



YLW

Kelowna International Airport

Airport 2023 Financial Plan and Bylaw Amendment

August 28, 2023

Airport Terminal Building Expansion

- ▶ Recommendation

- ▶ 2023 Financial Plan amendment

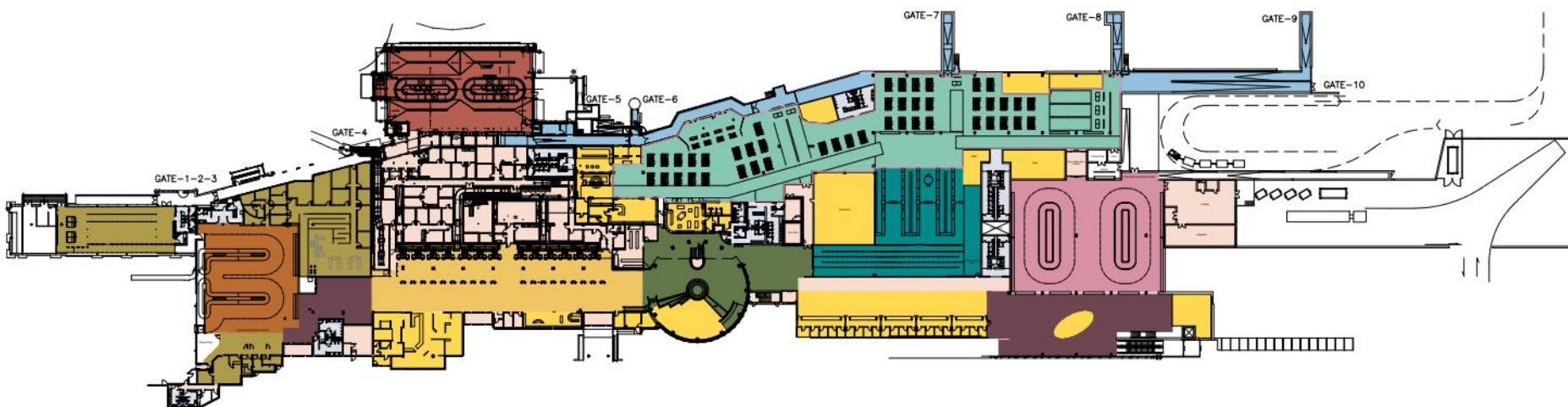
- ▶ \$17,500,000 for the airport terminal building (ATB) expansion

- ▶ Bylaw 7982 amendment

- ▶ Ability to increase the Airport Improvement Fee (AIF) to \$28.00 per enplaned passenger, effective January 1, 2025.

Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045
 - ▶ Requirement for a terminal building expansion
 - ▶ Volume 1, Section 8.3 ATB Expansion
 - ▶ Volume 1, Section 8.4 ATB Expansion
 - ▶ Volume 1, Figure 56 on page 89



Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045

- ▶ Appendix C, consultation report

- ▶ Over 45 stakeholder meetings, presentations and workshops
 - ▶ Two open houses
 - ▶ Print and electronic advertising materials, including newspaper, print ads, display boards, surveys, handouts, and presentations
 - ▶ Over 300 feedback forms received
 - ▶ Advertising posts made on YLW's website, Facebook, Twitter and Instagram

Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045
 - ▶ Stakeholder and Public Consultation Feedback Priorities



Airport Terminal Building Expansion

- ▶ Airport Advisory Committee
 - ▶ October 29, 2019, supported
 - ▶ Soaring Beyond 2.5 Million Passengers AIF Program
 - ▶ Capital budget request of \$69.9 M
 - ▶ Increasing the AIF to \$25
 - ▶ September 22, 2022
 - ▶ ATB Expansion enabling works currently underway

Airport Terminal Building Expansion

▶ Council

▶ November 4, 2019

- ▶ Approved \$5 increase to the AIF

▶ December 2019

- ▶ 2020 Financial Plan: \$67.3M capital budget approved

▶ July 2022

- ▶ 2022 Financial Plan: \$0.5M capital budget approved

Airport Terminal Building Expansion

▶ Council

▶ November 21, 2022

▶ Overview of

- ▶ Airport's 10-year capital plan
- ▶ Airport finances
- ▶ Need for debt in addition to the AIF reserves

▶ December 2022

- ▶ 2023 Financial Plan: \$22.9M capital budget approved

▶ February 2023

- ▶ Bylaw approved allowing the Airport to borrow up to \$48M for construction of the ATB expansion

Airport Terminal Building Expansion

▶ Construction Management

▶ 2019

- ▶ PCL awarded construction management contract

▶ 2020 – 2023

- ▶ Engineering, design and phasing
 - ▶ Value engineering
- ▶ The Airport, PCL and design consultants

▶ May 2023

- ▶ Construction tender package closed

Airport Terminal Building Expansion

- ▶ Cost increase
 - ▶ Escalation
 - ▶ Supply chain
 - ▶ Local/regional construction

Year	Amount
2019	\$67,275,000
2022 cost increase	23,400,000
2023 cost increase	17,500,000
Total estimated cost	\$108,175,000

10-Year AIF Capital Plan

	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Soaring Beyond 2.5 Million Passengers AIF Program											
Terminal expansion	142.1	37.5	38.9	22.5	2.6	2.7	2.8	-	-	4.1	31.0
Combined operations building	22.7	8.0	6.3	3.0	5.4	-	-	-	-	-	-
Airside pavement rehab	129.5	4.7	1.1	2.0	26.8	21.0	4.3	22.9	27.4	12.1	7.2
Airside equipment	29.1	5.4	1.0	0.5	3.4	4.5	1.6	1.2	0.3	7.8	3.4
Self-serve baggage drop	2.3	-	-	-	2.3	-	-	-	-	-	-
Airside lighting and supporting infrastructure	8.1	-	8.1	-	-	-	-	-	-	-	-
Apron 1 south expansion	17.4	-	-	-	0.9	8.1	8.4	-	-	-	-
Passenger boarding bridges	8.2	-	-	-	2.7	2.8	2.7	-	-	-	-
Total	359.4	55.6	55.4	28.0	44.1	39.1	19.8	24.1	27.7	24.0	41.6

 Design
 Construction/purchase

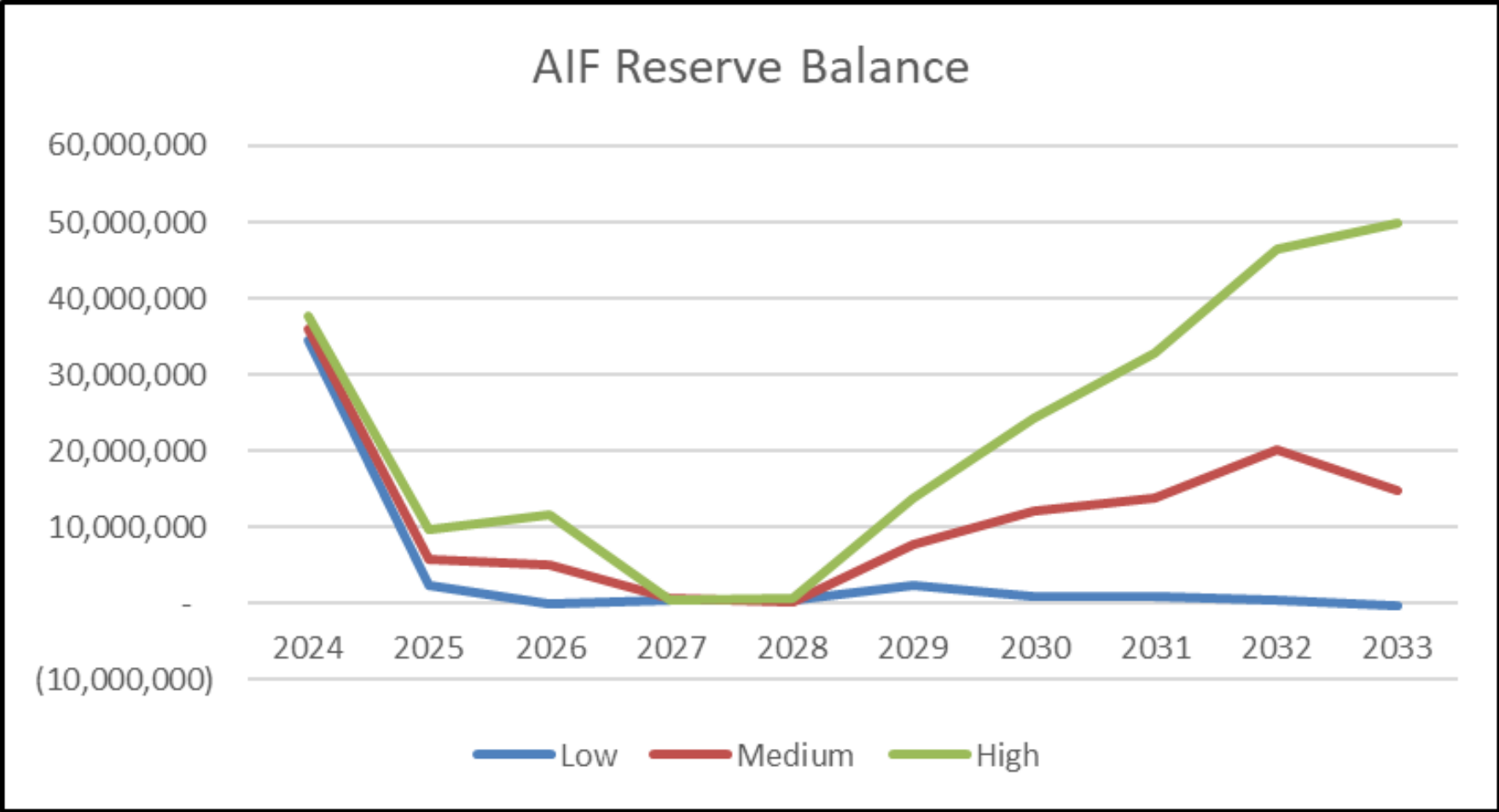
10-Year AIF Capital Plan

▶ Funding

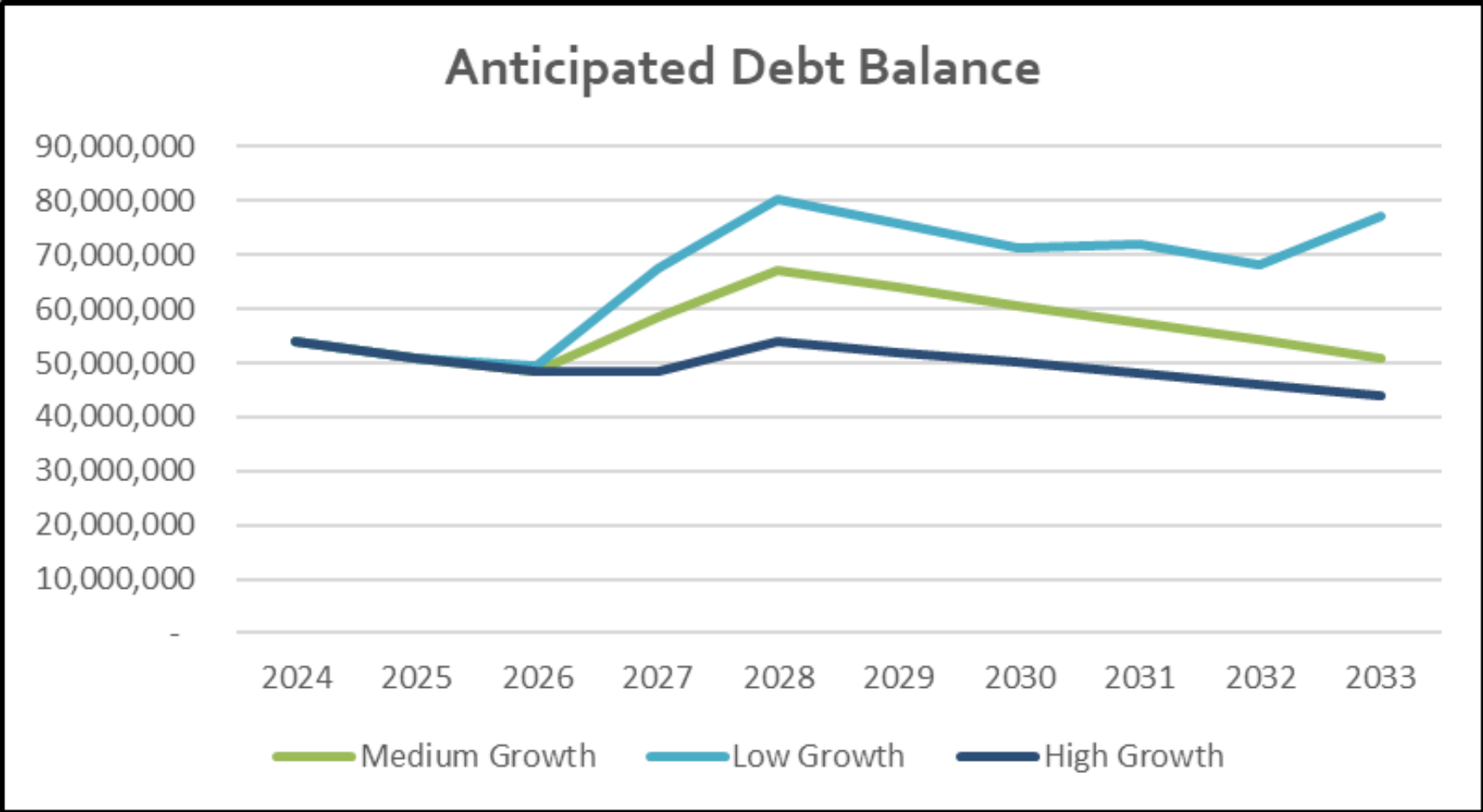
▶ Airport reserve

- ▶ No impact on taxation
- ▶ Anticipated airport improvement fee (AIF)
 - ▶ 2025 - \$28.00
 - ▶ 2026 - \$31.00
 - ▶ 2033 - \$35.00
- ▶ Anticipated borrowing
 - ▶ 2024/25 - \$48 million
 - ▶ 2027/28 - \$23 million

10-Year AIF Capital Plan

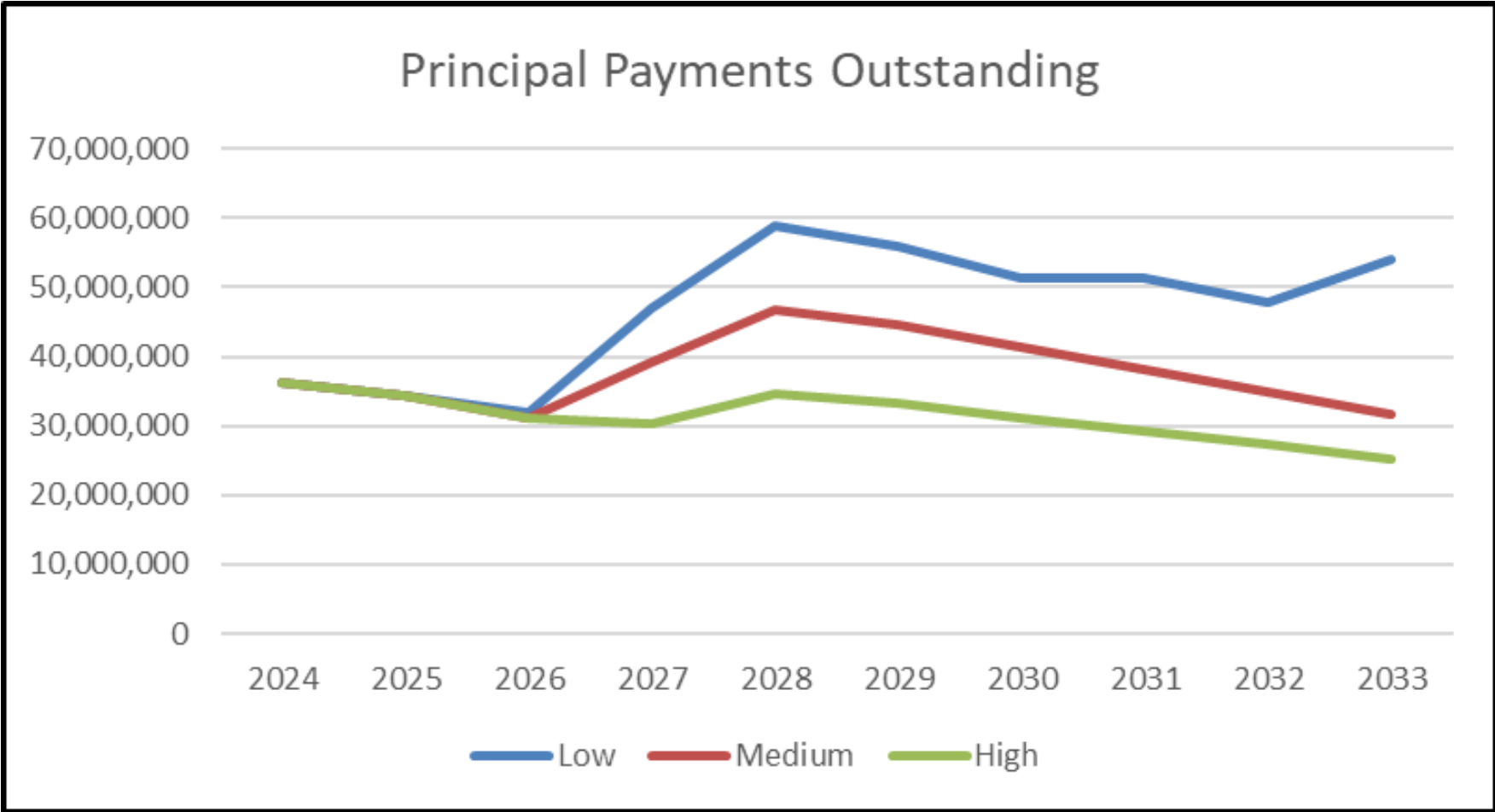


10-Year AIF Capital Plan



10-Year AIF Capital Plan

Principal Payments Outstanding

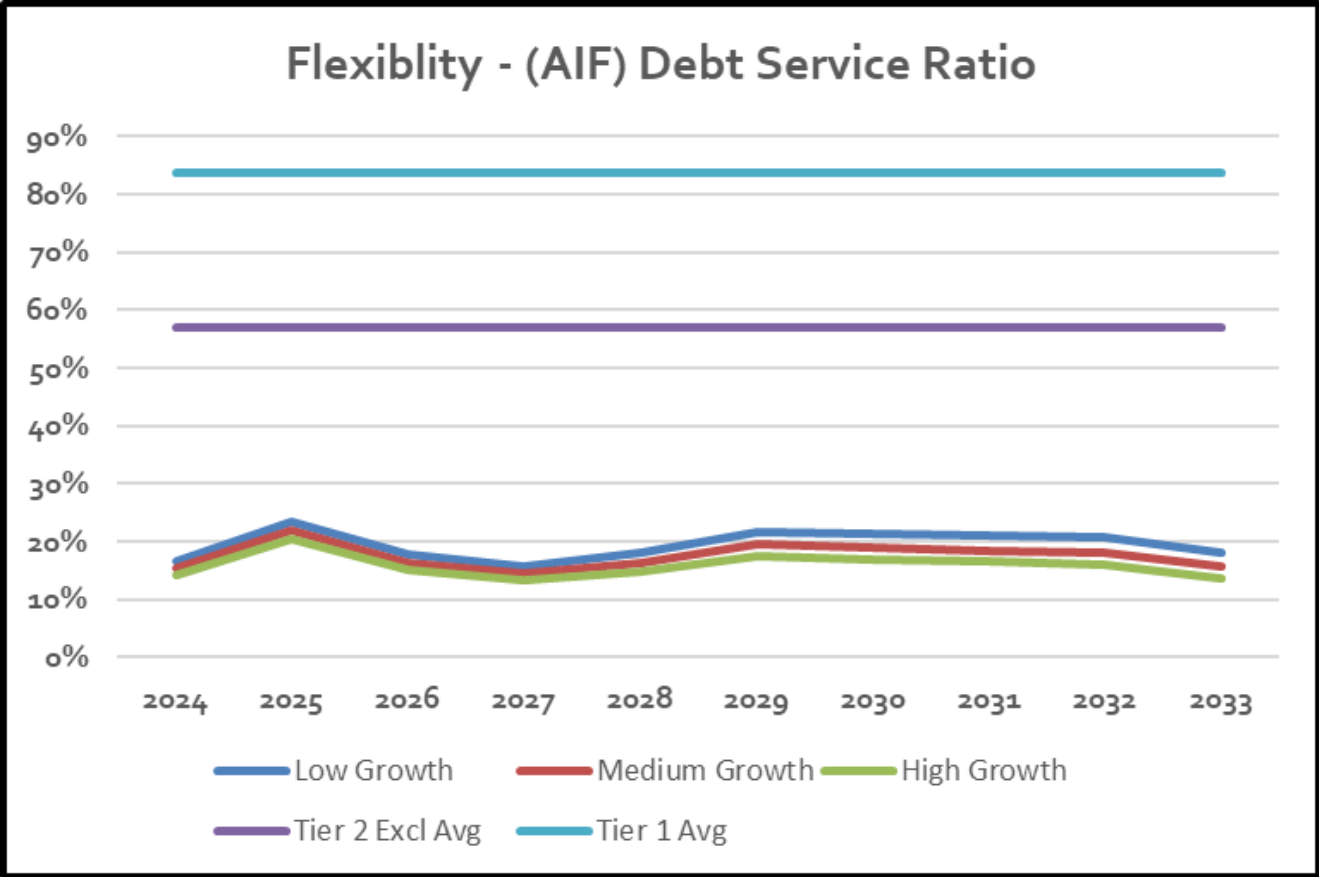


10-Year AIF Capital Plan

- ▶ Anticipated principal and interest payments
 - ▶ \$3.6 – 6.6 million
 - ▶ Maximum annual passengers required
 - ▶ 478,000 passengers
 - ▶ 2020
 - ▶ 737,000 passengers
 - ▶ First 12 months of the COVID-19 pandemic
 - ▶ 373,000 passengers

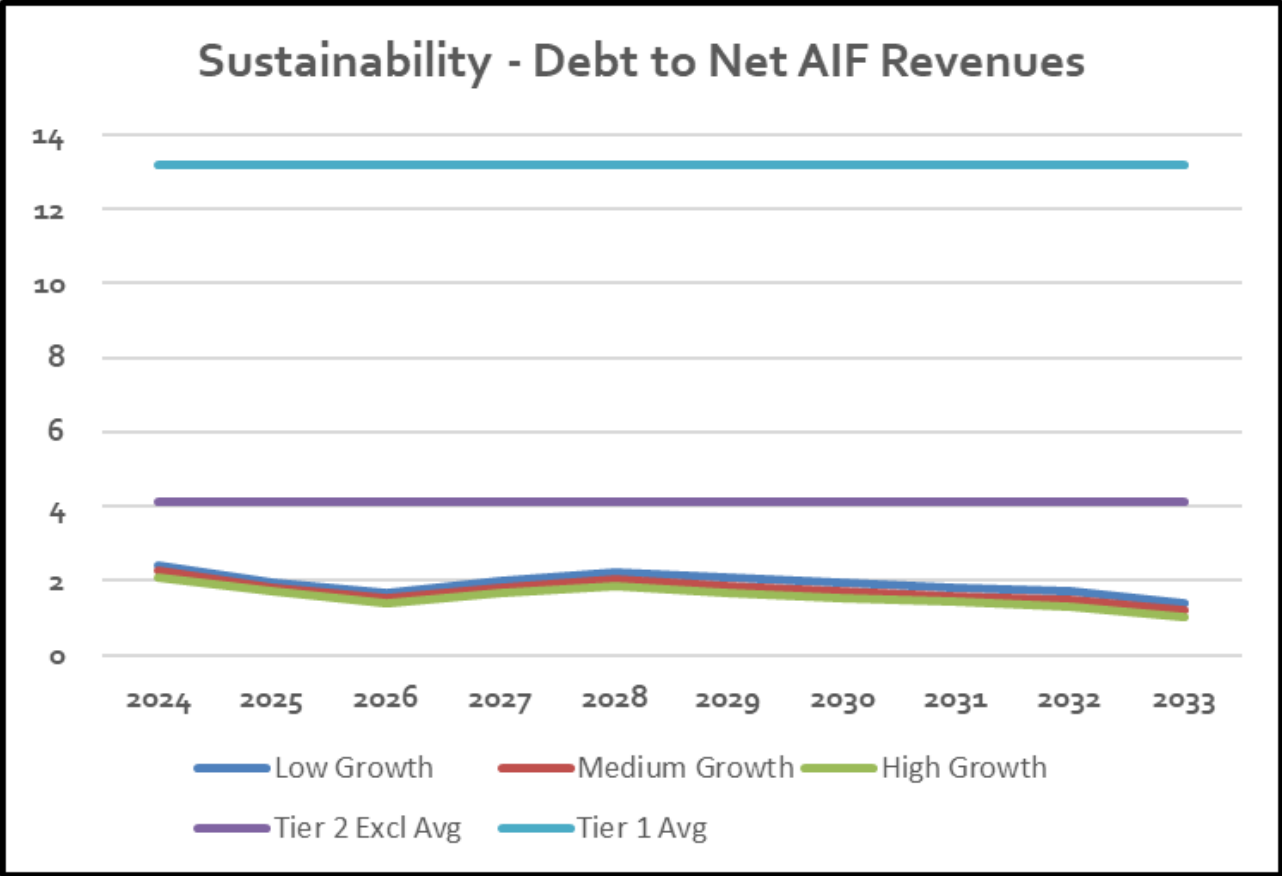
10-Year AIF Capital Plan

► Financial Health



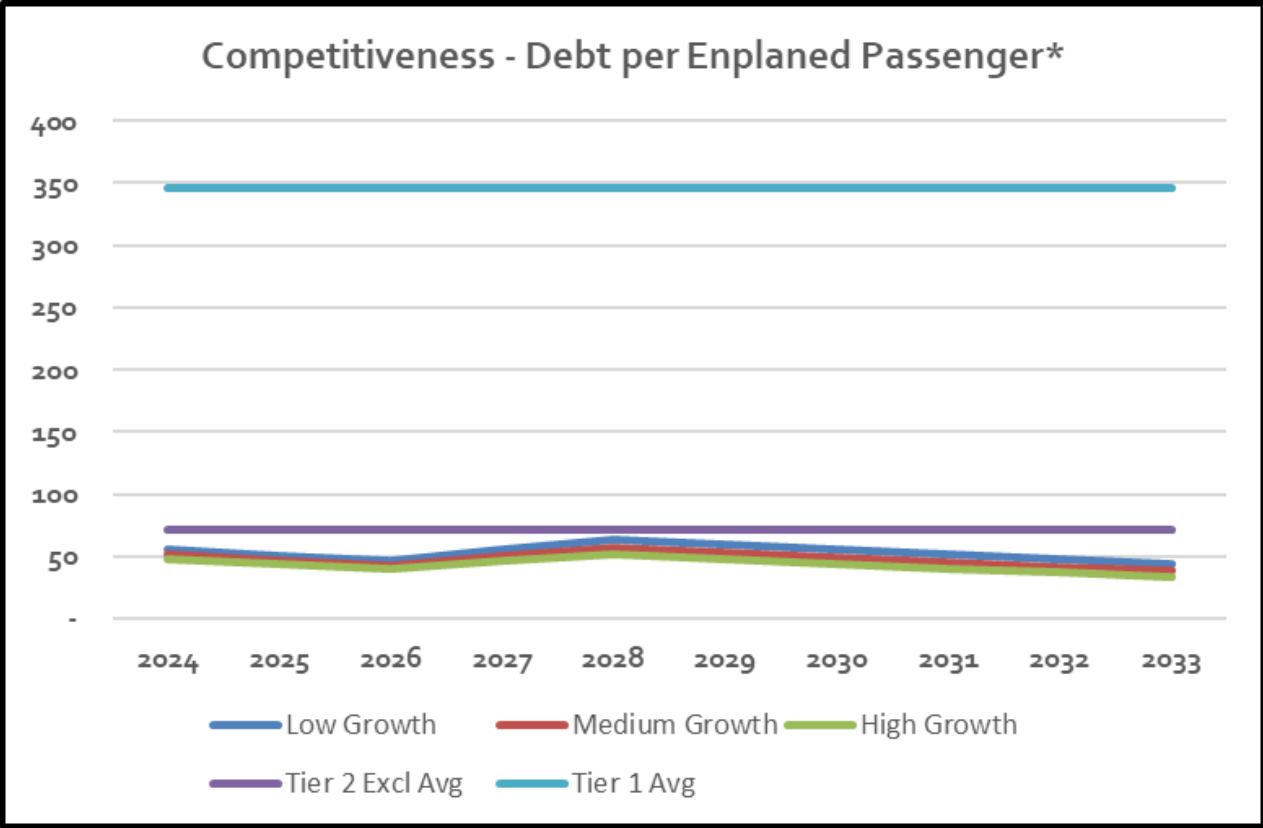
10-Year AIF Capital Plan

► Financial Health



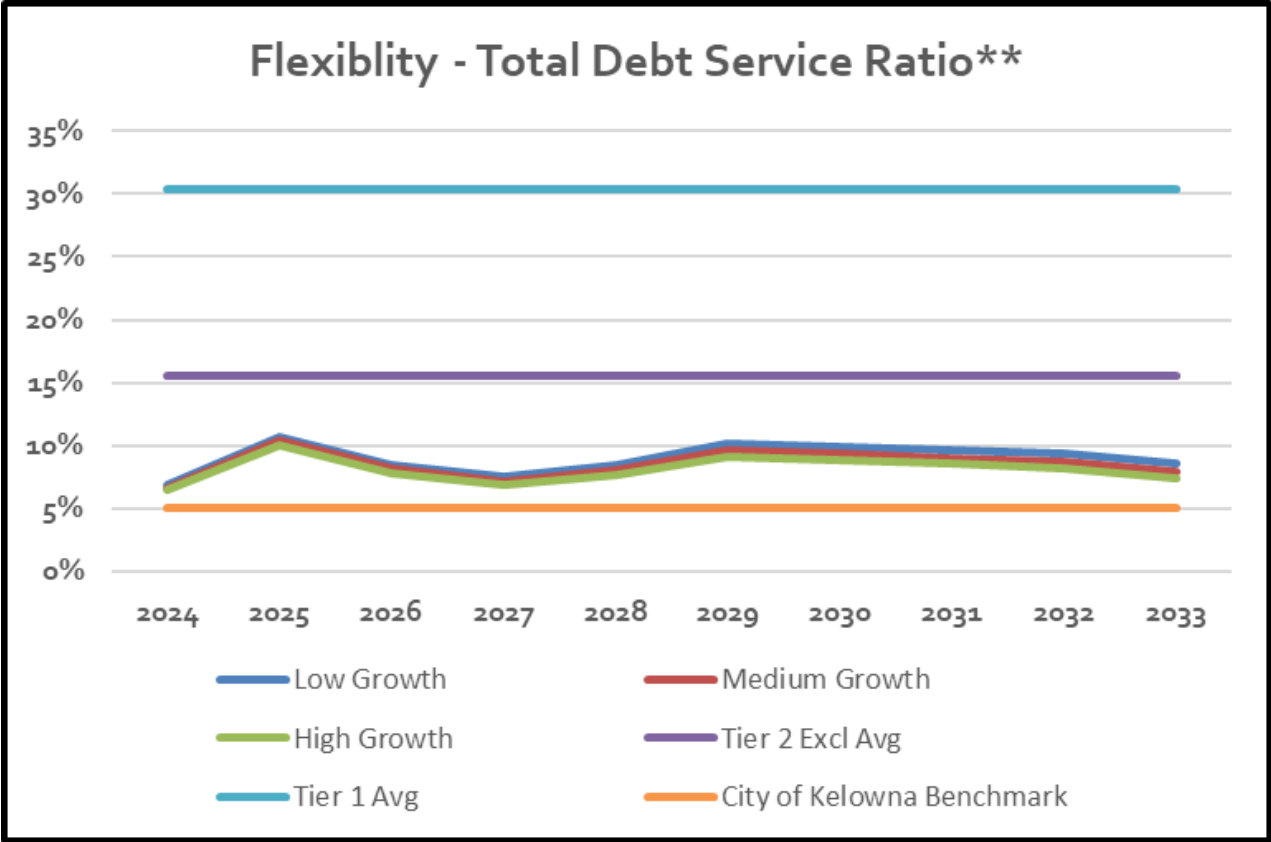
10-Year AIF Capital Plan

► Financial Health



10-Year AIF Capital Plan

► Financial Health





Kelowna International Airport

Questions?

For more information, visit ylw.kelowna.ca.