

# VAA Airport Consultative Committee

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## Minutes

Tuesday, March 10, 2020  
7:30 AM – 8:50 AM  
Marriott Victoria Inner Harbour Hotel  
Pacific A Room  
728 Humboldt Street, Victoria, BC

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### Upcoming Public Meetings:

#### **Annual Public General Meeting**

Original date postponed due to COVID-19

New Date: July 6, 2020

1:30 PM

Live streamed on the YYJ website

#### **Fall Airport Consultative Committee Meeting**

Tuesday, March 10, 2020

7:30 AM

Location: Victoria Marriott Inner Harbour Hotel, 728 Humboldt Street, Victoria, BC

**Representative Members in Attendance:**

Organization

Representative

Airlines:

WestJet  
 Air Canada / Jazz  
 Horizon Air  
 Pacific Coastal Airlines  
 Airport Land Tenants Association  
**Air Terminal Building Tenants' Representative**  
 Association of Canadian Travel Agencies  
 BC Ministry of Transportation and Infrastructure  
 Canada Border Services Agency  
**Canadian Aircraft Owners and Pilots Association**  
 Capital Regional District  
**City of Victoria**  
**Department of National Defence (443 MH Squadron)**  
**District of Central Saanich**  
 District of North Saanich  
 District of Oak Bay  
 District of Saanich  
**Greater Victoria Chamber of Commerce**  
 NAV Canada  
 North Saanich Residents' Association  
 Pauquachin First Nation  
**Saanich Peninsula Chamber of Commerce**  
 Saanich Peninsula Water & Wastewater Commission  
 Sidney Business Improvement Area Society  
 Sidney North-Saanich RCMP  
 Tourism Victoria  
**Town of Sidney**  
 Tsartlip First Nation  
 Tsawout First Nation  
 Tseycum First Nation

Regrets  
 Regrets  
 Regrets  
 Regrets  
**Greg Matte** (Victoria Flying Club)  
**John Wilson** (also representing GVCC)  
 Regrets  
 Regrets  
 Regrets  
**Rob Shemilt**  
 Regrets  
**Councillor Ben isitt**  
**Ryan Sexsmith, Commanding Officer**  
**Councillor Gord Newton**  
 Regrets  
 Regrets  
 Regrets  
**John Wilson**  
 Regrets  
 Regrets  
 Regrets  
**Joe Jansen**  
 Regrets  
 Regrets  
 Regrets  
 Regrets  
**Councillor Chad Rintoul**  
 Regrets  
 Regrets  
 Regrets

**Members of the Public in attendance: 20**

**Airport Consultative Committee Members in attendance:**

Gordon Safarik (Board Chair), Marilyn Loveless (Committee Chair), Rod Dewar, Eric Donald, Paul Gerrard and Brenda Nunns Shoemaker (Committee Vice-Chair)

**Other Board Members in attendance:**

Carol Brown, Allan Haynes, Chuck Lovallo and Wendy Zink

**Management:** Geoff Dickson (President and CEO), Randy Bogle, Scott Cunningham, Mike Garraway, Rod Hunchak, Adrian Nyland, Lars Olsson and Melinda Orłowski

**Board Regrets:** Wendy Everson, Frank Leonard and Cathie Ounsted

**Management Regrets:** Brant Arnold-Smith, Michelle Cooper, Ken Gallant and Stephanie Long

**1. Call to Order**

The meeting was called to order by Marilyn Loveless, Chair of the Airport Consultative Committee. Melinda Orłowski acted as Recording Secretary.

**2. Introduction of Members of the Committee, Representative Members, Dignitaries and Special Guests**

The Committee Chair welcomed everyone to the meeting and introduced the members of the Airport Consultative Committee.

The representative members of the Airport Consultative Committee bring a range of experience from the community, and their input is valued as it helps the Board and Management team broaden their considerations when planning for the future.

The following dignitaries and special guests were recognized: Alexa Lewis on behalf of Elizabeth May, Member of Parliament – Saanich-Gulf Islands; Councillor Chad Rintoul, Town of Sidney; Councillor Gord Newton, District of Central Saanich; Councillor Ben Isitt, City of Victoria; and Ryan Sexsmith, Commanding Officer – 443 Maritime Helicopter Squadron.

**3. Motion to Receive the Minutes of the October 22, 2019 Airport Consultative Committee Meeting**

The minutes of the October 22, 2019 Airport Consultative Committee meeting were reviewed by the Committee.

**MOTION:** Acceptance of the October 22, 2019 Airport Consultative Committee meeting minutes as presented.

**Moved by:** Brenda Nunns Shoemaker

**Seconded by:** Paul Gerrard

**Motion carried.**

**4. Report from the Chair of the Board of Directors**

Board Chair Gordon Safarik provided a report to the Committee regarding the activities of the Board of Directors.

Reflecting back on the past year, the Board Chair was impressed with Victoria Airport Authority's (VAA's) ability to respond to challenges while, at the same time, capitalizing on opportunities. The Chair reviewed some of the challenges and successes for Victoria International Airport (YYJ) in 2019.

**Snow Events – February 2019**

They year started with one of the worst blizzards in recent history. Although snowstorms of this magnitude are rare for Victoria, the YYJ Operations team were well-prepared. Staff worked around the clock to clear the snow to ensure the airlines were able to fly under incredibly adverse conditions. Their dedication dramatically reduced disruption to air travel. Many members of the airport team went above and beyond the call of duty. VAA received a number of letters from travellers thanking staff for clearing cars, assisting people to their vehicles and helping out their community under challenging conditions.

### **Lower Passenger Departure Lounge Expansion**

Much of 2019 was devoted to construction of the first phase of the expansion of the lower passenger departure lounge. With the conclusion of phase 1 of the project which nearly doubled the size of the hold room, the airport achieved a major milestone. The project was completed on time and on budget with only minimal disruption to passengers and air service. Reaction to the new space from the airlines and travellers has been extremely positive. YYJ's design and construction teams deserve the highest of praise and recognition for their efforts. The Board Chair specifically wished to recognize Scott Cunningham, Director – Planning and Infrastructure for his leadership.

### **Management Team**

VAA welcomed several new members to the management team. When the Board Chair joined VAA, there were 42 employees. Since then, with the encouragement of the Board, the team has grown exponentially to meet the challenges that come with a growing airport. With the addition of their unique experience, one of the best airport teams in Canada is taking noticeable steps toward its goal of improving the travel experience.

### **Environment**

Beyond YYJ's focus on customers, the team continued to work beyond the usual regulatory requirements in pursuit of responsible sustainability. YYJ was one of only two North American airports to achieve Airport Council International's Level 2 Carbon Accreditation status in 2019. To secure this certification, YYJ underwent an independent audit that verified reductions in its carbon footprint and its plans to continue carbon reduction efforts in the future. Airport Carbon Accreditation does not involve carbon credits or other types of measures, it requires measurable reductions in the airport's carbon footprint. VAA continues to work to achieve the remaining two levels of carbon accreditation, with level 4 being carbon neutrality.

### **Financial Performance**

This past year, aircraft shortages caused severe challenges for the aviation industry. Thanks to VAA's prudent fiscal planning and optimal performance, the airport was still

able to achieve impressive financial results. VAA continues to make significant reinvestment in YYJ's facilities as well as in the people who make it one of the world's great airports.

### **Strategic Planning**

The Board of Directors worked with Management in its oversight and strategic planning role. It will continue to support the team in all of its endeavours. Under the exemplary leadership of President and CEO Geoff Dickson, VAA will continue to weather the storms and take advantage of opportunities as they present themselves. VAA's commitment to the airport's strategic goals is embedded in the corporate culture which will continue to benefit travellers, stakeholders and the region.

### **Board of Directors**

VAA was pleased to see the two Government of Canada board appointments filled after a two-year vacancy.

Carol Brown, a former Board member with the Prince George Airport Authority, joined YYJ in January. Carol has a Ph.D. and is an associate at Royal Roads University teaching Law, Conflict Management and Leadership Change. Carol practiced commercial law for over 20 years and has an accounting designation. She also completed management training with the Institute of Corporate Directors – Rotman School of Management. VAA is fortunate to have someone of Carol's caliber on the team.

VAA also welcomed back Frank Leonard who was one of the prior Federal appointees. Frank is currently Chair of Parkbridge Lifestyles Communities and Vice-Chair of Coast Capital Savings Credit Union. He is a business instructor at the University of Victoria and has served on numerous boards.

VAA looks forward to their contributions during boardroom discussions.

### **Concluding Remarks**

In closing, the Chair wished to recognize YYJ's Red Coat volunteers. The volunteer ambassadors at the airport come from all walks of life to assist the travelling public. One volunteer in particular, John Anderson, previously served with the Canadian Forces Deputy Chief of Defence Staff and is now volunteering at YYJ. Not only does VAA have the best staff, it also has the best volunteers.

As always, YYJ's vision is to be the best airport anywhere. VAA will continue to focus on keeping costs low for its airline partners and make prudent investments in the facility so travellers will have the best possible experience. Be assured that the team is working hard to achieve this objective, and the Board has confidence in the management team.

### **5. Report from the Chief Financial Officer**

Randy Bogle, Chief Financial Officer, presented an update on the financial position of the Victoria Airport Authority. The audited results will be presented at the Annual Public General Meeting on Thursday, May 7, 2020.

*[Subsequent to the meeting, as a result of the COVID-19 pandemic, the Annual Public General Meeting will be postponed to a future date.]*

### **Background**

The Victoria Airport Authority commenced operations in 1997 when a lease was signed with the federal government to operate the Victoria International Airport, the current lease runs until 2077.

VAA is a local not-for-profit non-share capital corporation. As there are no shareholders, all profits are reinvested into the airport and the airport lands. VAA's unique operating model has resulted in capital investments in excess of \$214 million since 1997, with over \$90 million of this occurring in the last five years.

### **Total Revenue**

For 2019, total forecasted revenue is \$39.2 million, which is just under 1% less than 2018.

### **Total Available Seats**

In 2018 there were a record number of seats into YYJ. For 2019, the number of seats declined by approximately 9% to 2.5 million seats, which is similar to the numbers from 2017.

The lower 2019 seat numbers declined in part due to the grounding of the 737-MAX aircraft. Air Canada and WestJet have a combined fleet of 37 of these aircraft that they had expected to be flying in 2019. This means there were fewer available aircraft to fly, so the airlines had to make adjustments about which routes they would serve, and which aircraft would service those routes. In addition to the MAX aircraft issue, there was also a reduction in seats caused by United Airlines and Delta Airlines ending service into YYJ in January and September respectively. Fewer seats in 2019 meant fewer aircraft and the resulting landing and terminal fee revenues and fewer passengers.

### **Total Passengers**

For 2019, VAA ended the year with 1,924,385 passengers, which is down 6.1% from 2018's record year. With fewer passengers, there is less revenue from passenger-driven services such as airport concessions and the AIF.

### **Aeronautical Revenue**

Looking at revenue in more detail, the reduction in seats impacted Aeronautical revenue which consists of the landing fees paid for aircraft to land at YYJ and fees paid by aircraft to use the terminal building. For 2019, aeronautical revenue is forecast to be \$7.4 million, which is 5% less than 2018.

### **Airport Improvement Fee**

The decrease in passengers also impacted YYJ's AIF Revenue. The AIF is a \$15 fee that is charged to enplaned passengers and is collected by the air carriers as part of the ticket price, which is passed on to the airports. The funds generated by the AIF are restricted and can only be used to fund AIF-eligible capital projects such as the expansion of the lower passenger departure lounge. In 2019, AIF revenue is forecast to be \$14.2 million, approximately \$900,000 less than 2018.

### **Non-Aeronautical Revenue**

Non-aeronautical revenue consists of concessions, land rent and other income. For 2019, non-aeronautical revenues are forecast to increase by 7% or \$1.0 million, to \$16.5 million. This is led by year-over-year rental car and parking revenue increases. YYJ has one of the largest percentages of non-aeronautical revenue of any airport in Canada. Having a dependable source of non-aeronautical revenue allows YYJ more flexibility when it comes to setting aviation fees and initiating non-AIF funded capital projects such as the Flight Path multi-use bike and walking trail, which was built for the benefit of the community.

### **Deferred Capital**

Deferred capital revenue primarily consists of the accounting reconciliation of CATSA funds received in 2017 for the baggage system. For 2019, deferred capital is forecast to be just over \$1 million.

### **Operating Expenses**

Operating expenses are the direct expenses that are incurred to operate the airport. They consist of items such as snow removal costs, cleaning, security, salaries and other operational elements. For 2019, operating expenses are forecast to be \$17.1 million, an increase of \$1.8 million. Almost \$600,000 of this relates to the extreme snow event from February 2019. The remaining amounts primarily relate to investments in VAA's staffing compliment as well as to increases in the number of service contracts.

### **Amortization**

Amortization is the accounting costs of capital assets based on their useful life. For 2019, the amortization expense is forecast to be \$9.4 million, approximately \$150,000 less than 2018.

### **Other Expenses**

Other expenses consist of rent paid to the Federal government, property taxes paid to the District of North Saanich and Town of Sidney, as well as interest expense. Since VAA has no debt, interest expenses are minimal. For 2019, Other Expenses are forecast to be \$3.4 million, virtually the same as 2019.

### **Net Income**

Net income for 2019 is forecast to be \$9.2 million, a decrease of \$1.9 million over 2018. The variance in year-to-year income is driven by a decline in revenue as a result of reduced Aeronautical and AIF revenues, coupled with an increase in year-over-year expenses.

### **Concluding Remarks**

In conclusion, the airport is in sound financial shape; it has no debt, a diverse pool of non-aeronautical revenue and excellent working capital. VAA anticipates it will be able to withstand downturns in passenger traffic and airline activity.

## **6. Report from the President and Chief Executive Officer**

President and CEO Geoff Dickson provided an update on the airport activities over the past year as well as plans for the future.

### **Canadian Airports – Annual Passenger Demand**

The CEO shared a chart regarding the cumulative average growth rate of Canadian airports over a 20-year time period, and in particular he highlighted YYJ's passenger growth over the past five years.

BC airports including Victoria, Vancouver and Kelowna led the way nationally in terms of passenger demand. For percentage seat growth, YYJ ranked second among 16 of the larger airports.

### **Total Seats 2015 - 2019**

After record passenger numbers in 2018, approximately 250,000 seats leave YYJ's market in 2019. This drop in passengers can be attributed to a number of factors.

#### U.S. Routes Cancelled

After 10 years operating at YYJ, United Airlines announced they could no longer financially sustain the Victoria - San Francisco route. United's 60-seat aircraft and mid-day schedule did not work for the YYJ-SFO market. Ideally they would have preferred a larger, more fuel efficient 75-seat aircraft overnighiting at YYJ to allow for an early morning departure, however there was no room in their schedule or fleet to accommodate this. Despite the high load factors, they were unable to make the route economically viable so a decision was made to suspend operations.

Similarly after operating in Victoria since 2016, Delta Air Lines advised halting their Victoria – Seattle service as the route economics were not working. Delta ceased operations in September 2019.

#### Boeing 737-MAX Aircraft

The tragic events that forced the grounding of the Boeing 737-MAX aircraft had a ripple effect through the aviation industry. Not only was the aircraft a major challenge for Boeing, it also impacted the industry in terms of overall fleet capacity. Some airports were impacted more than others due to the downsizing and redeployment of aircraft to other routes. There is no certainty on when or if the aircraft will fly again.

### **North American Airline Finance – Profit / Loss**

Looking at the North American air carriers, the 737-MAX aircraft makes up a significant part of the fleet. Airlines are trying to accommodate the lost capacity which means aircraft are being reconfigured and redeployed.

In Canada, six percent of the WestJet and Air Canada fleets saw shifts to the size of aircraft deployment and markets were downsized which resulted in reduced capacity, higher fares and a reduction in the rate of overall growth at a national level. Victoria was impacted with reductions in capacity to Toronto, Edmonton and Calgary. Interestingly, despite a reduction in capacity, many airlines saw an increase in profits.

### **Total Passengers 2015 – 2019**

Over the past five years, YYJ saw significant steady growth in traffic, from 1.7 million passengers in 2015 to over 2.034 million passenger in 2018. Passenger traffic for 2019 decreased by 6%, to 1.934 million.

### **COVID-19 Coronavirus**

The COVID-19 coronavirus was a challenge that no one anticipated. The world is in a situation that is evolving day by day. When the announcement of the virus was first made, it was isolated to a few provinces in mainland China. As of March 10, there were 114,600 cases reported worldwide and growing. Public health agencies are issuing travel advisories to a number of countries such as Iran, Italy and China; cruise ships are suspending operations; the travel and tourism industry is being severely impacted. The Director General of the World Health Organization, Dr. Chabreysus, reported some encouraging evidence that incident rates are slowing in China and South Korea. What is key to reducing the number of cases is rapid detection and response, and education for the public on how to protect themselves.

The International Air Transport Association (IATA) is modeling the revenue impact for the aviation sector, which could be \$113 billion or higher at this point. Canadian airports are increasing their overall cleaning protocols and screening of passengers. All airports are monitoring the situation closely.

To date, YYJ has not noticed a material impact on passenger traffic but this will inevitably change. VAA is making preparations to address any logistical and financial challenges as the situation evolves. VAA is working closely with the Canada Border Services Agency (CBSA) and public health agencies to take advice and direction from the experts. The Center for Disease Control (CDC) has been exceptional in their guidance presenting a calm and reassuring approach.

### **Air Service Update**

Notwithstanding these challenges, there is still room for optimism at YYJ. The Mexico program has expanded with six key markets: Los Cabos, Puerto Vallarta, Ixtapa, Mazatlán, Cancun and Huatulco.

Air Canada committed to expanding their capacity in Victoria by 30% with the move to daily service to Montreal using a 200-seat A-321 aircraft. The Toronto route will see the reintroduction of the 282-seat Boeing 767 and the 200-seat Airbus A321.

Pacific Coastal Airlines has seen significant growth in the past number of years. The airline has announced new Victoria – Tofino service commencing in May. There continues to be opportunities for the airline to grow at YYJ as the YVR South Terminal reaches capacity.

Swoop, WestJet’s ultra-low cost subsidiary, is introducing five-time weekly Winnipeg service with a 189-seat aircraft. If the route is successful and they establish a market in Victoria, there may be opportunities to expand other routes.

### **Potential Markets**

The CEO shared a chart showing the top 20 city pair markets for YYJ. Los Angeles, Ottawa and Montreal rank the highest as the most probable destinations to target for year-round service to YYJ. Other top market opportunities include Las Vegas, Phoenix, Denver, Honolulu, Saskatoon, Regina and Hamilton. VAA is putting together a business case to aggressively pursue the Los Angeles and Denver markets as they are key airport hubs in the U.S.

### **Aviation and the Environment**

The environment is a topic of discussion that the aviation sector takes very seriously. The matter of ‘flight shaming’ is gaining more prominence around the world, primarily in Europe. The narrative seems to be for people to stop flying to save the planet. Many feel this is a false binary tradeoff. The issue is more about how to fly sustainably rather than not flying at all, particularly with the vast geography of Canada.

Air travel contributes approximately 2% of the global man-made carbon emissions. Since 2009, the aviation industry has invested over \$1 trillion in research and development in aircraft technology. Each generation of aircraft is 20% more fuel efficient than the previous one.

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is the first global aviation sector-specific climate program with the objective of achieving a 50% reduction in CO<sup>2</sup> emissions by 2050. The aviation industry is committed to research and development of new technologies such as sustainable fuels and electric aircraft. Long-haul flights are currently not capable of being electrified, but one day the technology will make that possible. Harbour Air and MagniX recently announced the successful flight of the world's first all-electric commercial aircraft.

### **Farming**

At the local level, the environment is one of the top priorities of the airport. One of the many activities includes the farming of over 600 acres of airport property. As part of the soil management, VAA repurposed the top soil from one of the capital projects to create 10 new acres of farmland.

### **Water Bottle Refill Stations**

YYJ has a number of water bottle refill stations located throughout the terminal to reduce the amount of single use plastics.

### **Creek Stewardship**

VAA has invested over \$2 million toward habitat enhancement of the two airport creeks, Reay Creek and TenTen Creek. The area was a historic dump site for the military that resulted in contaminants leeching into the soil and water over decades. Remediation efforts included the construction of a bypass channel, water catchment areas, bank armoring, environmental cleanup and downstream work. The airport's significant restoration investment was recently rewarded with a monumental event: for the first time in over 60 years, Coho salmon have returned to TenTen Creek. This has been an incredibly rewarding achievement for the airport.

## **YYJ and the Environment**

YYJ participates in Airports Council International's Airport Carbon Accreditation program. Between 2013 - 2019, there has been a 19% reduction in CO<sup>2</sup> emissions per passenger thanks to some of the initiatives taken by the airport. In terms of overall reduction, natural gas has been reduced by 29% and kilowatt hours of electricity have been reduced by 33%. A load shedding program is in place that instantaneously tracks demand in the air terminal building to reduce loads. YYJ's building optimization system continuously monitors the energy consumption within the terminal. YYJ participates in BC Hydro's Continuous Optimization Program that has seen its outdated boilers replaced with more energy-efficient equipment, and the installation of a geothermal hot water system using solar panels.

VAA is working with Synergy Enterprises to develop a new five-year sustainability plan that will focus on reducing energy, water, waste and fuel consumption. The plan is expected to be complete by the end of the year.

## **Airport Carbon Accreditation Level 2**

In September 2019, YYJ's efforts to reduce its overall carbon footprint were recognized by Airports Council International – North America. YYJ achieved Airport Carbon Accreditation Level 2 certification; Ken Gallant, Vice-President of Operations, received the honour on behalf of YYJ. Achieving Level 2 accreditation demonstrates VAA's commitment to sustainability.

## **Lower Passenger Departures Lounge Expansion**

The expansion of the lower passenger departure lounge is one of YYJ's largest capital projects to date. Planning started in 2015, with Board approval in 2017. This 1,765 m<sup>2</sup> addition includes dedicated departure/ arrival gates, new food and retail offerings, improved accessibility features and a calming ambiance. The subsequent two phases will include a new washroom block, expanded food services and new art installation. The project is expected to be complete by summer 2020. One of the focuses is how to improve the efficiency of how the building is heated, cooled and lit.

In order to inspire a sense of place and support local companies, VAA continues to bring in new offerings to the airport. Starting with Spinnakers on the Fly some years ago, YYJ recently welcomed Fresh Cup Cafe at YYJ, which is a local coffee business located on Mt. Newton Cross Road. While travelers may not yet be familiar with their products, it is resonating well with customers. For the next phase of the expansion, the award-winning Victoria Distillers will open a new retail shop and tasting room. Local artist Charles Campbell is finalizing a new art installation called 'Time Catcher' that will be featured in the newly expanded space.

### **New Accessibility Features**

As part the design process, VAA engaged both the Rick Hansen Foundation and Changing Places to assist with accessibility principles and equipment. The organizations have provided tremendous insights to enhance the passenger experience for travelers with disabilities. The expansion will include a number of features such as low slope ramps for ease of movement, family washrooms with adult-size power change tables and a track hoist system, Braille tactile signage on stairs and handrails, controls mounted at accessible heights, audio loops at counters for the hearing impaired, and a pet relief area for service dogs.

### **Flip Flow Security Doors**

VAA made a significant investment in technology in the past year. New flip-flow security doors were installed to prevent security breaches and help improve the flow of passengers arriving at YYJ. It also assists in meeting operational needs by allowing the redeployment of security staff to other areas.

### **Common Use Terminal Equipment**

The installation of new common use terminal equipment (CUTE) is underway which will allow greater flexibility and more efficiency for airline operations. Rather than being at fixed locations, the airlines can work from any podium to quickly relocate to any gate. This is a significant financial investment by the airport and airlines that will benefit everyone in the long run.

### **Gate Development**

A chart demonstrated the average airport gates per annual passengers, and YYJ's relation to other airports in 2020 and beyond over the next thirty years.

### **Primary inspection Kiosks**

In order to speed up the processing of passenger in the international arrivals area, eight new automated primary inspection kiosks (PIKs) will be installed, two of which will be dedicated NEXUS kiosks. These units are already in place at a number of major airport hubs like Vancouver and Seattle and are expected to reduce processing time by 60%.

### **New Parking System**

YYJ's existing parking equipment is 15 years old and reaching the end of its life cycle. The aging system is not compatible with some of the modern technology. The new technology will allow VAA to create niche products for customers and better manage the parking facility. This project will be going before the Board of Directors for approval once the tender results are known.

### **Transportation Network Companies (TNCs)**

In anticipation of the arrival of ridesharing in Victoria, VAA is investing in geofencing, gatekeeper software and new facilities for TNCs that will be operating at the airport.

### **Land Development**

A number of exclusivity agreements for land development have been secured. Land development allows VAA to keep its aviation fees low by diversifying its business with non-aeronautical streams of revenue. It also allows the airport to withstand a downturn in passenger traffic, as may be the case with the coronavirus. VAA is currently finalizing property development opportunities with Western Canada Marine Response Corporation, Titan Boats and a number of other potential companies.

VAA is also exploring options for a new commercial highway development. In addition, once the former Department of National Defence property reverts back to the airport, there will be some interesting opportunities to develop the land.

### **BC's Top 100 Employers**

Victoria International Airport was recently named one of BC's Top 100 Employers. With a focus on training and healthy workplace practices, this is a proud achievement. The CEO wished to specifically acknowledge VAA's Human Resources team who are continually striving to improve the corporate culture by focusing on employee health and wellness.

### **7. Call for New Business**

There was no new business.

### **8. Questions / Comments from the Members of the Committee and the Public**

The Committee Chair opened up the floor to questions and comments.

- **A member of the public commended the VAA on their informative presentations. He was concerned about the aviation industry from an environmental perspective and the impacts of a \$150 carbon tax, as well as the potential financial impacts of the coronavirus that will negatively impact the economy this year. He inquired if scenarios have been run for both the global airline industry as well as YYJ locally.**

IATA has conducted some worst-case scenario modelling and projected a 10% decline in North American passenger traffic, based on existing information regarding the coronavirus. YVR has the largest number of nonstop flights from China and they anticipate a reduction of approximately 1.3 million passengers. YYJ extrapolated from YVR's numbers, which is about 100,000 passengers; however many tourists from China travel to Vancouver Island by ferry and not necessarily by air, so the impacts may be less. Based on the existing modelling, YYJ is looking at scenarios of declining passenger traffic between 5 – 15%. The cruise industry is currently not giving refunds for travel. Travel and tourism took around eight months to recover after the SARS outbreak.

- **A member of the public advised that he and his wife regularly use the airport. They often travel to Swartz Bay ferry terminal by transit and are surprised to find that getting to the airport by public transportation is so challenging. He notes that there is a planned expansion to double the surface parking, which in his opinion is sad to see farmland paved over for that purpose. While he understands that parking revenue is a significant portion of income for the airport, he would prefer that funds be dedicated to improve transit services. He inquired how the public can pressure BC Transit to expand public transportation to YYJ. He suggested that the #70 bus be coordinated with the #88 bus to divert into the airport.**

In terms of transit connectivity to and from the airport, seven years ago there were 12 trips per day; now there are 29 trips per day so connectivity is definitely improving. Looking at the #70 and #72 buses, BC Transit advised that diverting into the airport would add another four to five minutes per trip, which reduces the amount of service they can provide to other markets. The CEO is encouraged that the Province of BC has done a south Vancouver Island transportation study with one of the focuses on Highway 17, which may result in better service for the airport. Of all the studies done regarding transit to YYJ, they all concluded that in order for a bus route to be viable, there needs to be another destination behind it such as the ferry terminal. Many travelers to the airport are reluctant to get off the bus at the McTavish interchange and use the overpass to transfer to a new bus. The CEO continues his discussions with BC Transit and is hopeful that YYJ will see more service in the future. He encouraged the public to contact the CEO and Board of Directors of BC Transit, as well as the Transit Commission.

With respect to the parking expansion, there may be an eventual mode shift with the introduction of TNCs and autonomous vehicles. Keep in mind that most of the growth in the greater Victoria region has been in the Langford area and beyond, which typically means driving to the airport rather than taking a lengthy and complicated public transit ride. When VAA looked at long term options for parking, it concluded that a parkade would not be built. Not only is a parkade ten times the cost of surface parking, a parking lot can be easily returned to farmland if vehicle traffic declines. This is not easily achievable with a parkade.

- **Greg Matte, General Manager of the Victoria Flying Club** wanted to acknowledge VAA's efforts to reduce the airport's carbon footprint. He noted that the CEO briefly touched on solar panels. Having lived across all of Canada, he was surprised that there is not much of an effort by the Provincial government or BC Hydro to subsidize solar panels. He suggested that VAA may wish to collaborate with 443 Maritime Helicopter Squadron and the Victoria Flying club to lobby BC Hydro to allow the airport to become a leader in the use of solar panels. A large solar installation at the airport could reduce electrical consumption but could also be shared with the community. Mr. Matte would be happy to help with that initiative and left it with the CEO for consideration.

The CEO thanked Mr. Matte for his suggestion and would give it some consideration.

- **Vince Kreiser, a resident of North Saanich, complimented the VAA for installing new banners on the lamp standards.** He rides the Flight Path multi-use trail every day and appreciates the splash of colour during his ride. He commended VAA's Director of Infrastructure and Planning, Scott Cunningham, as well as VAA's airfield supervisor Colin Murray who have been doing a great job to ensure the Flight Path is well maintained. He inquired when there might be some activity regarding the site of the old DND hangar. He noted that the new work on TenTen Creek looks like a logging camp with the trees left to rot and inquired about that.

VAA anticipates the DND land will be returned to the airport by the end of the year. The one remaining item that needs to be resolved is the environmental remediation work. Once that work is complete, the land will be turned over to the VAA for development. With respect to the 'rough and loose' landscaping at TenTen Creek, this feature is by design. The riparian plantings will grow in over time and will mimic the natural environment. VAA's Environmental Officer is extremely happy with the design of the creek banks.

There were no further questions or comments.

## 9. Announcements

Victoria Airport Authority's upcoming public meetings:

### **Annual Public General Meeting**

Thursday, May 7, 2020

7:00 PM

SHOAL Centre, 10030 Resthaven Drive, Sidney, BC

*[NOTE: As a result of the COVID-19 pandemic, VAA's Annual Public General Meeting was cancelled and will be rescheduled – date TBA]*

### **Fall Airport Consultative Committee Meeting**

Tuesday, October 20, 2020

7:00 PM

SHOAL Centre, 10030 Resthaven Drive, Sidney, BC

All meetings will be advertised in the local print media, on YYJ's website, social media platforms and through YYJ Airmail. All members of the public are welcome to attend.

## 10. Adjournment

The Committee Chair thanked everyone for participating and adjourned the meeting.