

Report to Council



Date: July 11, 2022
To: Council
From: City Manager
Subject: 2022 Financial Plan Amendment – Provincial Contribution
Department: Kelowna International Airport

Recommendation:

THAT Council receives for information the report from Kelowna International Airport dated July 11, 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 associated with the Provincial Contribution as outlined in the report from Kelowna International Airport dated July 11, 2022;

AND FURTHER THAT the Airport Director be authorized to execute all documents necessary to enter into agreements for the Provincial Contribution as outlined in the report from Kelowna International Airport dated July 11, 2022.

Purpose:

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

Background:

As a part of the 2020 Budget, Council approved moving forward with the construction of Phase 1 of the air terminal building (ATB) expansion (the ATB Expansion) at Kelowna International Airport (the Airport). Between 2019 and 2020, the Airport's passenger numbers went from 2,032,019 to 737,447 due to the impact of the COVID-19 pandemic. As a result, the ATB Expansion was put on hold. In 2022, the Airport will be moving forward with certain enabling works for the ATB Expansion and the Airport anticipates moving forward with the ATB Expansion in 2023. The ATB Expansion will include the use of mass timber and in 2021, the Airport applied for a Provincial Contribution to support the use of Mass Timber. In 2022, the Airport was awarded a \$500,000 Provincial Contribution to support the use of Mass Timber (the Provincial Contribution).

Discussion:

The table below provides further details on the Provincial Contribution:

Description	Amount (\$)	Budget Previously Approved	Budget Amendment Requested
Air Terminal Building Expansion Provincial Contribution	\$67,775,000 (500,000)	\$67,275,000 0	\$500,000 (500,000)
TOTAL	\$67,275,000	\$67,275,000	\$0

The Provincial Contribution will cover some of the costs associated with building the ATB Expansion, as well as the costs associated with the creation of a digital twin for the construction of the ATB Expansion and media materials that will highlight the use of mass timber in the construction of the ATB Expansion. As the majority of these costs were not included in the 2020 Budget, a budget amendment is being recommended to include the \$500,000 grant and a \$500,000 increase to the ATB Expansion project budget.

Conclusion:

The Airport recommends Council approve amending Kelowna International Airport's 2022 Financial Plan for the Provincial Contribution to Support the Use of Mass Timber, so a strategic project can be completed at significant cost savings.

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Considerations applicable to this report:***Financial/Budgetary Considerations:***

If approved, Kelowna International Airport's 2022 Financial Plan would be amended to include \$500,000 in grants, and an additional \$500,000 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:

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Approved for inclusion:

SS

cc:

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