

Airport Advisory Committee AGENDA



Tuesday, May 24, 2016

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

			Pages
1.	Call to Order, Welcome & Introductions	9:00 AM - 9:10 AM	
2.	Confirmation of Minutes	9:10 AM - 9:10 AM	2 - 5
Approve Minutes of the Meeting of September 29, 2015.			
3.	Reports		6 - 74
3.1	Operations Update	9:10 AM - 9:20 AM	
3.1.1	Passenger Traffic Statistics		
3.2	Master Plan Update	9:20 AM - 9:40 AM	
3.3	Financial Update	9:40 AM - 10:00 AM	
3.4	Air Service Development Update	10:00 AM - 10:30 AM	
3.5	Development Update	10:30 AM - 11:15 AM	
3.5.1	Existing Program		
3.5.2	New AIF Program		
3.6	Groundside Development	11:15 AM - 11:45 AM	
4.	Questions & Wrap Up	11:45 AM - 12:00 PM	
5.	Termination of Meeting		



Airport Advisory Committee Minutes

Date:	Tuesday, September 29, 2015
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 Akbal Mund, City of Vernon Mayor James Baker, District of Lake Country Mayor Nancy Cooper, City of Salmon Arm Mayor Andrew Jakubeit, City of Penticton Councillor Peter Scheirbeck, District of Peachland Chair Gail Given, Regional District of Central Okanagan Corie Griffiths, Economic Development Commission Jaron Chasca, Greater Vernon Chamber of Commerce Tony Stewart, Tourism Kelowna Norm Lecavalier, Greater Westside Board of Trade Tom Dyas, Kelowna Chamber of Commerce (Alternate)
Committee Members Absent:	Councillor Rick de Jong, City of West Kelowna Councillor Mic Werstuik, Westbank First Nation Erick Thompson, Summerland Chamber of Commerce Curtis Darmohray, Kelowna Chamber of Commerce
Staff Present:	Deputy City Manager, Paul Macklem, City of Kelowna Airport Director, Sam Samaddar, City of Kelowna Airport Finance & Corporate Services Manager, Shayne Dyrdal, City of Kelowna Legislative Systems Coordinator, Sandi Horning
Consultants:	Sr. Director, Airport Development, Jim Meyer, SNC Lavalin Sr. Manager of Planning & Strategic Services, Marcel Champagne, SNC Lavalin

1. Call to Order

The Chair called the meeting to order at 1:03 p.m.

2. Welcome & Introductions - Chair

The Chair welcomed everyone in attendance and introductions were conducted.

3. Reports

3.1 Operations Update - Airport Director, Sam Samaddar

Airport Director:

- Provided an update regarding the Airport's Operations.
- Advised that 2014 was a record year for YLW.
- Advised that for 2015 the passenger counts have declined slightly given the state of the current economy.
- Provided background information regarding the previous Airport Advisory Committee's recommendations to Council.
- Provided details on some outstanding issues that are being resolved.
- Advised that the new glycol facility will be in operation by the end of the week, just in time for winter.
- Provided an update on the Outboard Baggage System Expansion project.
- Provided an overview of the discussions surrounding ways to enhance non-operational revenues.
- Advised that YLW is currently upgrading the departure room and concessions.
- Noted that Pacific Coastal Airlines has added additional air service (twice daily to Victoria, except Saturday).
- Noted that Sunwing Airlines has added a Varadero, Cuba charter.
- Responded to questions from the Committee Members with respect to the rationale behind WestJet having its head quarters in Calgary rather than Vancouver.

3.2 Review of Terms of Reference - Airport Director, Sam Samaddar

Airport Director:

- Advised that a copy of the Airport Advisory Committee's Terms of Reference was included with the 'Committee Package' that was distributed to the members upon their arrival at today's meeting.

3.3 Airport Master Plan - SNC Lavalin

Airport Director:

- Provided the rationale for updating the Airport Master Plan.

Consultants:

- Displayed a PowerPoint presentation summarizing the strategic direction for updating the Master Plan to 2045.
- Advised that the last Master Plan was developed in 2005 and covered the period of 2005-2025.
- The current review looks to take the Master Plan out to 2045.
- The Master Plan 2045 is a three-phase initiative, programmed around stakeholder consultation.
- A Communications Plan has been established to guide stakeholder consultations.
- Provided an overview of what YLW has accomplished in the last 10 years.
- Provided an overview of the various Airport Plans.
- Advised that the Strategic Plan establishes the overall direction, vision, mission statement, objectives and action plans.

- The Master Plan will describe the optimum development options and the facilities and systems needed to meet strategic objectives and forecasted levels of passenger and aircraft activity, over a specified period of time.
- The Implementation Plan details the approach, initiatives and process for achieving YLW's overall objectives.
- Made comment regarding the local economy and the fact that tourism is a major industry in the Okanagan.
- Made comment regarding the region's population growth.
- Made comment regarding the factors influencing the price of oil and its impact on the Canadian economy.
- Provided an overview of the airline industry and noted the factors driving local demand.
- Provided an overview of the preliminary Master Plan findings.
- Advised that YLW is expected to continue to grow at approximately 3% per year to 2045 (in spite of the current slowdown).
- Made comment regarding "Noise Exposure" and how new aircraft are changing it.
- Advised that YLW's runway capacity can meet demand and further gains can be achieved through technology improvements.
- Advised that the current runway length is sufficient for B767-300ER aircraft to fly non-stop to London and Frankfurt with full passenger load, not maximum payload.
- Commented on the new Canadian aerodrome standards, which impacts zoning for clearances under and around approach surfaces.
- Noted that Runway End Safety Areas (RESA) will also be needed under the new standards, which has a potential to complicate land needed to accommodate current and future runway length.
- Commented on the remote aircraft parking stands needed beyond the current North Apron expansion.
- Noted the areas within the Air Terminal Building that need to be addressed.
- Commented on future access and parking requirements at YLW.
- Current forecasts indicate that parking facilities will not meet demand in 5-10 years. By 2045, 1,800 more parking stalls will be needed. A portion of the existing long-term lot will be needed for future apron expansion.
- Commented on the trends in ground transportation.
- Noted that YLW's serviced airside commercial land inventory is close to saturation. Limited airside commercial land limits the benefits YLW provides to the region.
- Noted that the east side land should focus on expanding YLW's role for aviation/aerospace industries.
- Noted that some additional land will be needed to accommodate growth.
- YLW's current development strategy remains valid.
- The next phases of development need to address traffic growth - remote aircraft parking, terminal holdroom and bag areas, and parking lots.
- Changes to the aerodrome regulations also need to be addressed (obstacle-free zones and Runway End Safety Areas).
- More commercial development land is needed and YLW will need to consider acquiring some adjacent land parcels to address long-term needs.
- Commented on the metric for benchmarking.
- Commented on satisfaction ratings in the Airports Council International Airport Service Quality survey.
- Commented on YLW's Strategic Assessment Survey and noted that stakeholders were asked questions regarding view and opinions on various strategic planning topics.
- Made comment on the issues YLW is having, or will have, which will impact the operations of the business and need to be addressed over the next 5 years.
- Commented on YLW's Vision Statement, Core Values and Key Success Drivers.
- Commented on the Quality of Service Index.
- Commented on the "Trends in Scheduled Services" at YLW, as well as "Trends in Passenger Traffic" and "Trends in Seat Capacity".
- Noted the following air service development priorities YLW should consider:
 - New ultra low cost carrier service;
 - Domestic-daily flights (24/7/365) to Toronto;

- New regional tier three service to northern communities within BC;
- Trans-border service - Los Angeles, Chicago and Minneapolis-St. Paul;
- Charter service to a European destination; and
- More leisure flights to sunspot destinations.
- Advised that the next steps in the process will be:
 - Feedback from the Committee Members via completion of the survey (www.surveymonkey.com/r/YLWMASTERPLAN2045-1);
 - Additional consultations to be held in the regional through to Spring 2016 (Public Open House in February); and
 - Report back on the consultation results in the 'Detailed Master Plan' in Summer 2016.
- Responded to questions from the Committee Members.

Airport Director:

- Responded to questions from the Committee Members regarding how to improve and obtain direct, non-stop, service to European destinations (i.e. more international flights out of YLW).
- Responded to questions from the Committee Members regarding previous plans for a multi-level parkade at YLW. Advised that cost is a big factor when considering a multi-level parkade. Parking rates to park in a parkade could be too expensive and therefore not be well utilized. Surface parking is better for YLW.
- Advised that City staff is looking at opportunities to develop commercial areas that will directly relate to YLW.
- Responded to questions from the Committee Members with respect to the potential of the development of the public pathway (CN Rail corridor) so that it no longer separates the Airport lands.
- Provided an overview of how the Federal Government's regulations affect Canadian airports.

Committee Members:

- Had a general discussion regarding the future of the airline industry.

4. Questions & Wrap Up

The Consultants advised that an email will be sent to the Committee Members with a link to the feedback survey.

The Chair thanked everyone for their attendance.

5. Termination of Meeting

The Chair declared the meeting terminated at 3:14 p.m.

Mayor Colin Basran, Chair

/slh



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Kelowna International Airport

AIRPORT ADVISORY COMMITTEE

May 24, 2016

AGENDA

- ▶ Call to Order, Welcome and Introductions
- ▶ Operations Update
- ▶ Airport Master Plan 2045 Update
- ▶ Financial Update
- ▶ Air Service Development Update
- ▶ Development Update
- ▶ Groundside Development



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Kelowna International Airport

**CALL TO ORDER, WELCOME AND
INTRODUCTIONS**



Kelowna International Airport

OPERATIONS UPDATE

Passenger Traffic Statistics

Monthly Difference (2016 to 2015)				
Month	2016	2015	Diff	% Diff
January	149,574	139,144	10,430	7.50%
February	144,063	133,971	10,092	7.53%
March	151,909	140,110	11,799	8.42%
April	119,787	119,326	461	0.39%
Year to Date Difference (2016 to 2015)				
Month	2016	2015	Diff	% Diff
January	149,574	139,144	10,430	7.50%
February	293,637	273,115	20,522	7.51%
March	445,546	413,225	32,321	7.82%
April	565,333	532,551	32,782	6.16%



Kelowna International Airport

AIRPORT MASTER PLAN 2045 UPDATE

YLW Master Plan 2045

Timeline: Three-phase Approach



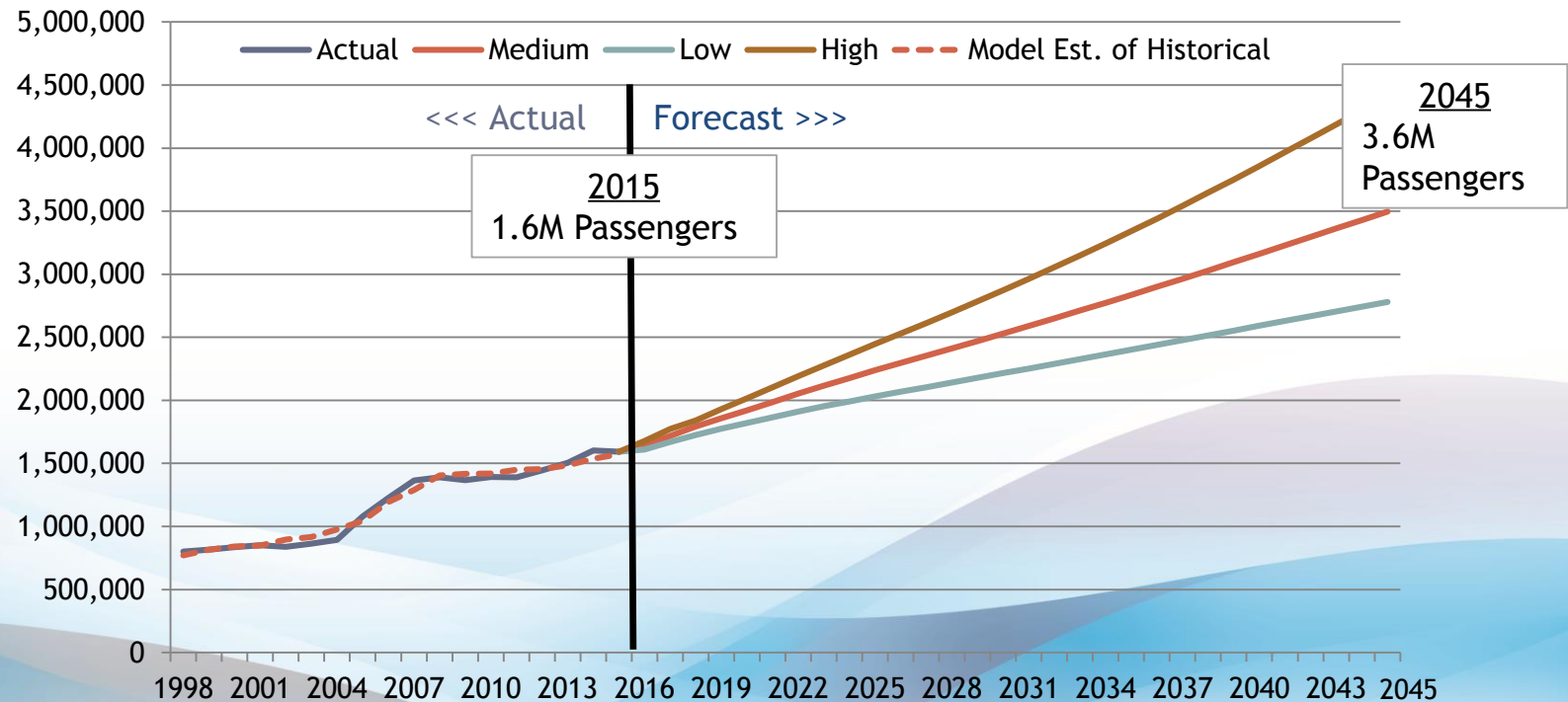
YLW Master Plan 2045

Master Plan Study Components: At-a-Glance

Airport Economic Impacts	Public Roads, Access and Vehicle Parking
Airside System – Runway and Taxiways	New Regulatory Requirements
Air Traffic Analysis and Forecasting – Passengers and Aircraft Movements	Commercial Land Development - Airside and Groundside
Air Terminal Building	Potential Land Acquisition Areas
Apron & Aircraft Parking	Noise and Other Environmental Considerations

Air Traffic Growth Passengers

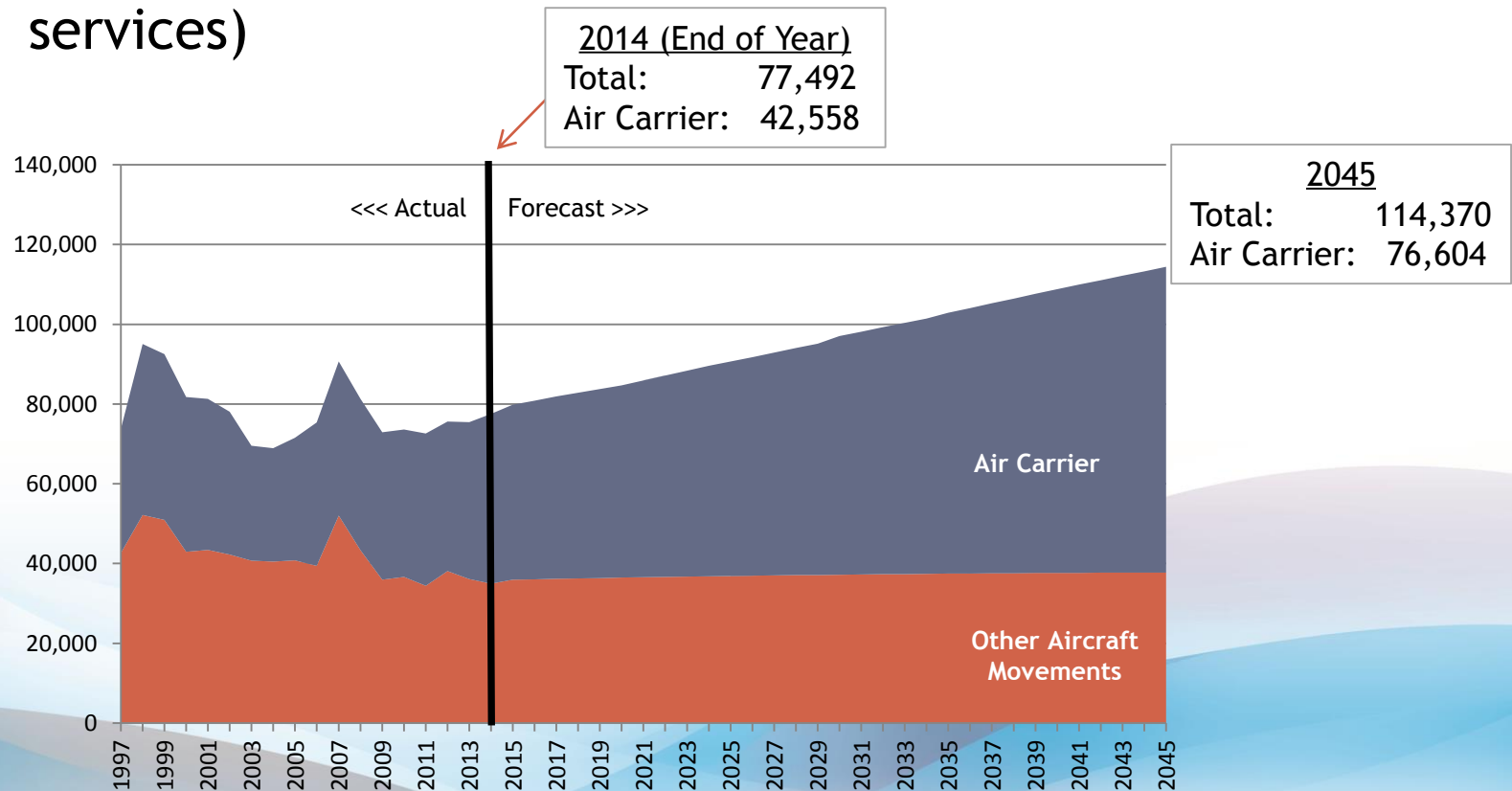
- ▶ Passenger growth to continue at 3% annually (medium forecast)



Air Traffic Growth

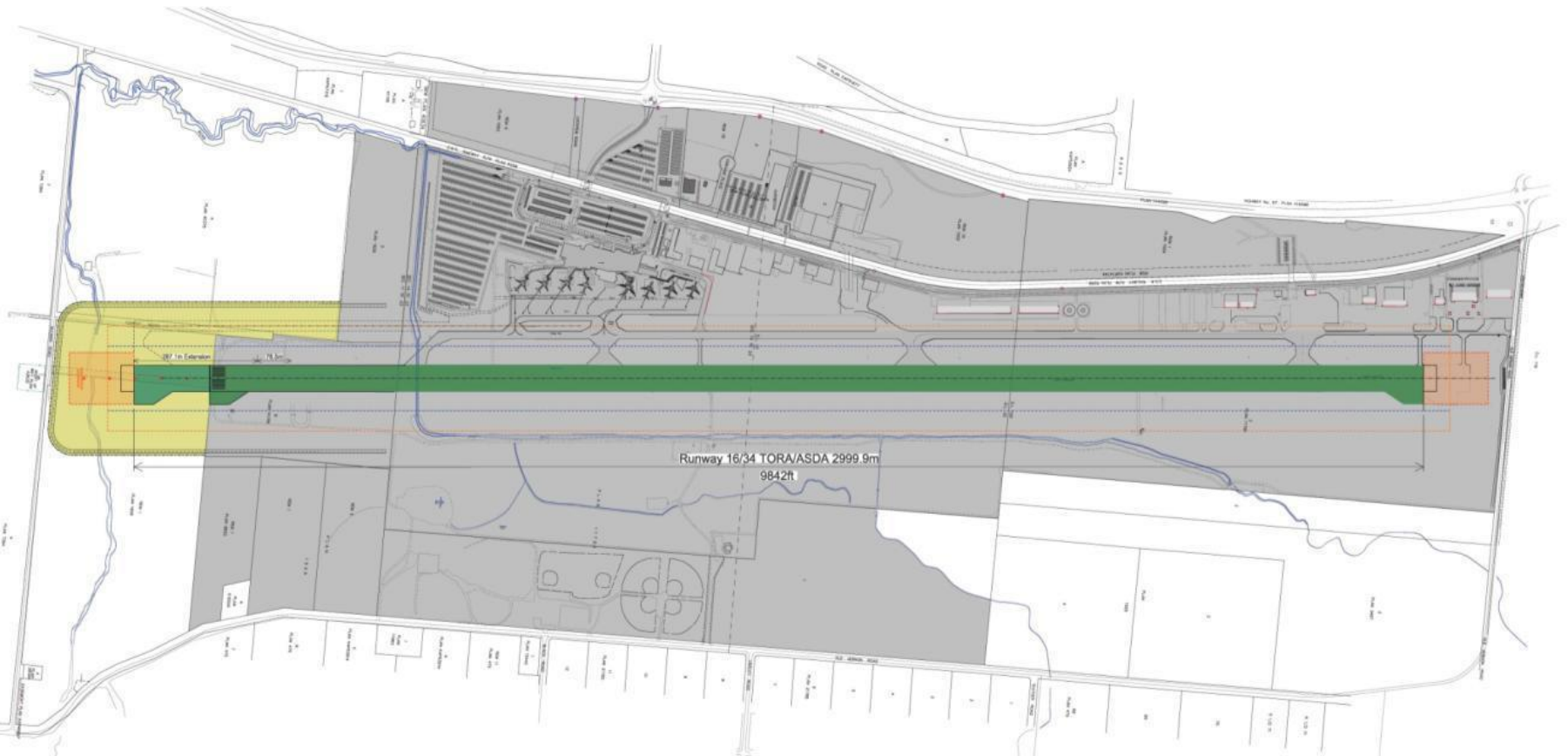
Aircraft Takeoffs and Landings

- ▶ Growth at 2% per year (majority attributable to air carrier services)



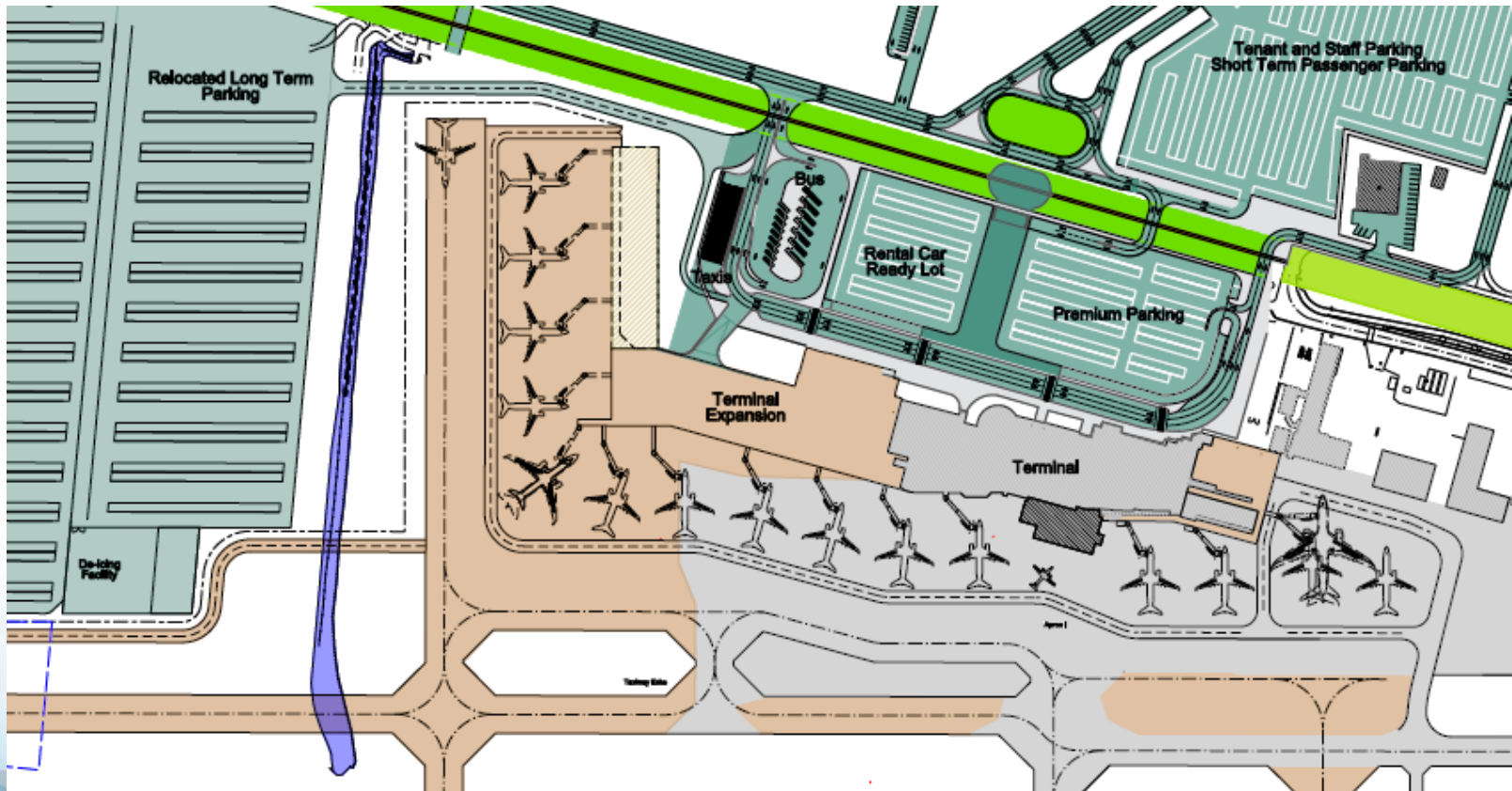
RESA and Runway Length

Revised Runway Extension and RESA Proposal



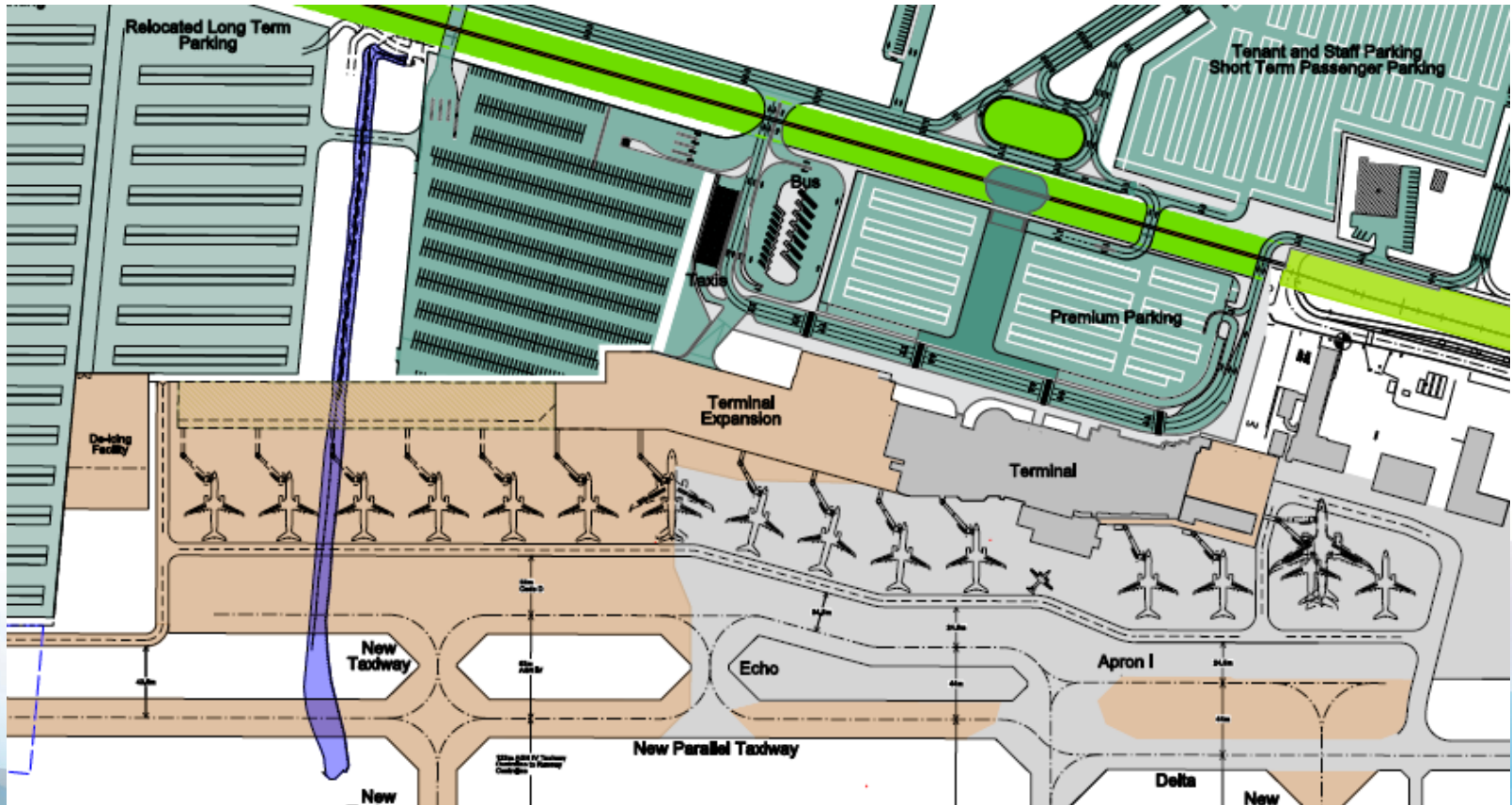
Terminal Apron

Updated Apron Expansion - Option 1



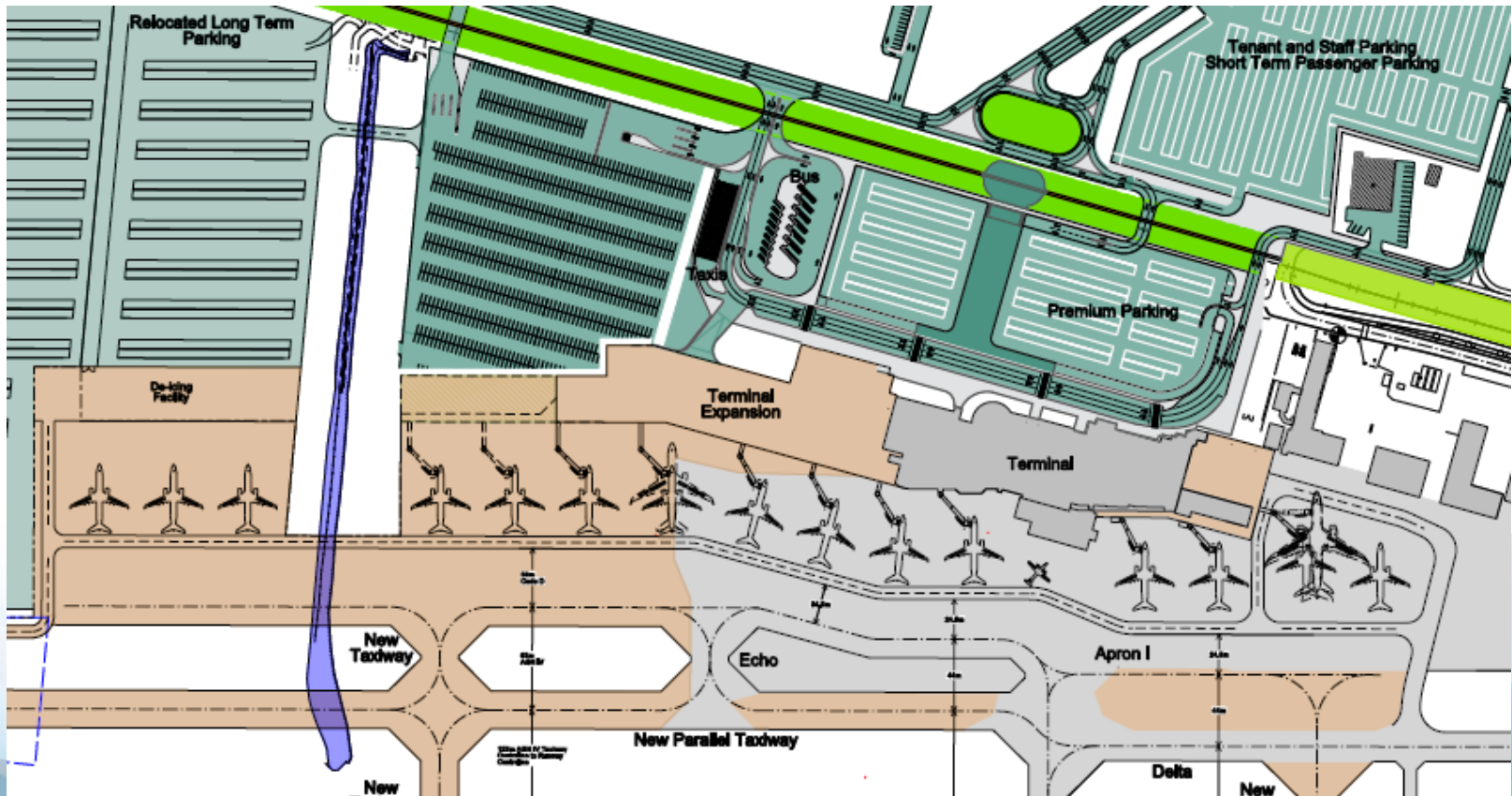
Terminal Apron

Updated Apron Expansion - Option 2



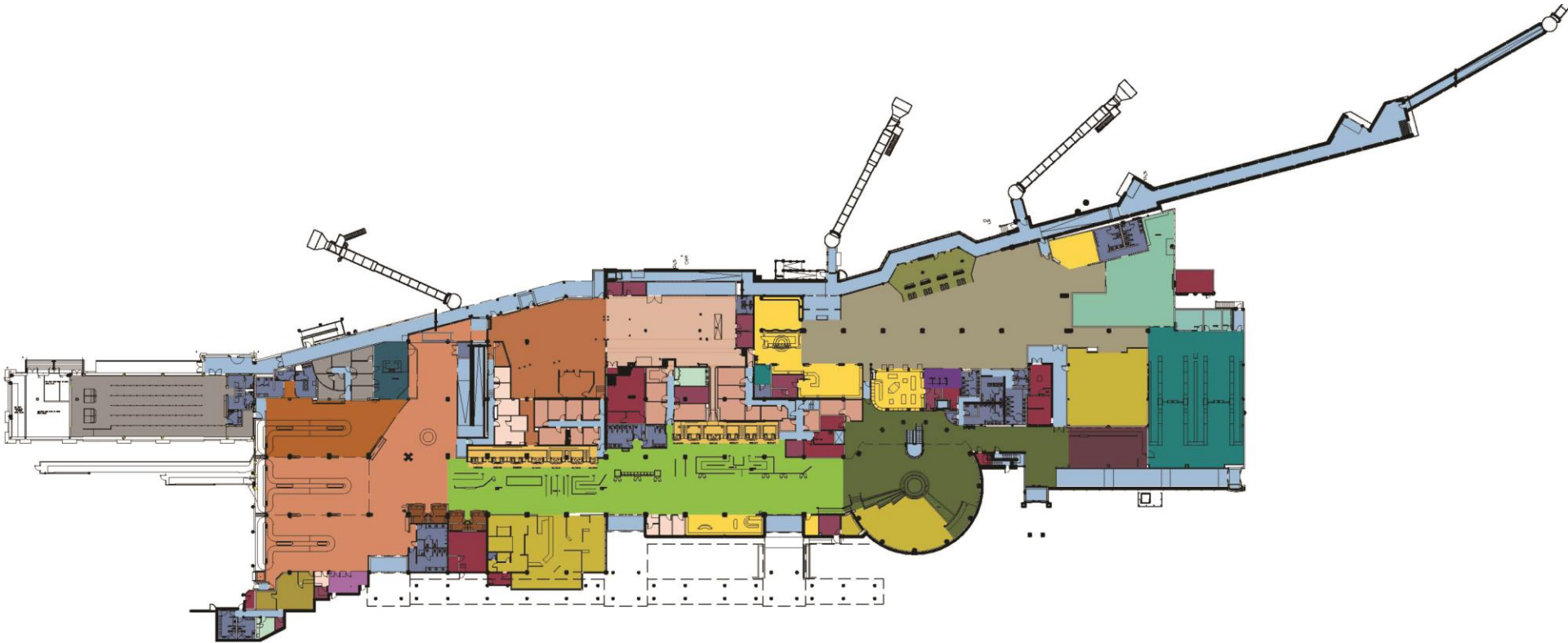
Terminal Apron

Updated Apron Expansion - Option 3



Existing Terminal Building

ATB Layout (2015)



Demand-Capacity Results

Current ATB Space Allocation vs. Updated Functional Program Requirements (2015)

	Note	Existing, Incl. New Bag Make Up /HBS (m2)	Updated ATB Functional Program Requirements (m2)					
			2016	2020	2025	2030	2035	2045
Enplaning								
Departures Concourse Area (incl. check-in queue)		1,447	756	854	968	1,031	1,151	1,321
Check-in Counters (excl. queuing)		175	124	138	152	166	179	195
Preboard Screening Checkpoint		457	429	429	572	572	572	715
Holdroom Space (Usable)	1	793	969	1,105	1,274	1,375	1,544	1,770
Holdroom Space (Underutilized)	1	396						
Concessions, including storage		1,104	1,113	1,358	1,601	1,824	2,041	2,451
Bag Make-up/HBS		1,042	448	511	589	636	714	819
ATO Support/Airline Offices		648	612	712	819	928	1,346	1,553
Deplaning								
Domestic Bag Claim	2	595	691	1,012	1,012	1,012	1,012	1,012
International/Transborder Bag Claim	2	248	321	321	642	642	1,012	1,012
CBSA PIL, Secondary and Support		488	371	455	594	688	745	876
All								
Arrivals Lobby Landside		294	236	276	299	305	313	348
Car Rentals/Tour Operators		44	263	320	363	388	401	453
Total All Spaces		7,731	6,333	7,491	8,885	9,567	11,030	12,525

Demand less than 95% of Capacity

Demand within 95% and 110% of Capacity

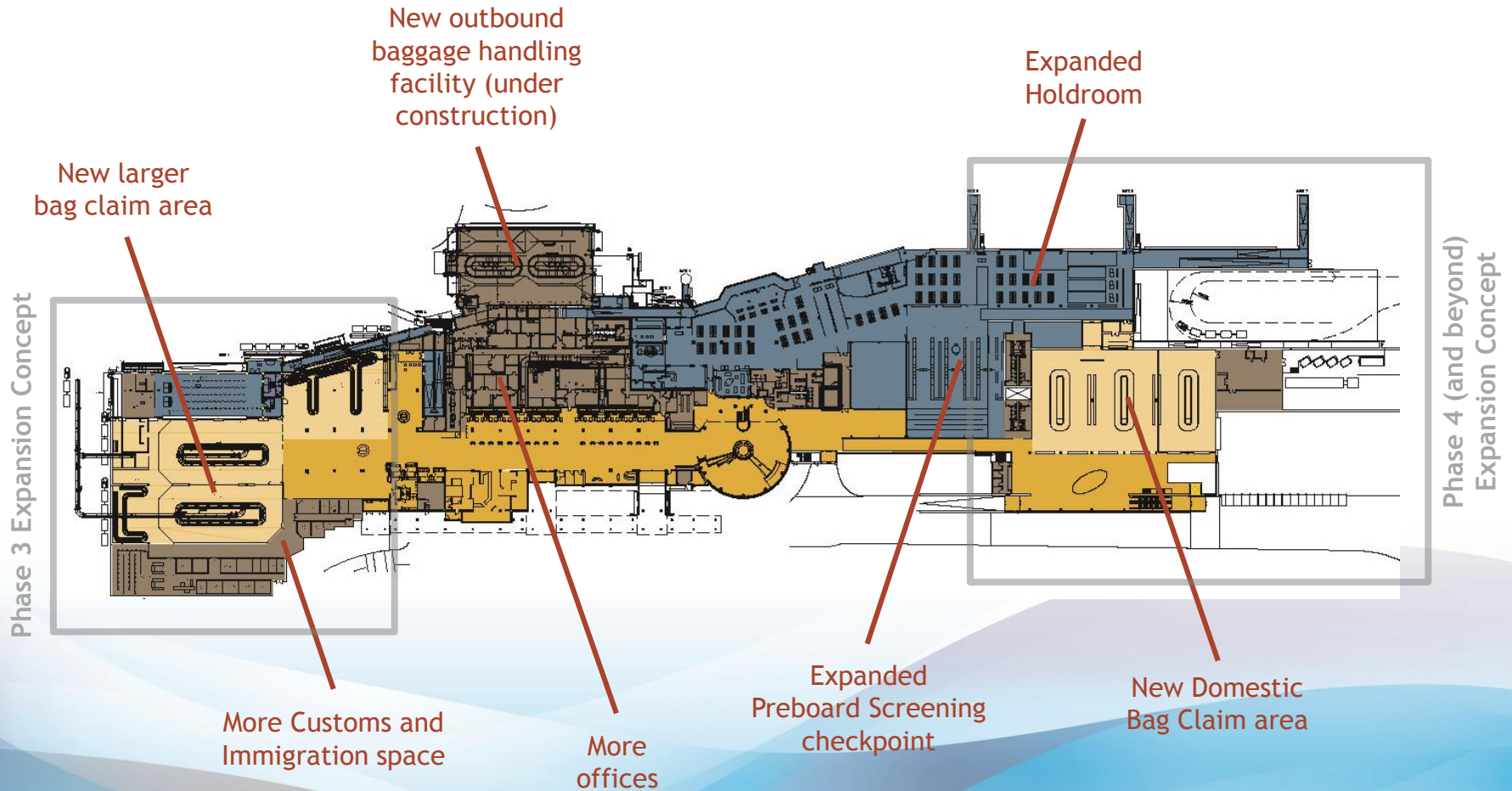
Demand > 110% of Capacity

Notes

- Existing Sterile Holdroom area measures 1,189 m2, of which 396 m2 at the southern end is underutilized due to layout issues (and no access to boarding gates). This area is not included in the existing useable area.
- Assumes inbound bag ops area located outside (not included in terminal space requirements).

Airport Infrastructure

Air Terminal Building - Current Expansion Program



Source: Dialogue and SNC Lavalin

* Details of future layouts are at the discretion of the airport

Parking Demand Forecasts

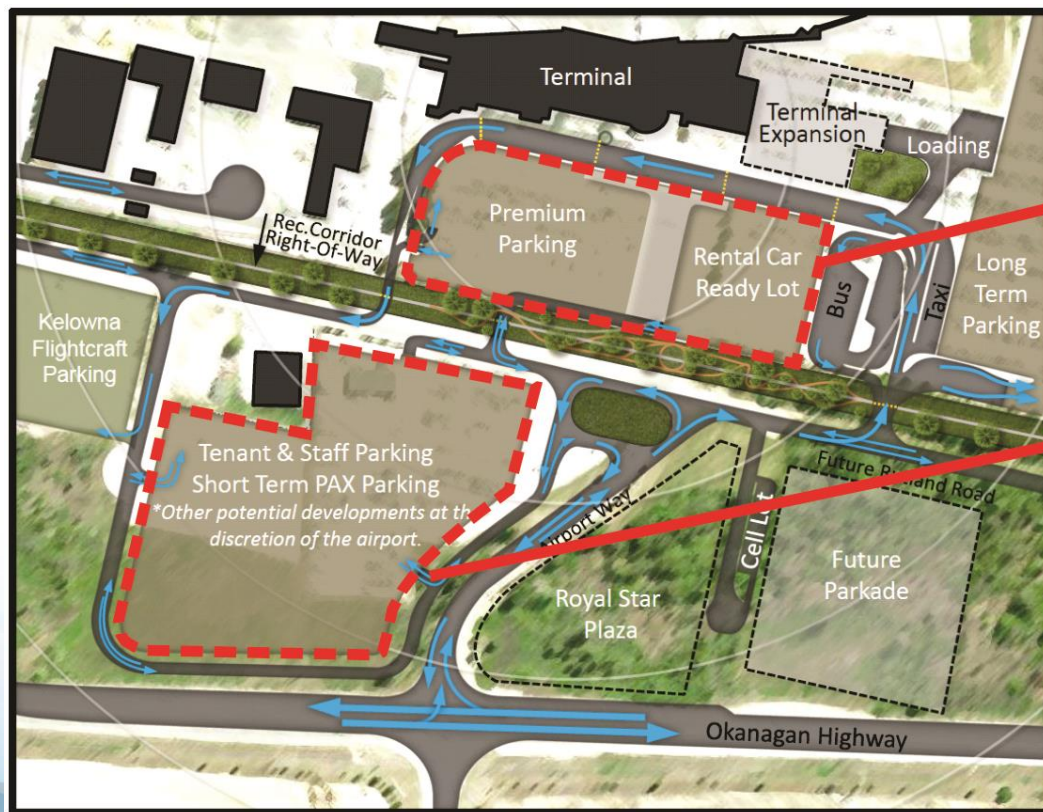
- By 2025, existing parking inventory will not meet demand

Updated Forecast Parking Demand 2016-2045

	Current Capacity							
		2016	2020	2025	2030	2035	2040	2045
Long Term Parking	1,980	1,550	1,860	2,175	2,400	2,650	2,925	3,230
Employee Parking	Integrated with Long-term parking	125	150	175	195	215	240	265
Short Term Parking	345	275	329	385	425	470	520	574
Valet Parking	Integrated with Short Term Parking	70	85	100	105	115	125	140
Rental Car Ready	230	160	190	225	255	280	310	340
Rental Storage	300	To be relocated north of KF Aerospace						
Total (excl. metered)	2,855	2,180	2,614	3,060	3,380	3,730	4,120	4,549
Total Forecast Shortfall (Over Existing)		n/a	n/a	205	525	875	1,265	1,694

Groundside Development Plan

Groundside Development Plan - Preferred Option (December 2015)



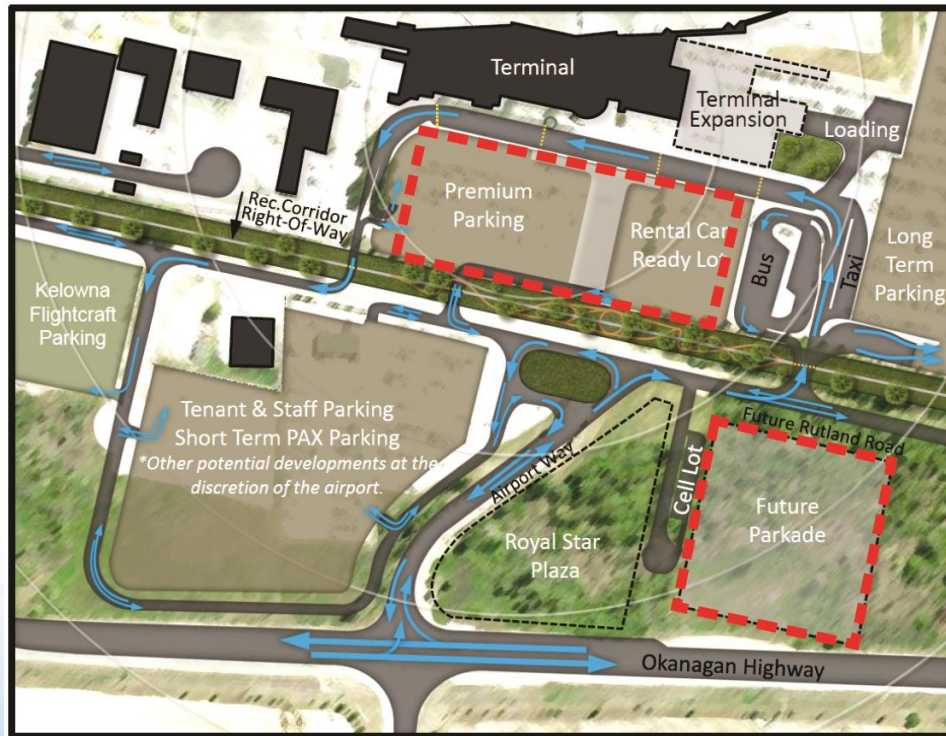
Capacity (Est.): 630 stalls
Required (2045): 480 stalls

Capacity (Est.): 1,000 stalls
Required (2045): 840 stalls

Source plan:
Airbiz, 2015

Groundside Development Plan

Parkade Location Options



► Parkade

- Accommodating long-term parking requirements would involve 5-7 story structure
- Order of magnitude cost \$80 million

Preliminary Master Plan 2045

Key Findings

YLW's current development strategy remains valid	Current runway capacity and length are sufficient to meet future demand
YLW generates significant economic impacts - over 1400 jobs and a GDP of \$152 million	Apron will require five new remote aircraft parking stands by 2035 and 1 new terminal gate stand by 2045
Passenger traffic is forecast to increase from 1.6 to 3.6 million passengers by 2045	Air terminal building will require expanded holdrooms and baggage claim areas
Aircraft movements are forecast to increase by approximately 50% - most of this increase will come from air carriers	Current roadways and parking facilities require reconfiguration and expansion
Current Official Community Plan (OCP) zoning should be preserved	More commercial land (on airport) is needed
New aerodrome regulations will impact planning	Additional land (off airport) will need to be acquired

Next Steps

- ▶ Your feedback is important and will be considered and/or used in the development of the Detailed Master Plan 2045
- ▶ Please complete the survey at <https://www.surveymonkey.com/r/MASTERPLAN2045>
[YLW-1](#)
- ▶ YLW is continuing to develop the Master Plan and will report on our progress in summer 2016



Kelowna International Airport

FINANCIAL UPDATE

2015 Year End Results

		2015				2014		
No	Description	Actual	Budget	Variance	%	Actual	Variance	%
REVENUE								
1006	Airport Admin	65,237	60,000	5,237	9%	82,096	(16,859)	-21%
1246	Airport Airside Operation	4,024,382	4,248,680	(224,298)	-5%	3,982,004	42,378	1%
1247	Airport Groundside Operation	5,656,867	5,883,130	(226,263)	-4%	5,967,649	(310,782)	-5%
1248	Airport Terminal Operation	6,237,540	5,938,520	299,020	5%	5,909,435	328,105	6%
1309	CATSA Projects	50	-	50		75	(25)	-33%
Total Revenue		15,984,077	16,130,330	(146,253)	-1%	15,941,259	42,818	0%
SALARY, WAGE & EXPENDITURE								
1006	Airport Admin	1,400,582	1,556,400	(155,818)	-10%	1,398,510	2,072	0%
1007	Airport City Services	1,067,720	1,067,720	0	0%	1,021,960	45,760	4%
1245	Airport Policing	200,661	174,530	26,131	15%	192,576	8,085	4%
1246	Airport Airside Operation	2,873,293	2,644,190	229,103	9%	2,805,904	67,389	2%
1247	Airport Groundside Operation	1,953,567	2,204,380	(250,813)	-11%	1,990,037	(36,470)	-2%
1248	Airport Terminal Operation	3,961,621	4,114,380	(152,759)	-4%	4,020,396	(58,775)	-1%
1309	CATSA Projects	50	-	50		75	(25)	-33%
Total Salary, Wage & Expenditure		11,457,494	11,761,600	(304,106)	-3%	11,429,458	28,036	0%
TOTAL OPERATIONS		4,526,582	4,368,730	157,852	4%	4,511,801	14,781	0%
AIRPORT IMPROVEMENT FEE								
1244	Revenue	10,952,201	11,141,560	(189,359)	-2%	10,963,576	(11,375)	0%
1244	Expenditures	517,819	522,130	(4,311)	-1%	339,961	177,858	52%
1201	Debt Load	2,127,372	3,454,145	(1,326,773)	-38%	2,076,655	50,717	2%
TOTAL AIRPORT IMPROVEMENT FEE		8,307,010	7,165,285	1,141,725	16%	8,546,960	(239,950)	-3%

Fees and Charges

• Landing Fees

- Current - \$6.13 per 1000kg
- Last increase – April 1, 2015
- Proposal
 - January 1, 2017 – \$6.31 per 1,000 kg (3%)
 - January 1, 2018 - \$6.41 per 1,000 kg (1.5%)
 - January 1, 2019 - \$6.50 per 1,000 kg (1.5%)

• Terminal Fees

- Last increase – April 1, 2015
- Proposal
 - January 1, 2017 – 3% increase
 - January 1, 2018 – 1.5% increase
 - January 1, 2019 – 1.5% increase

Effective Date	% Increase	1-9 Seats	10-15 Seats	16-25 Seats	26-45 Seats	46-60 Seats	61-89 Seats	90-125 Seats	126-150 Seats	151-200 Seats	201-250 Seats	251-300 Seats	301-400 Seats	400+ Seats
1-Jan-16	3%	12.96	30.88	47.72	83.75	119.25	190.29	262.03	309.83	428.29	558.31	688.20	822.58	1,013.97
1-Jan-17	1.5%	13.15	31.34	48.44	85.01	121.04	193.15	265.96	314.48	434.72	566.69	698.53	834.92	1,029.18
1-Jan-18	1.5%	13.35	31.81	49.16	86.28	122.86	196.04	269.95	319.20	441.24	575.19	709.01	847.44	1,044.62

Fees and Charges

- Aircraft Parking
 - Current (Apron 1) - \$40/night
 - Last increase – January 1, 2012
 - Proposal
 - January 1, 2017 - \$45/night
 - Would remain at \$45/night for 2017-2019
- Terminal Building Lease Space
 - Last increase – February 5, 2001
 - To be determined as a part of the new ATB sub-lease agreements
- Outbound Baggage Belt Fee
 - Last increase – February 5, 2001
 - Currently \$17K/year, allocated amongst the airlines
 - To be determined as the new outbound baggage hall comes on line

Resolution:

- ▶ 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 by the Committee on May 24, 2016.



YLV

Kelowna International Airport

AIRSIDE SERVICE DEVELOPMENT UPDATE

2016 Strategy & Action plan

2016 Air Service Development Strategy

Short-term

Frequencies and schedule adjustments

Medium-term

New routes

Long-term

New aircraft and growth strategies

2016 Air Service Development Strategy

Retain & Grow Existing Services

- Air Canada/WestJet - Toronto
- Alaska Airlines / Virgin America - Seattle
- Pacific Coastal - Victoria
- Air North - Whitehorse

New Regional & Intra-Provincial Services

- Northern BC
- Ultra Low Cost Carrier (New Leaf)
- Red Deer
- Comox/Nanaimo

New Transborder & International Services

- Additional sunspot (Mexico etc.)
- Los Angeles
- Eastern US hub (Minneapolis)
- Europe charter

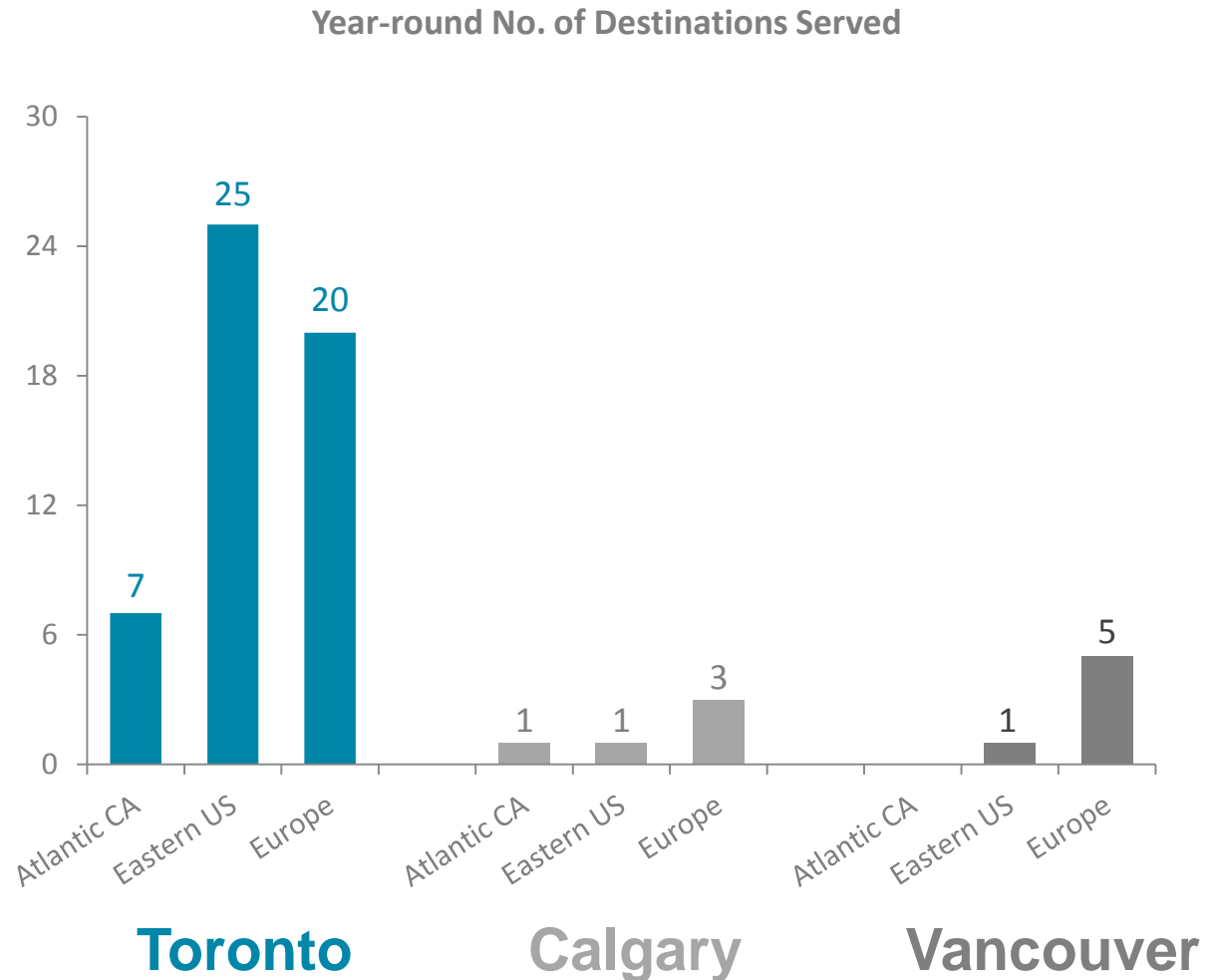


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Toronto Service
Update

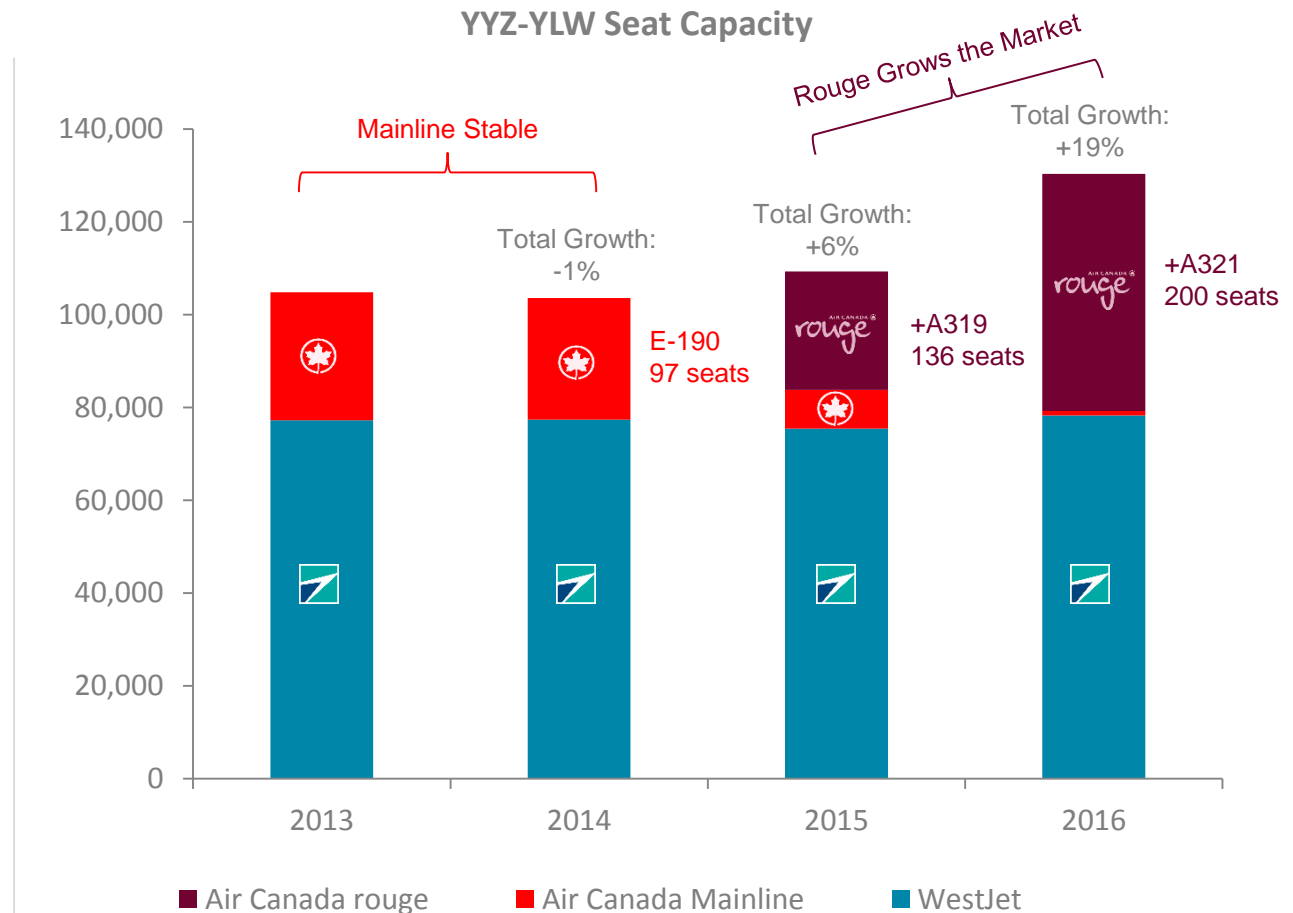
Toronto is a **dominant** hub for **connections** to key regions

- Toronto is true global hub and dominant connect point for large demand regions.
- Toronto has far more year-round destinations to Atlantic Canada, the eastern US, and Europe than primary YLW hubs.
- Vancouver has greater western US and Asian connectivity.



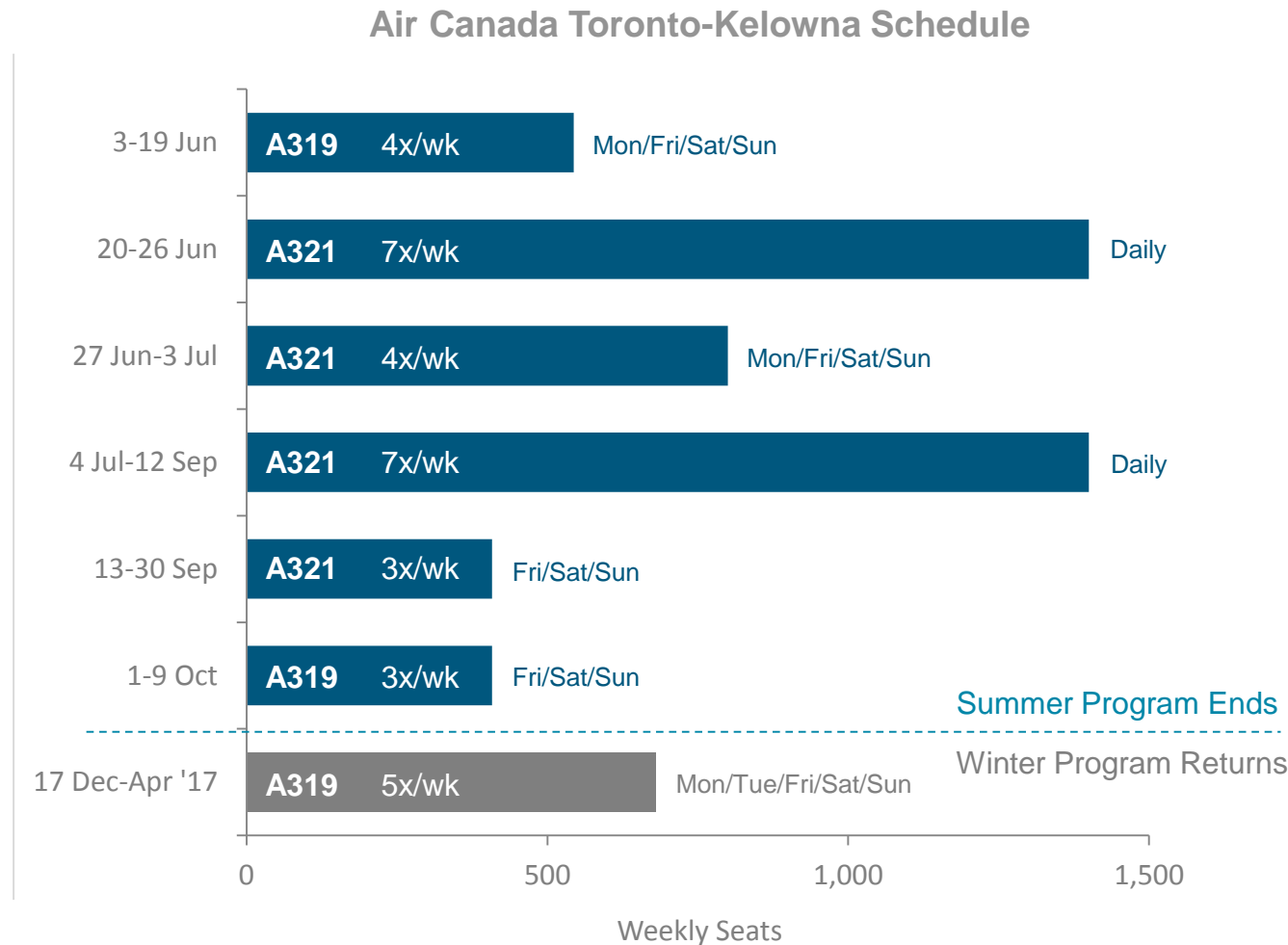
AC conversion to rouge service has driven Toronto growth

- WestJet service on the Kelowna to Toronto route has remained steady; Air Canada has converted its service to rouge.
- 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 & winter

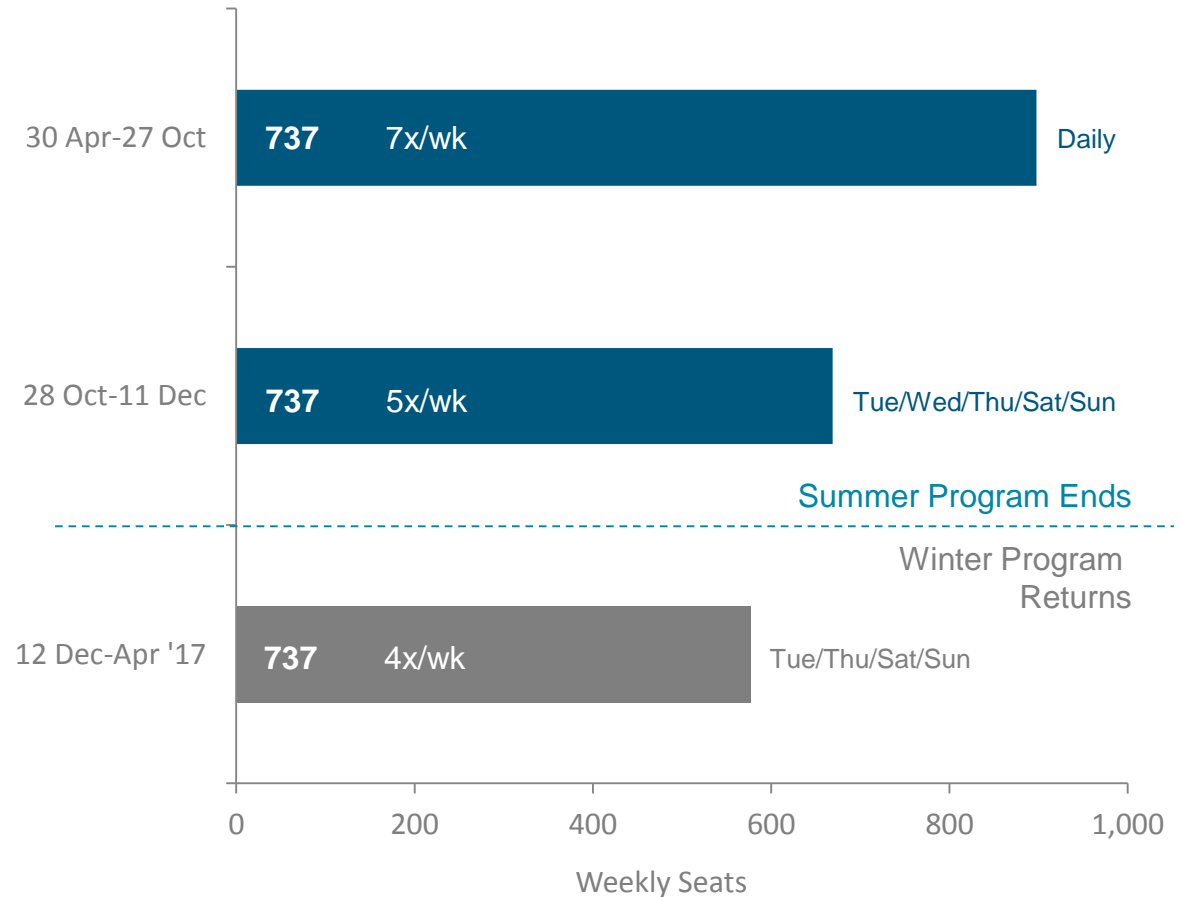
- Air Canada will operate the A321 over the peak summer season, returning to A319 in October.
- Winter schedule will increase to 5x/week service on December 17th, 2016.



WestJet offers **consistent** capacity to Toronto

- Utilizing Boeing 737s, WestJet has lower capacity to Toronto than Air Canada during peak summer.
- With higher frequency year-round, WestJet provides the majority of capacity the rest of the year.

WestJet Toronto-Kelowna Schedule



New Toronto Initiative – Air Canada

Air Canada Toronto-Kelowna Shoulder Season

- Summer schedule ends October 9th
- Winter schedule starts December 17th
- Currently no Air Canada Toronto service between these dates (shoulder season)
- Air Canada considering adding twice weekly service shoulder 2016 on 319 Airbus
- Support package of approximately \$400,000 in incremental marketing support has been committed by regional stakeholders
- Air Canada decision by June 3rd





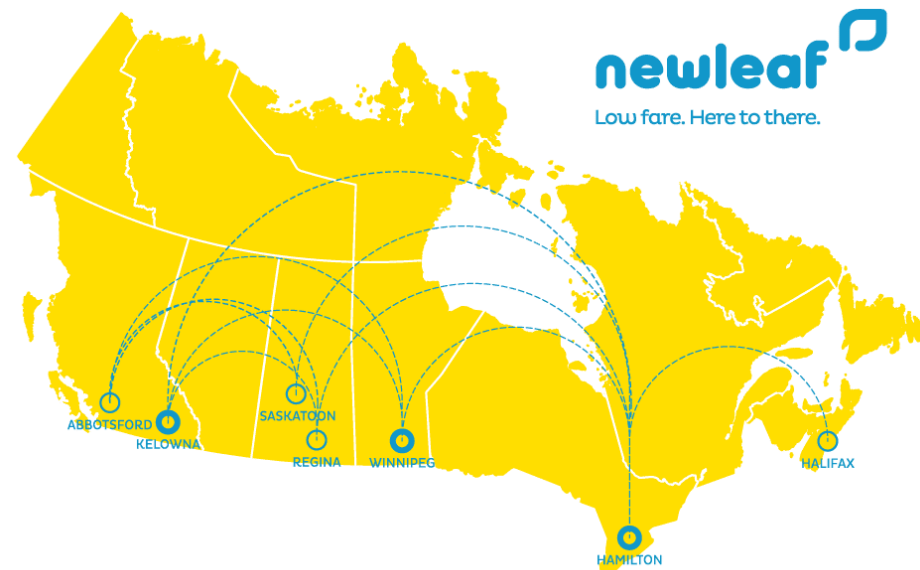
2

New Leaf Update

NewLeaf



- New service to Launch week of June 27th
- Reservation go live week of May 24th
- Direct non stop service
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



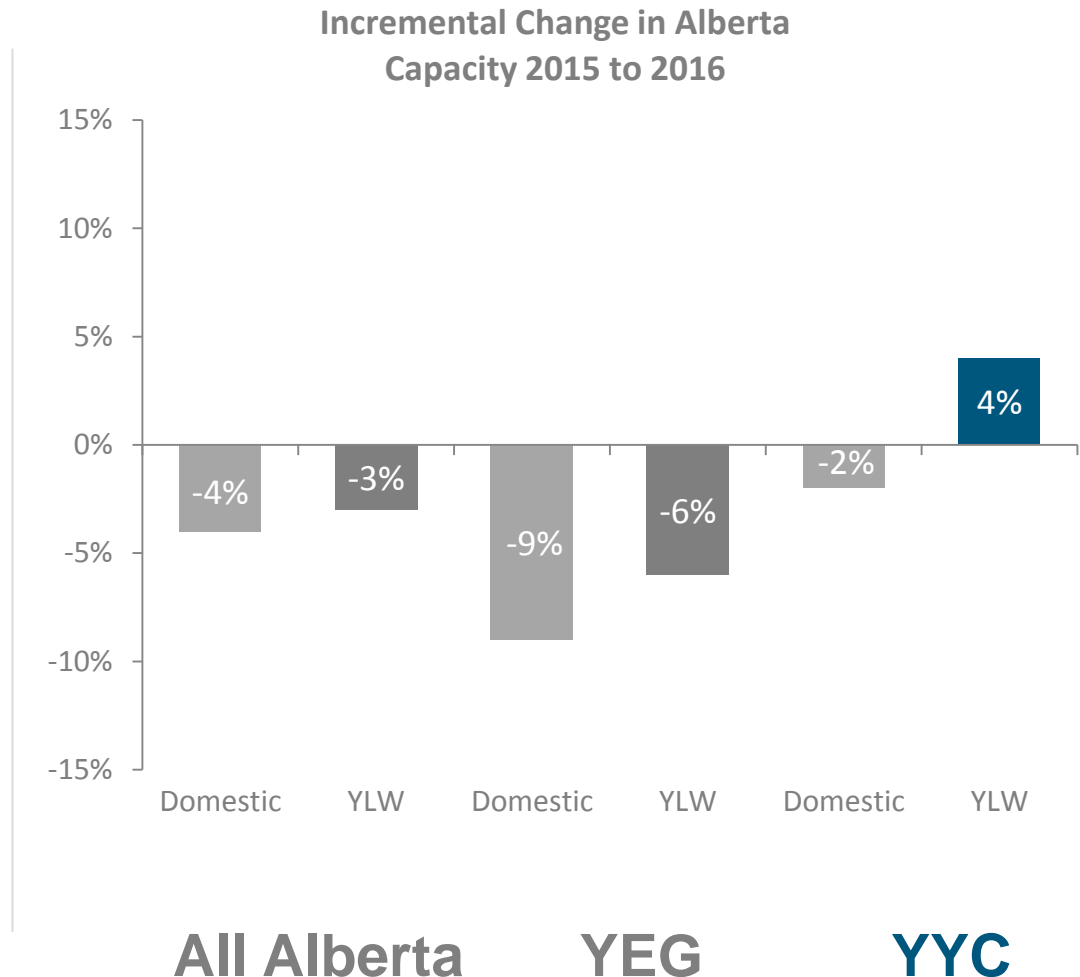


3

Alberta

YLW market has shown **resilience** to Alberta downturn

- Air Canada has up-gauged Calgary with the introduction of its Q400 service; WestJet maintaining jet service on the market.
- System-wide capacity reductions into Alberta markets just beginning to be felt with the start of the summer 2016 schedule.
- While routes to Fort McMurray and Red Deer have been suspended, capacity to core markets of Calgary and Edmonton have outperformed other destinations.





4

Other Initiatives

Pacific Coastal - Victoria

- Added new YYJ-YLW service 12 flights /week service
- Over 40,000 additional annual seats
- Continue to partner on marketing initiatives to get the message out and support the service
- Trail also still holds some potential – winter service may be possible

Pacific Coastal
AIRLINES®

Pacific Coastal Airlines to launch daily non-stop flights between Victoria and Kelowna

The 65-minute flights can accommodate up to 34 passengers plus a flight attendant

Transportation

By Glen Korstrom

Aug. 27, 2015, 4:09 p.m.

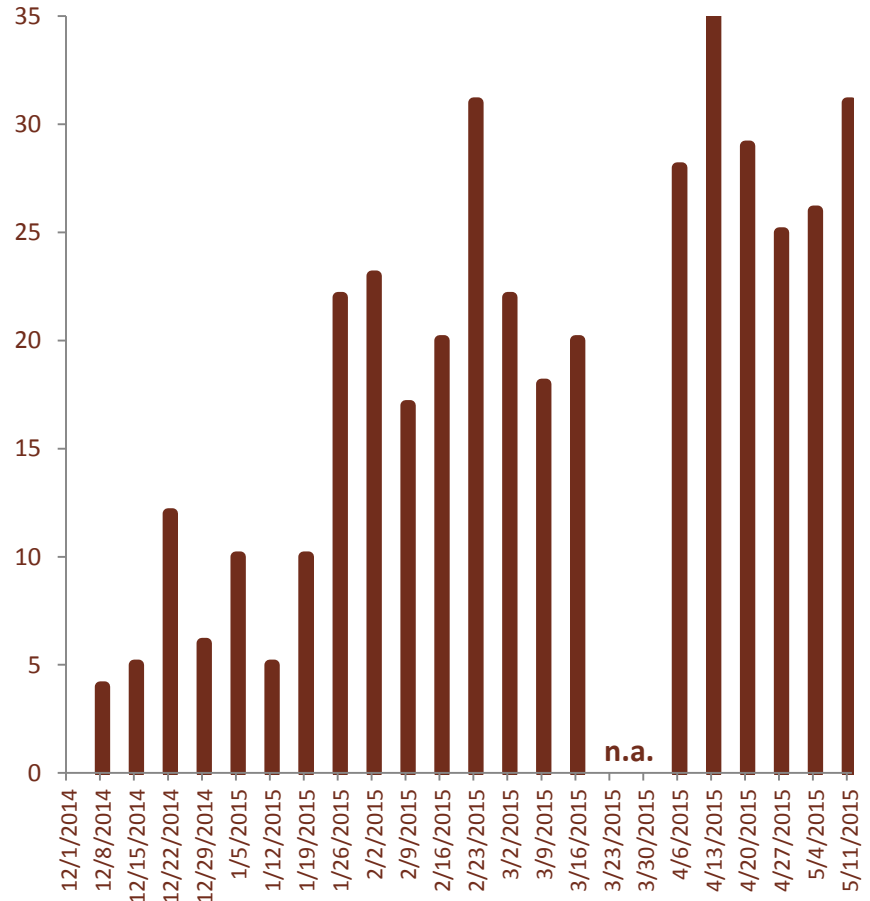


Pacific Coastal will use Seab 340 planes for the Victoria to Kelowna route | Pacific Coastal Airlines

Condor - Frankfurt

- Condor has confirmed that FRA-YLW is operationally feasible (no issues on the inbound FRA to YLW, minor pax restriction on the outbound)
- Condor is still interested and has been conducting further operational reviews
- Updated marketing plan has been sent to them – including information from YLWgoEurope.ca initiative
- Next step is a face-to-face meeting

Condor Interline Bookings to YLW (weekly)



Charter Carriers



- Cancun / Puerto Vallarta
 - Strong Loads and Yields
 - Continue to build their own B737 fleet
 - May be getting additional lift from other operators for 2016/17
 - Important to maintain relationship as they plan for 2016/17
-



- Varadero
- Strong loads and yields
- Focus will be on making sure they stay committed to the same market
- Goal is to have YLW dedicated aircraft
- Important to maintain relationship

US Carriers



- Continue consistent contact – Canadian entry may occur soon
- Good opportunity for Las Vegas and Los Angeles



- Focusing on Minneapolis



- Focus on code-shares with WestJet and Alaska



- Excited about the acquisition of Virgin America
- Maintain relationship and market current service



- Maintain relationship



Kelowna International Airport

EXISTING AIF PROGRAM UPDATE

WHERE ARE WE TODAY?

- ▶ From 2010 to 2020 YLW will have invested over \$92 million in facility upgrades

- ▶ Projects completed to date

- International Arrivals Hall
- CUSS/CUTE
- Outbound Baggage Hall Expansion (year 1 of 3)
- Apron 1 Expansion
- Glycol Facility
- Departure Lounge – Retail Space Phase 1
- Taxiway Foxtrot/Apron III
- GSE Building/Parking



Outbound Baggage Hall



International Arrivals



Glycol Facility



Departures Lounge



Apron 1 Expansion

2016 PROJECTS

- Construction
 - Outbound Baggage Hall Expansion (year 2 of 3)
 - Non-Passenger Screening (NPS-V)
 - West Lands Development
 - Airport Plaza – Phase 1
 - Departures Lounge – Tim Hortons, Subway, White Spot kitchen
- Design
 - Apron 1 Rehabilitation & Apron Lighting (gates 6-10)
 - Combined Operations Building
 - Localizer Relocation
 - Runway Lighting



Kelowna International Airport

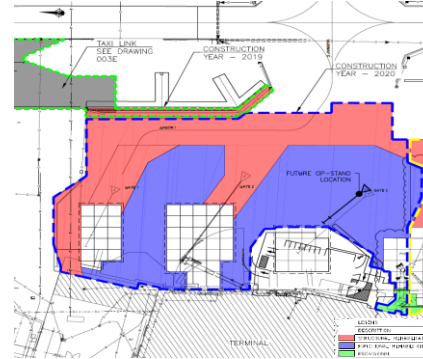
NEW AIF PROGRAM PRELIMINARY DISCUSSION

New AIF Program, Potential Projects

- ▶ Apron 1 Rehabilitation, Phase II
- ▶ Apron 1 South Expansion
- ▶ Airside Pavement Rehabilitation
 - ▶ South
 - ▶ Centre
 - ▶ North
- ▶ New East Taxiway
 - ▶ South
 - ▶ Centre
 - ▶ North
- ▶ Runway End Safety Area
- ▶ New Loading Bridge - Gate 3
- ▶ Loading Bridge Refurbishing – Gates 4 – 9
- ▶ Covered Walkways, Ops Stands 1 & 2
- ▶ Self Serve Baggage Drop
- ▶ CUSS/CUTE Replacement
- ▶ Terminal Expansion South
- ▶ International Arrivals Repurposing
- ▶ NPS-V, Phase II
- ▶ Combined Operations Building
- ▶ Glycol Secondary Capture
- ▶ GSE Relocation
- ▶ Airside Equipment

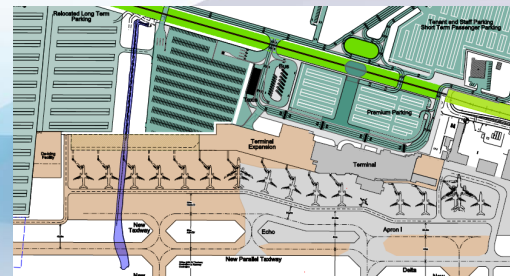
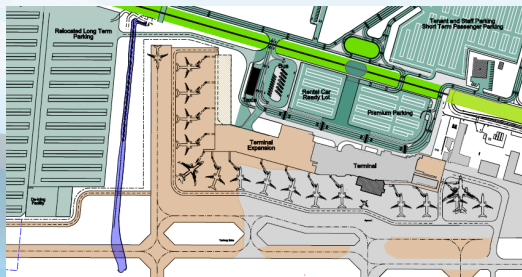
Apron 1 Rehabilitation, Phase II

- ▶ 2019 Design
- ▶ 2020 Construction – Gates 3-5



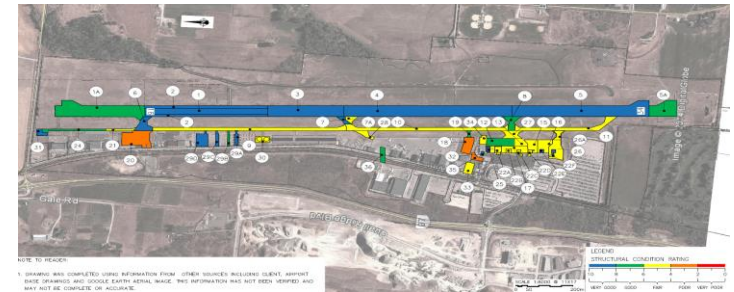
Apron 1 South Expansion

- ▶ No new terminal gates are expected until beyond 2035
- ▶ Requirement for remote stands will emerge by 2021-2025



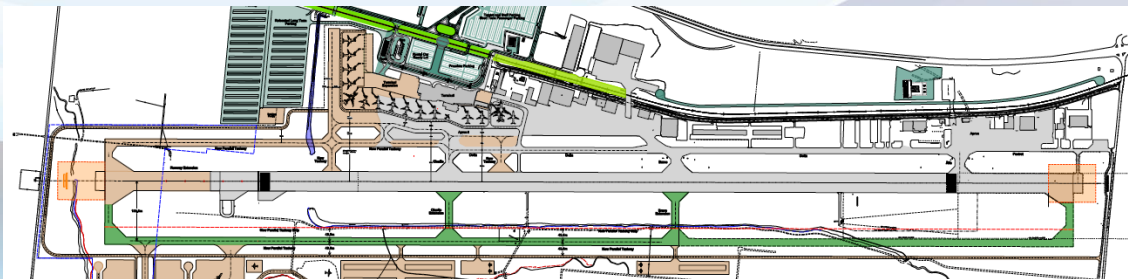
Airside Pavement Rehabilitation

- ▶ New survey required
- ▶ Pavement Load Rating for heavier aircraft
- ▶ Upgrade condition
- ▶ Multi-year program



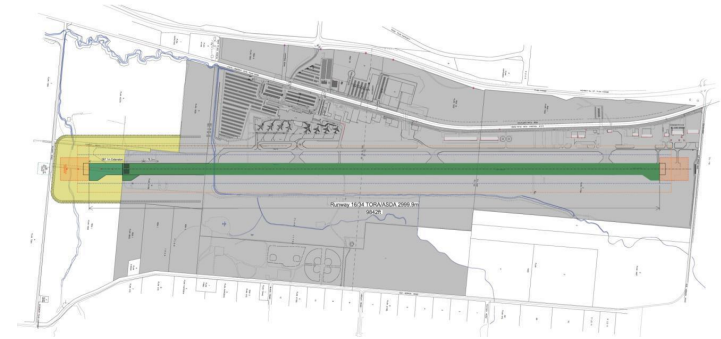
New East Taxiway

- ▶ Opportunity to increase non-aviation revenue (land lease)
- ▶ Grow ground support services such as fueling and catering
- ▶ Increase runway capacity
- ▶ Build this in increments starting from the south



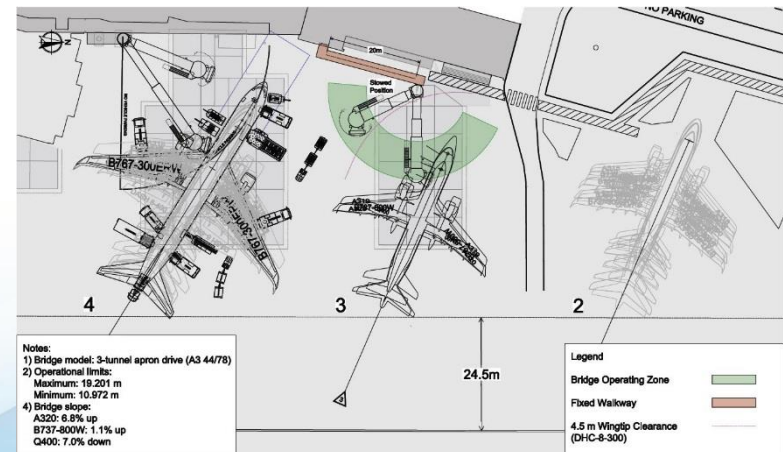
Runway End Safety Area

- ▶ Meet regulatory requirement
- ▶ Increase runway length to the south



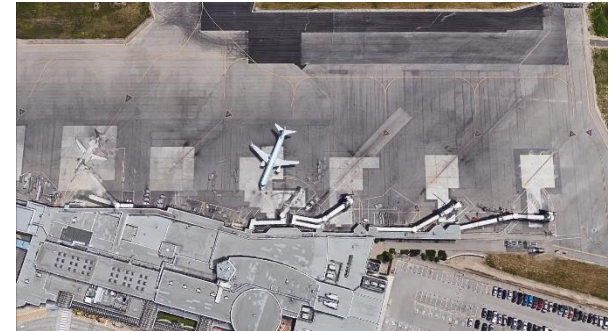
New Loading Bridge - Gate 3

- ▶ Improve passenger experience
- ▶ Flexibility – International/Domestic flights
- ▶ Bridge to accommodate Q400 – B737/A320 aircraft



Loading Bridge Refurbishing – Gates 4, 6 – 9

- ▶ Extend useful life by 10 years – existing manufactured 2001-2007
- ▶ Increased reliability – reduced downtime
- ▶ Electrical, PLC's, interior/exterior finishes
- ▶ Improved passenger experience



Covered Walkway to OPS Stands 1 & 2

- ▶ Improve passenger experience
- ▶ Protection from weather
- ▶ Several options



Self Serve Baggage Drop

- ▶ To be decided in consultation with air carriers



CUSS/CUTE Replacement

- ▶ Life cycle replacement of existing units purchased in 2014
- ▶ Consideration to purchase and house servers at YLW
- ▶ Review of existing service providers, systems and kiosks



Demand-Capacity Results

Current ATB Space Allocation vs. Updated Functional Program Requirements (2015)

	Note	Existing, Incl. New Bag Make Up /HBS (m2)	Updated ATB Functional Program Requirements (m2)					
			2016	2020	2025	2030	2035	2045
Enplaning								
Departures Concourse Area (incl. check-in queue)		1,447	756	854	968	1,031	1,151	1,321
Check-in Counters (excl. queuing)		175	124	138	152	166	179	195
Preboard Screening Checkpoint		457	429	429	572	572	572	715
Holdroom Space (Usable)	1	793	969	1,105	1,274	1,375	1,544	1,770
Holdroom Space (Underutilized)	1	396						
Concessions, including storage		1,104	1,113	1,358	1,601	1,824	2,041	2,451
Bag Make-up/HBS		1,042	448	511	589	636	714	819
ATO Support/Airline Offices		648	612	712	819	928	1,346	1,553
Deplaning								
Domestic Bag Claim	2	595	691	1,012	1,012	1,012	1,012	1,012
International/Transborder Bag Claim	2	248	321	321	642	642	1,012	1,012
CBSA PIL, Secondary and Support		488	371	455	594	688	745	876
All								
Arrivals Lobby Landside		294	236	276	299	305	313	348
Car Rentals/Tour Operators		44	263	320	363	388	401	453
Total All Spaces		7,731	6,333	7,491	8,885	9,567	11,030	12,525

Demand less than 95% of Capacity

Demand within 95% and 110% of Capacity

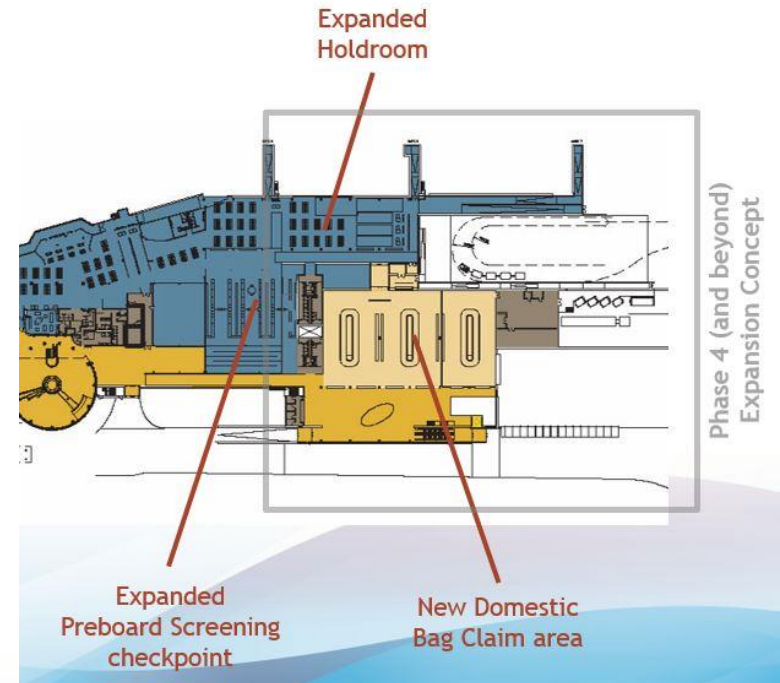
Demand > 110% of Capacity

Notes

- Existing Sterile Holdroom area measures 1,189 m2, of which 396 m2 at the southern end is underutilized due to layout issues (and no access to boarding gates). This area is not included in the existing useable area.
- Assumes inbound bag ops area located outside (not included in terminal space requirements).

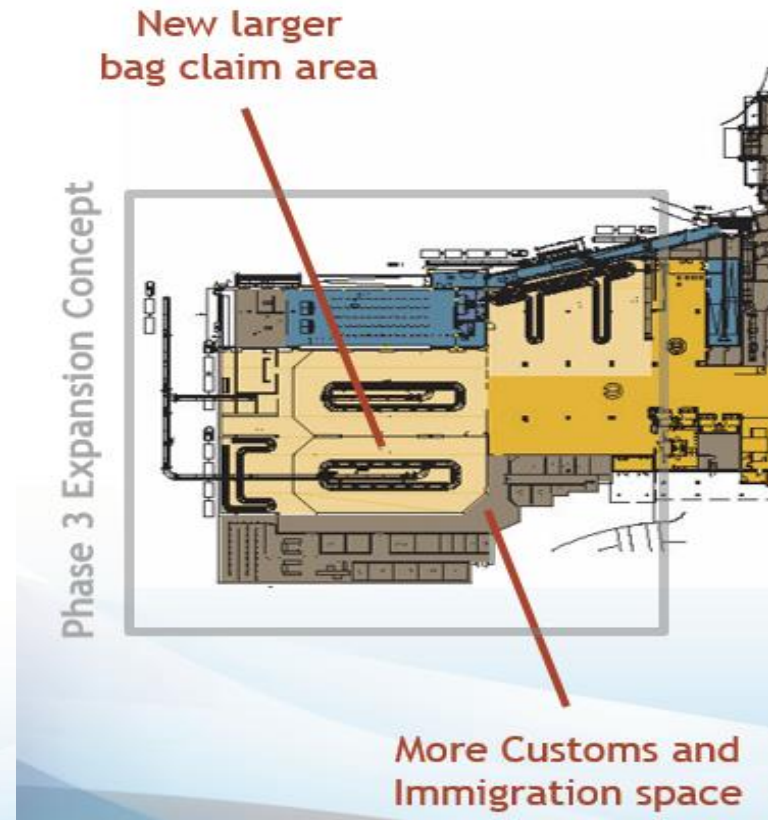
Terminal Expansion South

- ▶ 85% - 90% of YLW traffic is Domestic
- ▶ Satisfies most demand-capacity constraints to 2025
- ▶ Expand Pre Board Screening
- ▶ Relocate Domestic Arrivals/Baggage Claim, Car rentals, Tourism booth
- ▶ Expanded Integrated Domestic Arrivals/Departures Area
- ▶ South Service Area



International Arrivals Repurposing

- ▶ Relocate Domestic arrivals first
- ▶ Ultimate build-out
- ▶ Expand CBSA area to accommodate Customs Secondary
- ▶ Satisfies current arrivals constraints

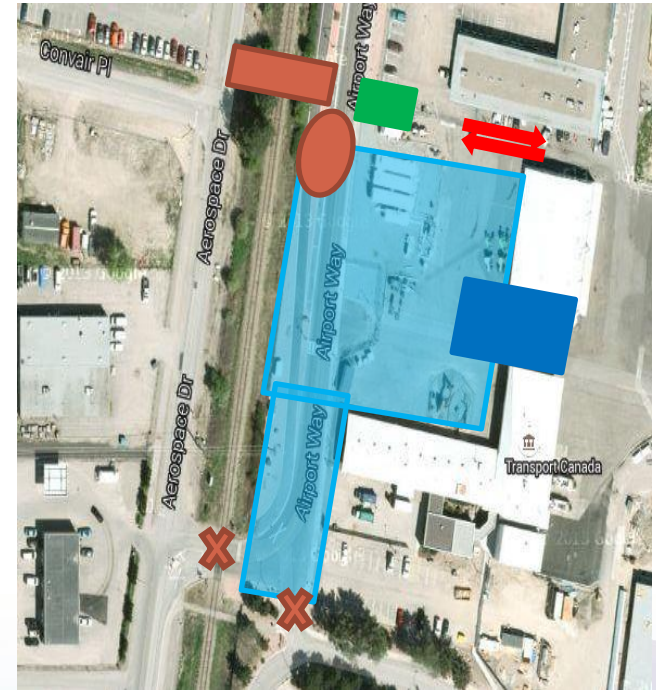


Non Passenger Screening Vehicle - Phase II

- ▶ Realign Airport Way crossing Greenway
- ▶ New airside access
- ▶ Expanded airside area

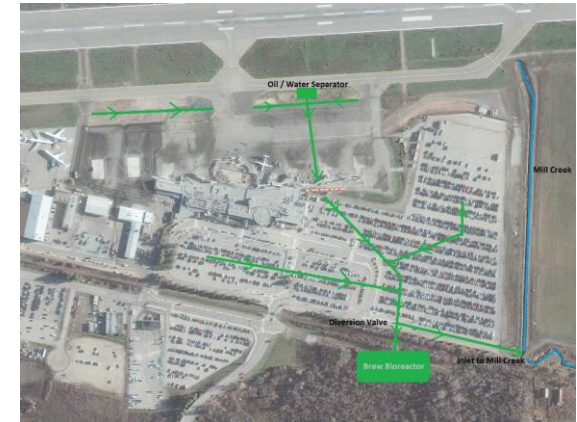
Combined Operations Building – Phase II

- ▶ Relocate NPS-V & realign Airport Way first
- ▶ Expansion to increase equipment maintenance & storage capacity for future
 - ▶ Emergency response vehicles
 - ▶ Airfield maintenance vehicles



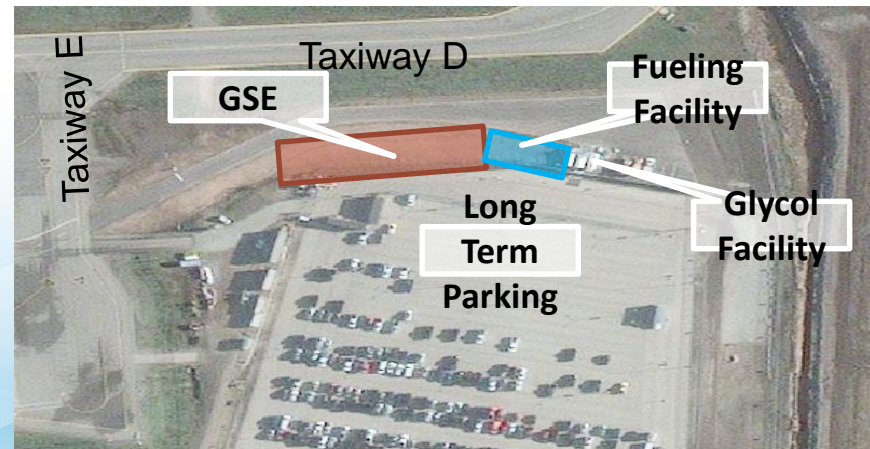
Glycol Secondary Capture

- ▶ Primary capture – collection at source
- ▶ Secondary capture – storm sewers
 - ▶ Glycol
 - ▶ Hydrocarbons
- ▶ Treatment prior to release to Mill Creek



GSE Relocation

- ▶ Required for terminal north repurposing
- ▶ Location to support airfield expansion to south



Airside Equipment Fleet Plan

- ▶ YLW has a comprehensive fleet management strategy which includes a multi-year capital expenditure plan.
- ▶ In the 2020-2025 timeframe, this plan shows the procurement of 2 ARFF trucks; 2 multi-purpose snow chassis; and 2 light vehicles.



Airline Consultative Committee Requests:

- ▶ Feedback on the Plan
- ▶ Funding to further define the projects
- ▶ Funding to develop Class D or C estimates
- ▶ AIF evaluation based on the cost impacts

Resolution:

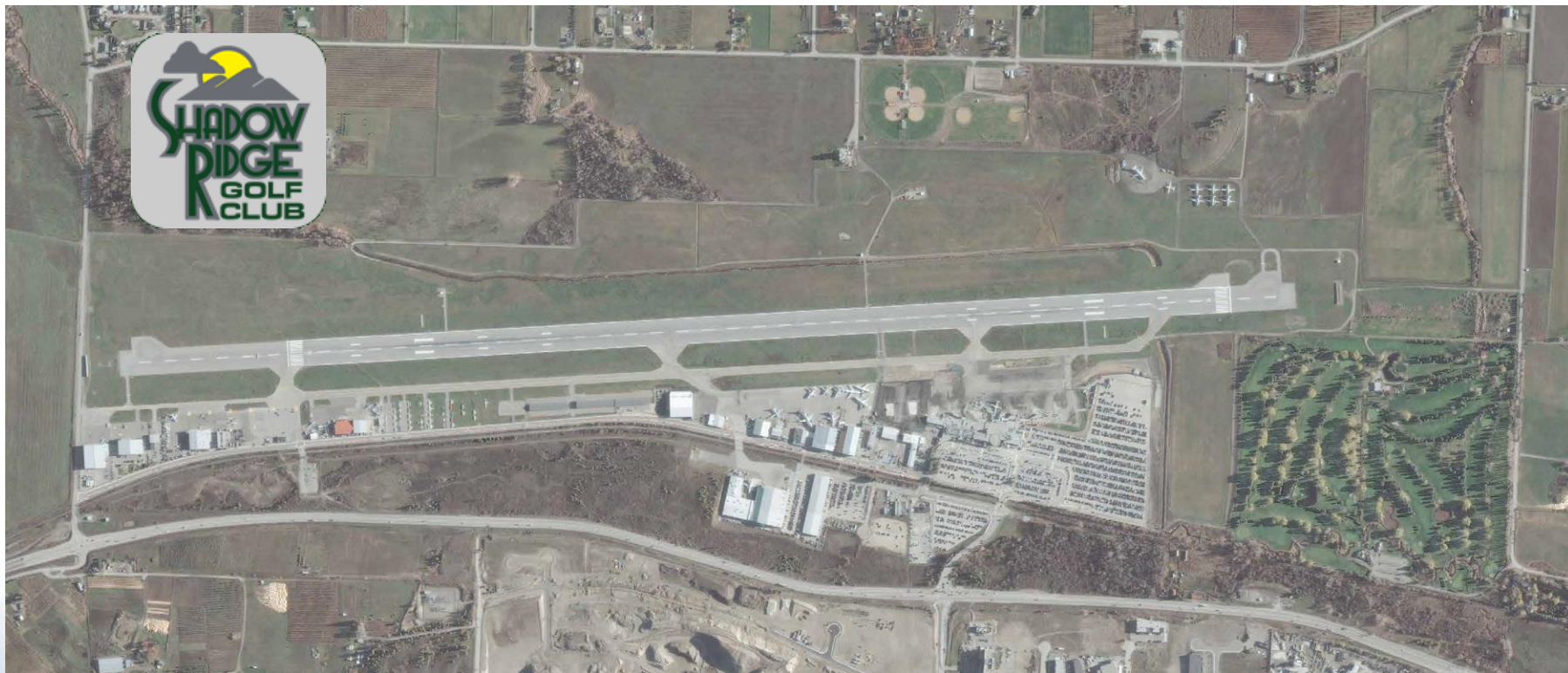
- ▶ THAT the Airport Advisory Committee supports, in principle, the projects proposed for a new AIF Development Plan as presented to the Committee on May 24, 2016;
- ▶ AND THAT the Airport Advisory Committee supports a request to Kelowna City Council for funds to prepare costs estimates for projects under the new AIF Development Program.



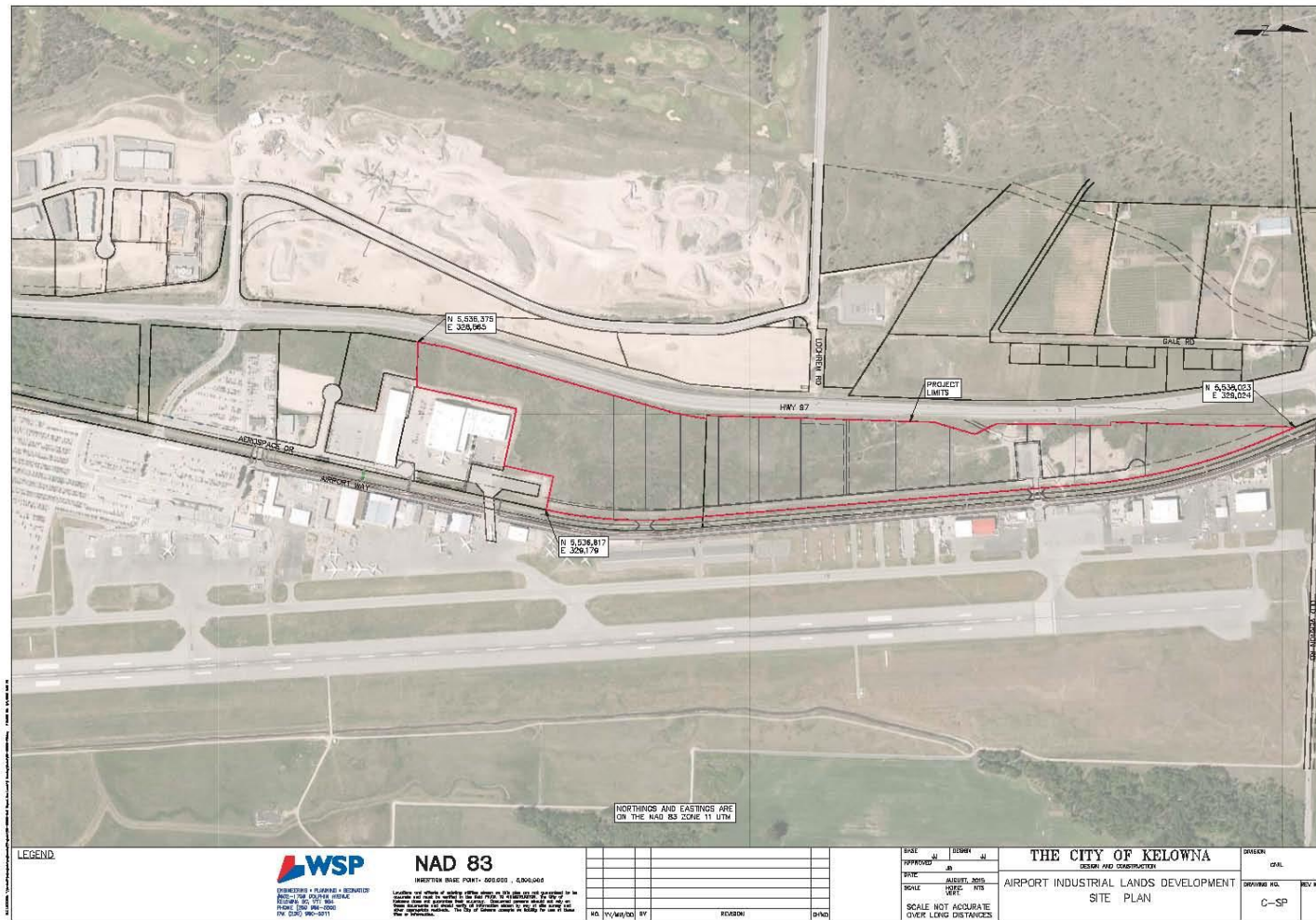
Kelowna International Airport

GROUND SIDE DEVELOPMENT

Purchase of Shadow Ridge Golf Course



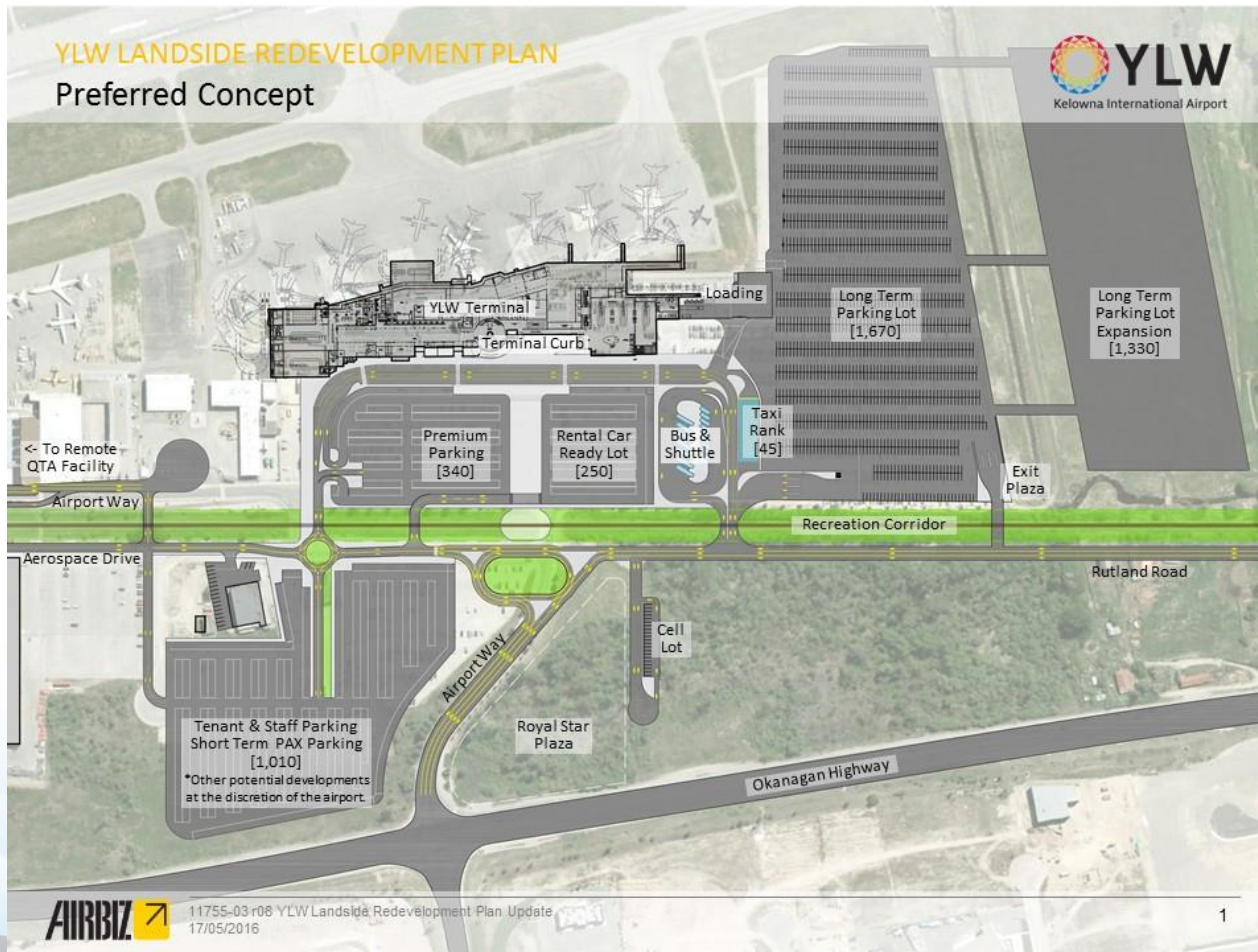
West Lands Development



ALR Exclusion Application



Highway 97 Intersection





Kelowna International Airport

QUESTIONS/COMMENTS