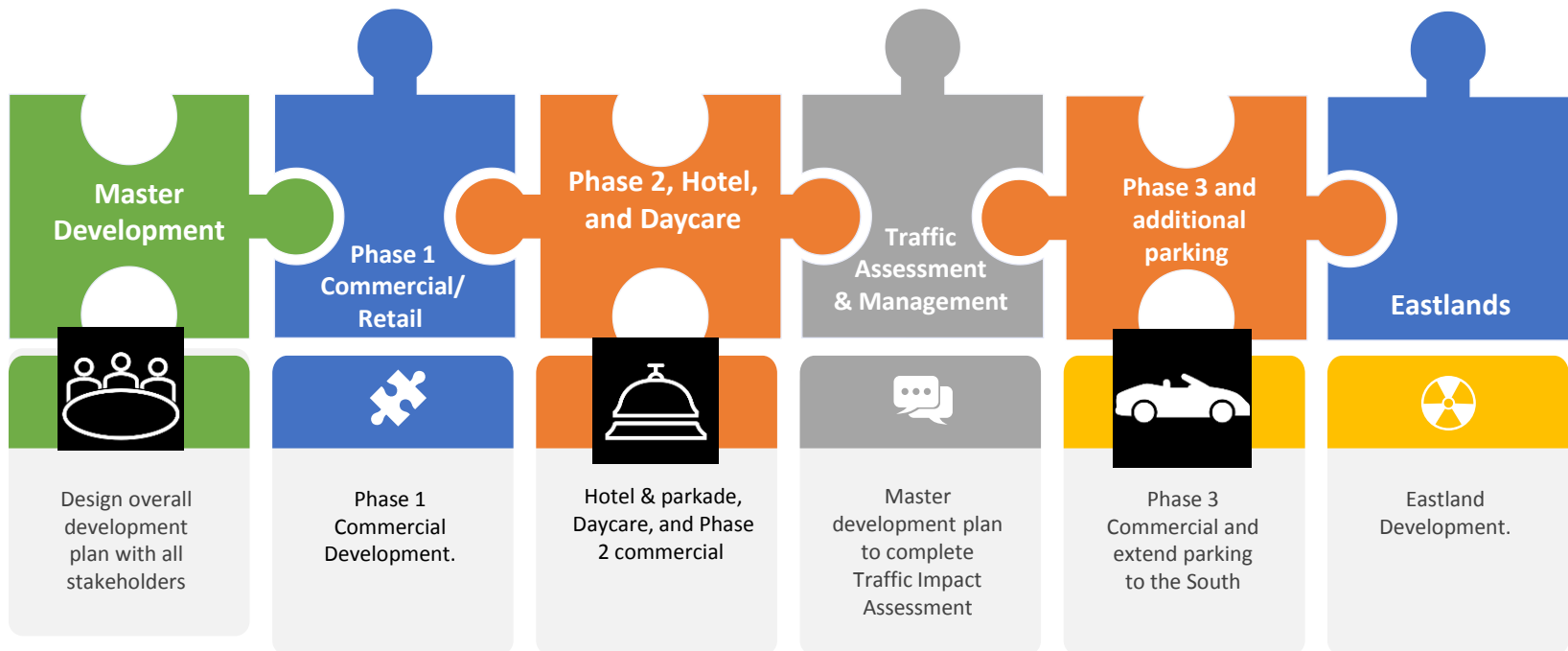
## Scope for 2023/24/25

- ▶ 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

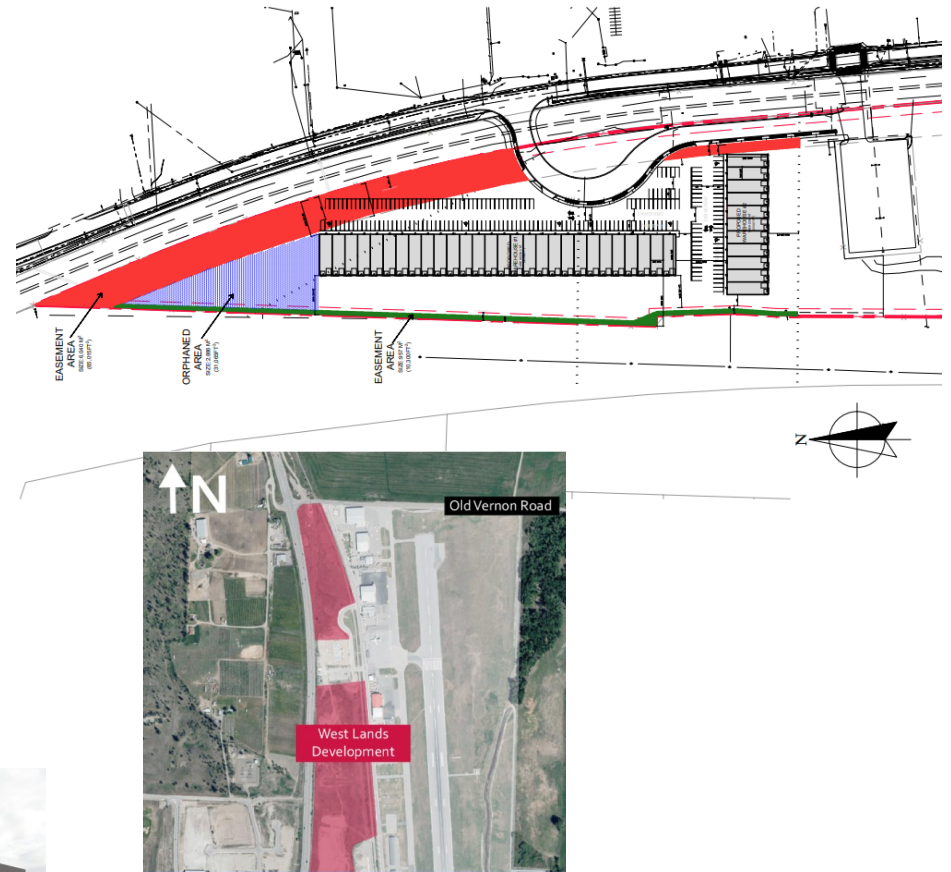
# Fully Serviced Commercial Investments

## 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



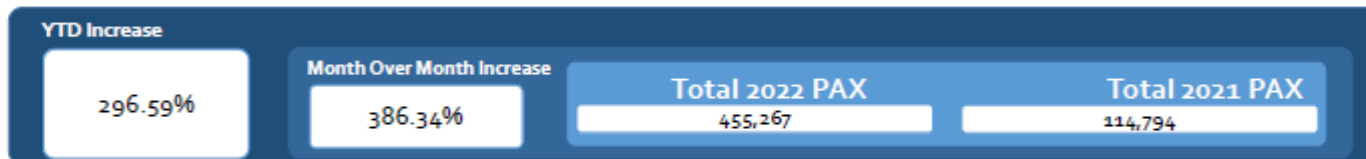


# Air Service Development Update

## 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%	-48.88%	-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%



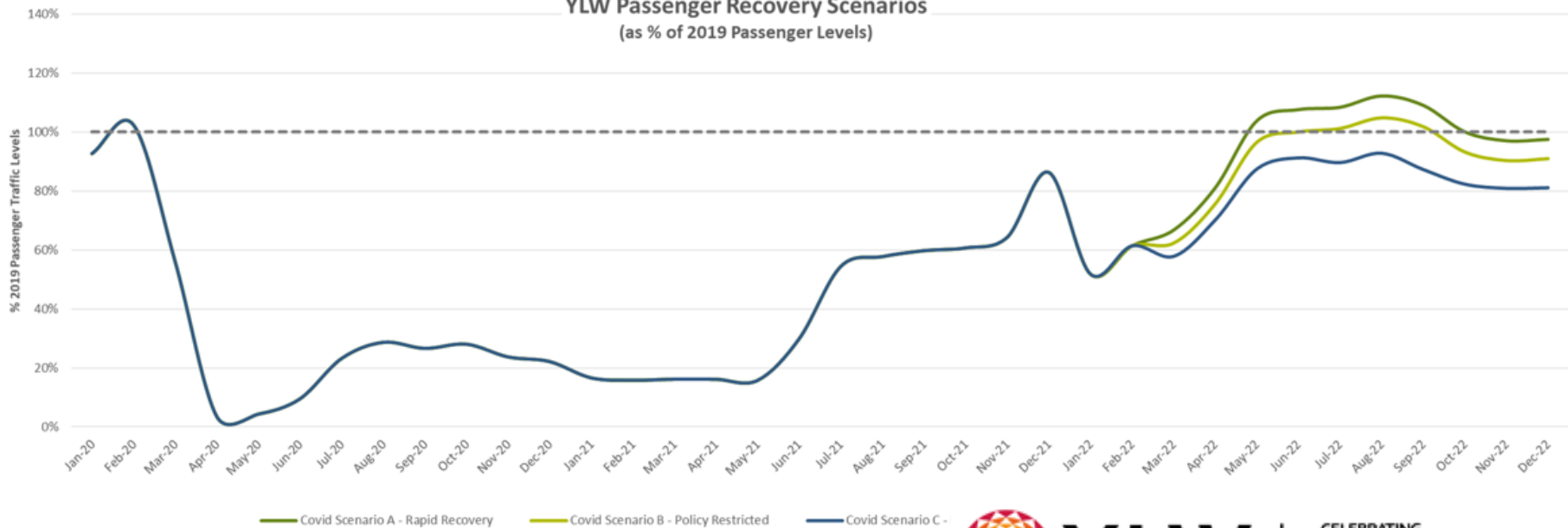
# Air Service Development Update

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)



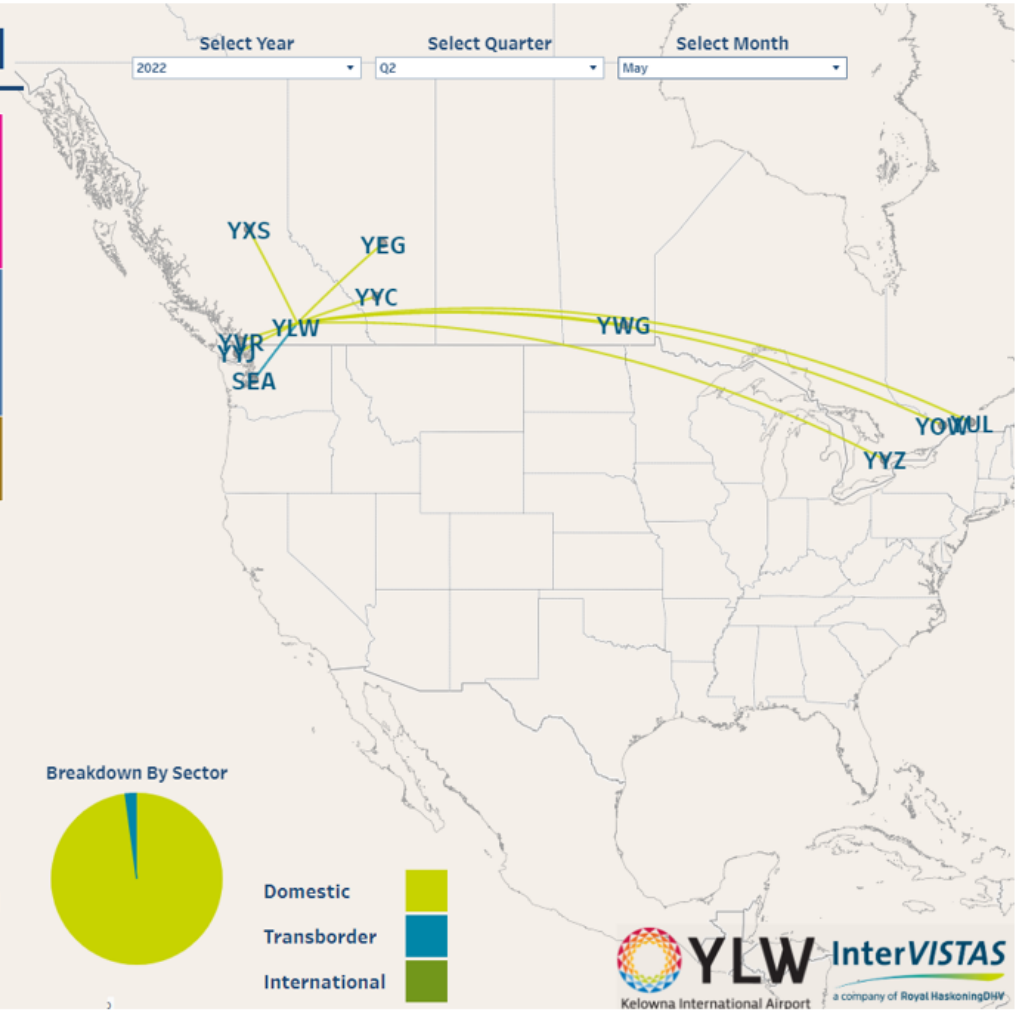
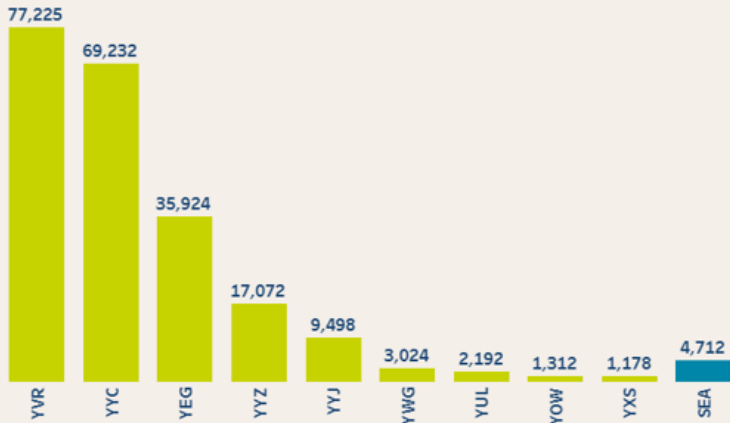
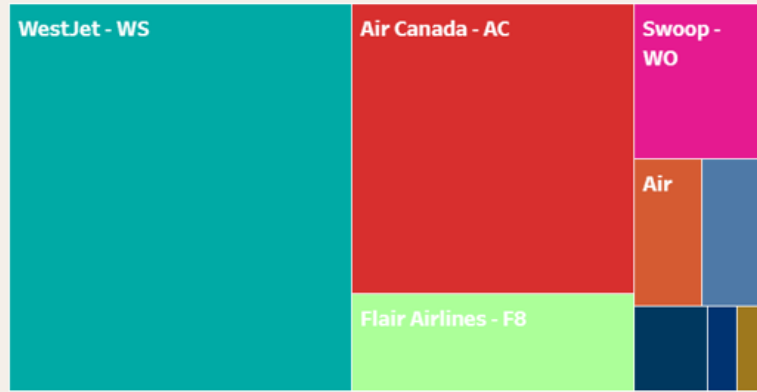
— Covid Scenario A - Rapid Recovery   
 — Covid Scenario B - Policy Restricted   
 — Covid Scenario C - Protracted



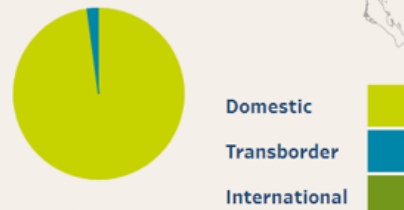
# Air Service Development Update

May 2022

## YLW Seat Capacity Dashboard



Breakdown By Sector



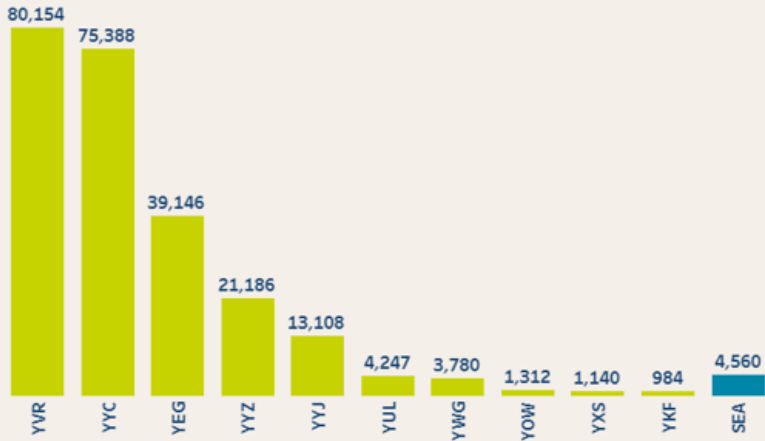
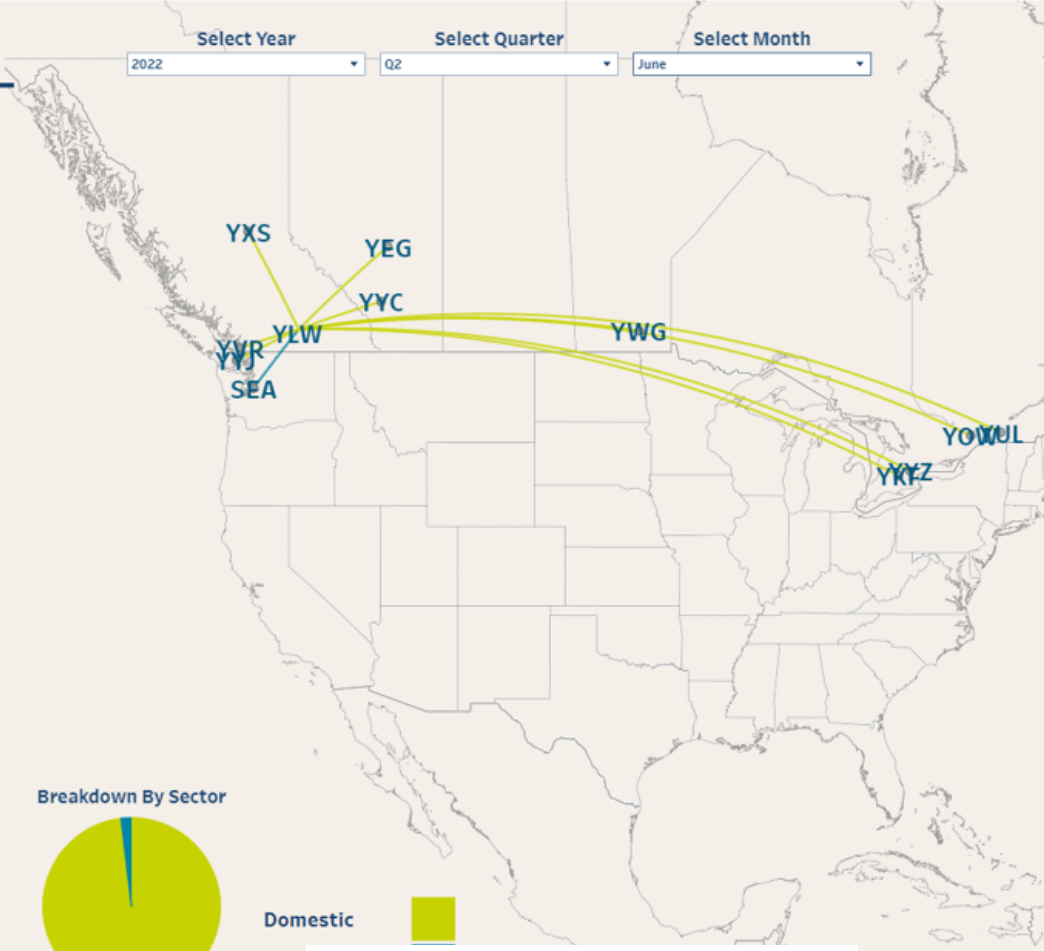
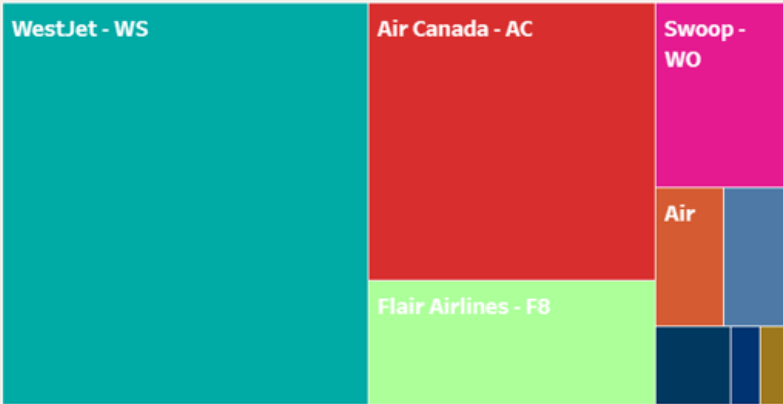
Source: Innovata Schedules via Dilo. Schedules as of April 11, 2022

# Air Service Development Update

June 2022

## YLW Seat Capacity Dashboard

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



Breakdown By Sector



Domestic

Trans  
Inter



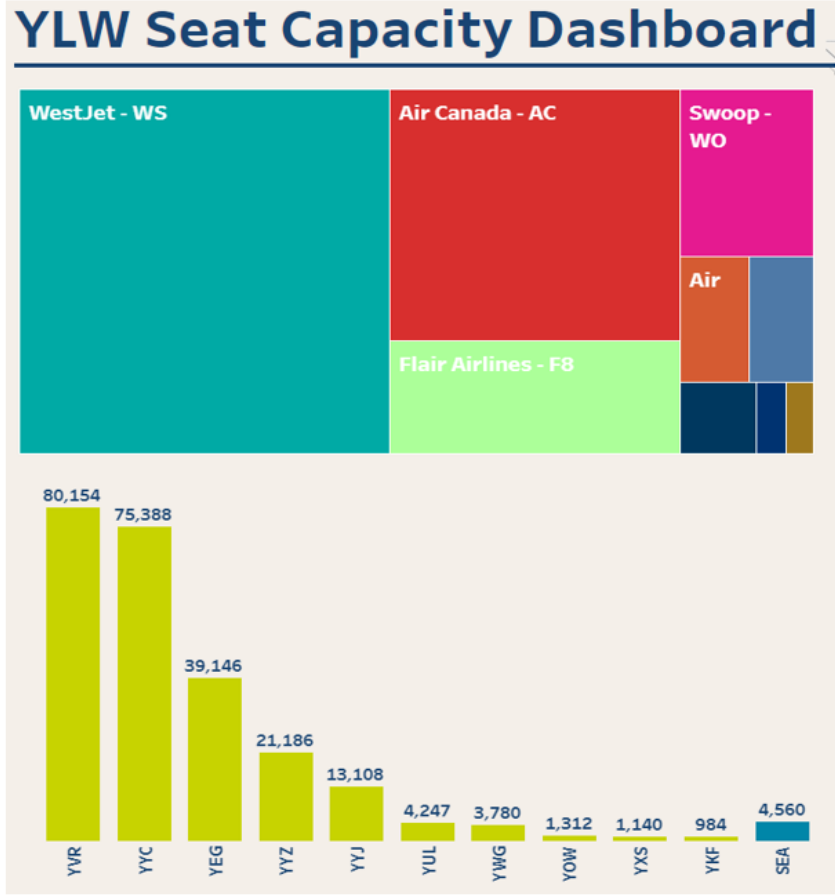
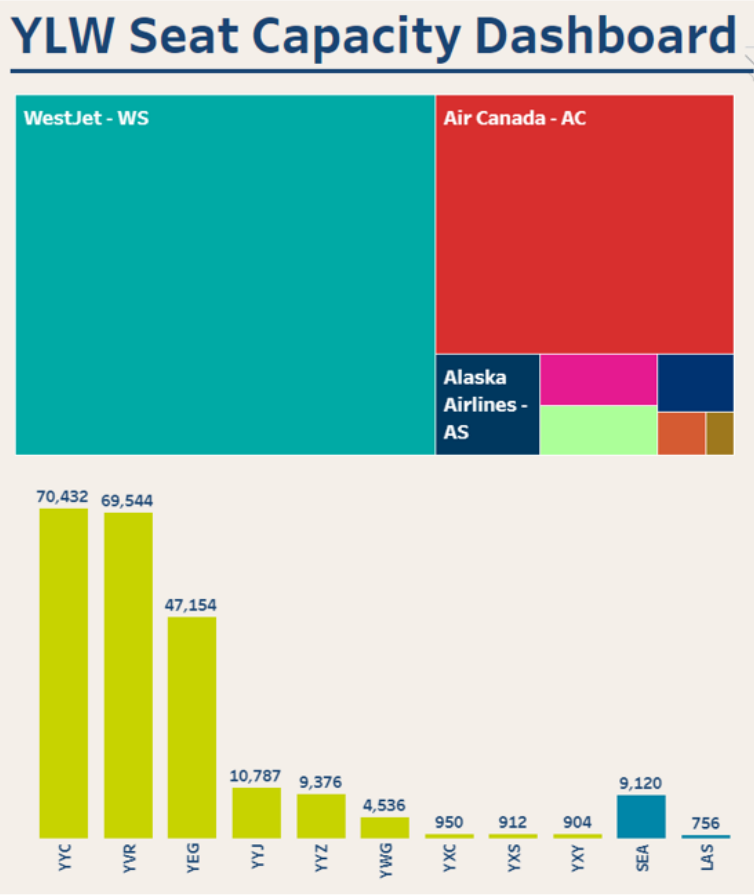
Source: Innovata Schedules via Dilo. Schedules as of April 11, 2022



# Air Service Development Update

June 2019 11 Destinations

June 2022 11\* Destinations



\*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)
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%
<b>Grand Total</b>	<b>690</b>	<b>2,332</b>	<b>238.0%</b>	<b>50,541</b>	<b>221,369</b>	<b>338.0%</b>

# 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
<b>Revenue</b>			
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>
<b>Expenses (Note 14)</b>			
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>
<b>Annual Surplus (Deficit)</b>	<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
<b>Financial Assets</b>		
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>
<b>Liabilities</b>		
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>
<b>Net Financial Assets</b>	<u>24,266</u>	<u>15,431</u>
<b>Non-Financial Assets</b>		
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>
<b>Accumulated Surplus (Note 8)</b>	<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
<b>Net inflow (outflow) of cash and cash equivalents related to the following activities:</b>		
<b>Operating</b>		
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>
<b>Capital</b>		
Acquisition of tangible capital assets	(5,926)	(5,369)
<b>Investing</b>		
Change in investments	690	2,381
<b>Financing</b>		
(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>
<b>Net increase in cash and cash equivalents</b>	<b>1,313</b>	<b>2,596</b>
Cash and cash equivalents, beginning of year	3,676	1,080
Cash and cash equivalents, end of year	<u>\$ 4,989</u>	<u>\$ 3,676</u>

# Financial Update

## Debt Repayment Schedule

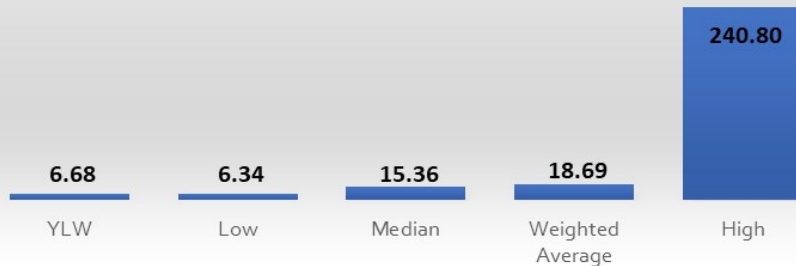
	2022	2023	2023	2024	2025	2026	Total
Principal	900,811	1,897,000	1,897,000	1,897,000	1,258,000	698,000	<b>8,547,811</b>
Interest	291,875	584,000	584,000	584,000	333,000	112,000	<b>2,488,875</b>
<b>Total</b>	<b>1,192,686</b>	<b>2,481,000</b>	<b>2,481,000</b>	<b>2,481,000</b>	<b>1,591,000</b>	<b>810,000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

- ▶ 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)



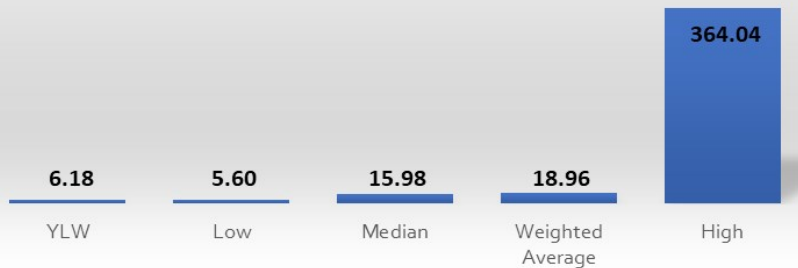
Tier 1 & 2 Aeronautical Revenues per Landed Carrier Seat  
(12 Months Ended Sept. 30, 2021)



# 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)

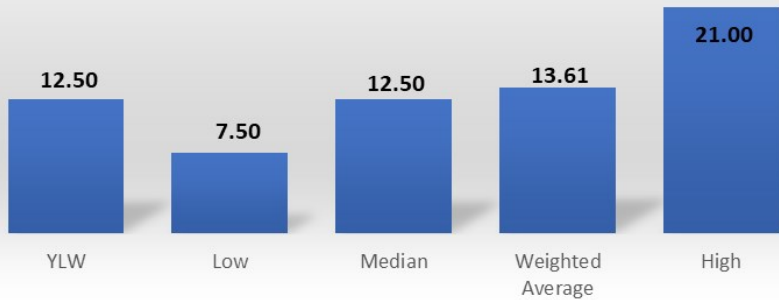




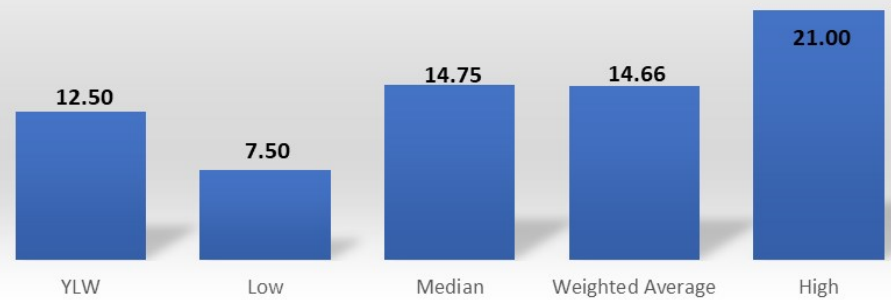
# Fees and Charges

## Airport Improvement Fee per Passenger

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



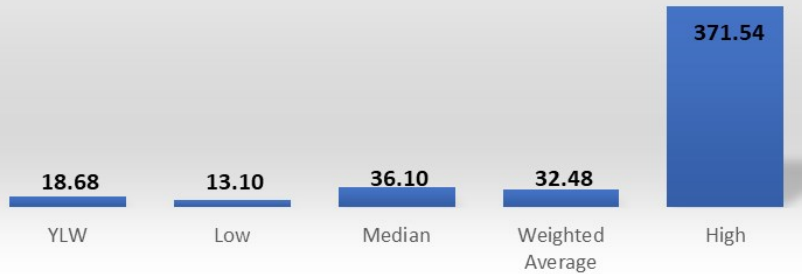
Tier 1 & 2 AIF per Passenger  
(12 Months Ended Sept. 30, 2021)



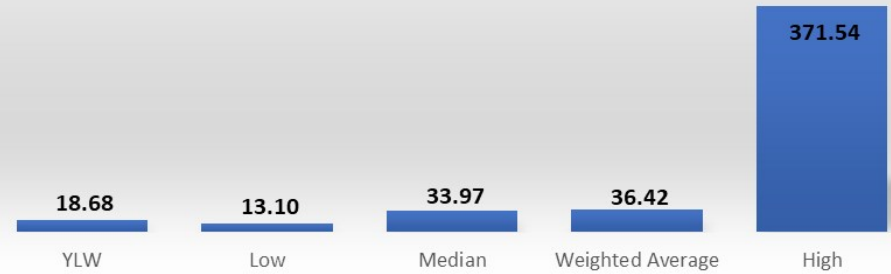
# Fees and Charges

## 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](http://ylw.kelowna.ca).

