



Airport Advisory Committee Minutes

Date:	Tuesday, May 24, 2016
Location:	Airport Administration Boardroom Kelowna International Airport 1-5533 Airport Way Kelowna, BC
Committee Members Present:	Chair, Mayor Colin Basran, City of Kelowna Councillor Luke Stack, City of Kelowna Walter Gray, Kelowna City at Large Andre Blanleil, Kelowna City at Large Meryle Corbett, Aviation Industry Representative Mayor James Baker, District of Lake Country Mayor Nancy Cooper, City of Salmon Arm Corie Griffiths, Economic Development Commission Jaron Chasca, Greater Vernon Chamber of Commerce Norm Lecavalier, Greater Westside Board of Trade Mayor Andrew Jakubeit, City of Penticton Thom Killingsworth, Tourism Kelowna Councillor Duane Ophus, City of West Kelowna Brian Highley, South Okanagan Chamber of Commerce Tom Dyas*, Kelowna Chamber of Commerce
Committee Members Absent:	Mayor Akbal Mund, City of Vernon Councillor Peter Schierbeck, District of Peachland Chair Gail Given, Regional District of Central Okanagan Councillor Mic Wierstuik, Westbank First Nation Erick Thompson, Summerland Chamber of Commerce
Staff Present	Airport Director, Sam Samaddar Senior Airport Operations Manager, Phillip Elchitz, City of Kelowna Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal Senior Airport Development Manager, Ed Stephens Legislative Systems Coordinator, Sandi Horning

(* denotes partial attendance)

1. Call to Order, Welcome & Introductions

The Chair called the meeting to order at 9:04 a.m. and welcomed everyone in attendance. Introductions were conducted.

2. Confirmation of Minutes

Moved By James Baker/Seconded By Luke Stack

THAT the Minutes of the September 29, 2015 Airport Advisory Committee meeting be adopted.

Carried

3. Reports

3.1 Operations Update

3.1.1 Passenger Traffic Statistics

Airport Director:

- Provided an update regarding the Passenger Traffic Statistics.
- Ahead of last year's forecast by almost 8% due to the increase in 'ski hill' traffic.
- Noted that the Airport Plaza construction is underway; Phase 1 will be open to the public sometime in October this year.
- The outbound baggage project is currently underway.
- Comments on the ALC exclusion application currently in process.
- Responded to questions from the Committee Members.
- Provided an overview of the impact of the Fort McMurray fire on the airport and advised that the charters are not currently flying out of YLW to Fort McMurray.

3.2 Master Plan Update

Airport Director:

- Provided an update on the Master Plan process.
- Currently conducting detailed stakeholder presentations and would be willing to make presentations to any of the member municipalities or organizations.
- Commented on the passenger growth.
- Commented on the growth of the aircraft takeoffs and landings.
- Provided an update on the revised Runway Extension and RESA Proposal.
- Provided an overview of the Terminal Apron Expansion - Option 1, Option 2 and Option 3.
- Provided an overview of the existing Terminal Building layout.
- Provided an overview of the Demand-Capacity Results - Current ATB Space Allocation vs. Updated Functional Program Requirements (2015).
- Provided an update of the Airport Infrastructure, Air Terminal Building (ATB) - Current Expansion Program.
- WestJet is currently conducting a pilot project in which elite passenger having a RFID impeded in their baggage that will assist with self-baggage.
- Noted the advantages of the current expansion program.
- Provided an overview of the Parking Demand Forecasts.

- There is an allocation of space for a future parkade at YLW; however, at the moment, a parkade is not financially feasible as parking rates would be extremely high and it has a very high capital cost.
- Provided an update on the Groundside Development Plan and the impacts of the traffic flow change as a result of the 4-laning of Highway 97 and the change of the intersection at Sexsmith Road.
- Responded to questions from the Committee Members.
- Commented on the challenges in Option 1 of the Terminal Apron Expansion.
- Encouraged the Committee Members to complete the survey for the Detailed Master Plan 2045 at <https://www.surveymonkey.com/r/MASTERPLAN2045YLW-1>.
- YLW is continuing to develop the Master Plan and will report on the progress in the summer of 2016.
- Provided comment on how Mill Creek will impact the Airport's expansion.

3.3 Financial Update

Senior Airport Finance & Corporate Services Manager:

- Provided an overview of the 2015 Year End Results.

Committee Member Tom Dyas joined the meeting at 9:29 a.m.

Senior Airport Finance & Corporate Services Manager:

- Noted that the AIF revenue is slightly down due to the reduction in passengers counts in 2015.
- Provided an overview of the proposed changes to YLW's Fees and Charges - 3% in 2016; 1.5% in 2018 & 2019.
- These **increases** are cost effective and have not received any negative feedback from the Air Carriers.

Airport Director:

- Responded to questions from the Committee Members.
- Provided the rationale for how fees and charges are increased and why they are not done on a regular basis based on inflation rates.
- Need to conduct major stakeholder consultation prior to increasing fees and charges; Always negotiating fees and charges with air carriers.

Committee Member, Meryle Corbett:

- Provided comment on how air carriers address increases in Airport fees and charges and the challenges the air carriers face when fees and charges are increased.

Airport Director:

- Provided the rationale for the proposed increase in Aircraft Parking from \$40/night to \$45/night.
- Across Canada, YLW is in the bottom 1/3 for Airport fees and charges.
- Need to manage fees so that Air Carriers continue to fly out of YLW.

Moved By Jarod Chasca/Seconded By Andrew Jakubeit

THAT the Airport Advisory Committee supports, in principle, the proposed amendments to the Airport Fees and Charges Bylaw No. 7982 as presented to the Committee on May 24, 2016;

AND THAT the Airport Advisory Committee supports obtaining the approval of Kelowna City Council for the amendments to the Airport Fees and Charges Bylaw No. 7982 as presented to the Committee on May 24, 2016.

Carried

3.4 Air Service Development Update

Senior Airport Operations Manager:

- Provided an overview of the 2016 Air Service Development Strategy.
- Provided an update with respect to the service to Toronto.
- Toronto is a dominant hub for connections to key regions.
- Air Canada's conversion to 'rouge' service has driven Toronto growth.
- WestJet service on the Kelowna to Toronto route has remained steady.
- The introduction of high-density rouge product and subsequent up-gauge to A321 in summer 2016 is driving seat capacity growth.
- Air Canada significantly increases capacity in summer and winter.
- Air Canada will operate the A321 over the peak summer season, returning to A319 in October.
- Air Canada's winter schedule will increase to 5x/week service on December 17, 2016.
- YLW staff are working with Air Canada on a new Toronto initiative - Air Canada Toronto-Kelowna Shoulder Season.
- WestJet offers consistent capacity to Toronto.
- The Toronto service is a major service for YLW.
- Provided an update regarding the New Leaf 'ultra-low cost carrier' service.
- New service to launch during the week of June 27th; Direct non-stop service to Winnipeg (x3), Regina (x2) & Saskatoon (x2); Same plane service to Hamilton; Winnipeg is YLW's top domestic market without direct non-stop service; \$89 one-way introductory fares.
- Provided an update on YLW's air service to Alberta.
- YLW market has shown resilience to Alberta downturn.
- Provided an overview of the other initiatives to Air Service Development.
- Provided an update on the proposed Frankfurt-Kelowna direct air service.
- Provided an update on the Charter Carriers.
- Provided an update on the US Carriers.
- YLW staff are going to Denver in mid-June and will be meeting with all of the US Carriers in order to promote air service to/from YLW.
- Responded to questions from the Committee Members.

Airport Director:

- Responded to questions from the Committee Members regarding the proposed Frankfurt-Kelowna direct air service.
- Provided an overview of the Jet Line low cost carrier; Confirmed they are very interested in entering the YLW marketplace.

3.5 Development Update

3.5.1 Existing Program

Senior Airport Development Manager:

- Provided an update on the existing AIR Program and noted the projects that have been completed to date.
- Provided an overview of the 2016 Projects.

The meeting recessed at 10:11 a.m. The meeting reconvened at 10:20 a.m.

3.5.2 New AIF Program

Senior Airport Development Manager:

- Provided an overview of the proposed new AIF Program.
- Provided a list of potential projects proposed under the New AIF Program.
- Provided further details regarding the Apron 1 Rehabilitation, Phase II Project.
- Provided further details regarding the Apron 1 South Expansion; No new terminal gates are expected until beyond 2035; Requirement for remote stands will emerge by 2021-2025.
- Provided further details regarding the Airside Pavement Rehabilitation.
- Provided further details regarding the New East Taxiway.
- Provided further details regarding the Runway End Safety Area.
- Provided further details regarding the New Loading Bridge - Gate 3.
- Provided further details regarding the Loading Bridge Refurbishing - Gates 4, 6-9.
- Provided further details regarding the Covered Walkway to OPS Stands 1 & 2.
- Provided further details regarding the Self-Serve Baggage Drop.
- Provided further details regarding the CUSS/CUTE Replacement.
- Provided further details regarding the Terminal Expansion South.
- Provided further details regarding the International Arrivals Repurposing.
- Provided further details regarding the Non Passenger Screening Vehicle - Phase II.
- Provided further details regarding the Combined Operations Building - Phase II.
- Provided further details regarding the Glycol Secondary Capture.
- Provided further details regarding the GSE Relocation.
- Provided further details regarding the Airside Equipment Fleet Plan.
- Provided an overview of the requests from the Airline Consultative Committee:
 - o Feedback on the Plan;
 - o Funding to further define the projects;
 - o Funding to develop Class D or C estimates; and
 - o AIF evaluation based on the cost impacts.
- Responded to questions from the Committee Members.

Airport Director:

- Provided additional comment regarding the New AIF Development Program.
- The current program ceases in 2020; Need to have a new program in place so that there is no interruption in the AIF Development Program.

Senior Airport Finance & Corporate Services Manager:

- Responded to questions from the Committee Members regarding impacts of YLW's expansion on ALR lands.

Moved By Walter Gray/Seconded By James Baker

THAT the Airport Advisory Committee supports, in principle, the projects proposed for a new AIF Development Program as presented to the Committee on May 24, 2016;

AND THAT the Airport Advisory Committee supports a request to Kelowna City Council for funds to prepare cost estimates for projects under the new AIF Development Program.

Carried

3.6 Groundside Development

Senior Airport Finance & Corporate Services Manager:

- Provided an overview of the Groundside Development.
- Provided the details with respect to the purchase of Shadow Ridge Golf Course; Will run the property as a golf course for the next 5 years as the lands will not be needed until at least 5 years; Going out to tender to obtain an operator for the golf course for the time being.
- Provided the details with respect to the West Lands Development; Investing \$2.6M to develop 5 of the 12 lots.

Airport Director:

- Responded to questions from the Committee Members regarding the development of the West Lands.
- Confirmed that the lots will not be sold and will be on a long-term lease; Will need to be in the aeronautical service in order to lease the lots.
- Confirmed that there is a 'construction' clause in the leases so that construction will need to be commenced in a timely manner.
- All the 'deep' services will be installed in the ground at the time of the first phase of the subdivision.
- Provided an overview of the type of businesses that may wish to lease lots in the West Lands Development.

Senior Airport Finance & Corporate Services Manager:

- Responded to questions from the Committee Members regarding the rationale for developing the specified 5 lots.

Committee Member, Meryle Corbett:

- Provided comment on future projects/strategies for Kelowna Flightcraft.
- Provided comment on future plans for the expansion of Kelowna Flightcraft.

Senior Airport Finance & Corporate Services Manager:

- Provided further details regarding YLW's ALR Exclusion Application.
- The application to the ALC is currently underway.
- Requesting exclusion in order to expand the Airside at YLW; All non-ALR lands have been completely exhausted and no further expansion can be obtained without utilizing ALR lands.
- As per direction from the ALC, YLW has purchased the entire site in order to expand.

- Provided the rationale for requesting the ALR exclusion; Provided the reasons that will be provided to the ALC in order to obtain the exclusion; YLW feels that the exclusion will provide a net benefit to agriculture.
- The application has been submitted to the ALC; Have been to both the Regional District of Central Okanagan & the City's Agricultural Advisory Committee and both have provided support.
- Provided an overview of the ALC application process.
- Responded to questions from the Committee Members.

Senior Airport Development Manager:

- Provided further details regarding the upgrades to the Highway 97 Intersection.
- Displayed a slide of the 'preferred concept'.

Committee Member, Walter Gray:

- Provided comment regarding the ALC and their regulations regarding the ALR.

Airport Director:

- Noted that farmer worker flights are now direct to Kelowna which will assist agriculture.

Committee Member, Duane Ophus:

- Provided comment regarding YLW's ALC exclusion application; Confirmed that West Kelowna Council has provided their support for the ALR exclusion.

4. Questions & Wrap Up

Airport Director:

- Responded to questions from the Committee Members.
- Provided comment regarding the possibility of adding a second runway at YLW; Believes that the current runway allows for a lot of capacity.

5. Termination of Meeting

The Chair thanked everyone for attending and provided closing comments.

The Chair declared the meeting terminated at 11:05 a.m.

Mayor Colin Basran