



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Mary Winspear Centre
Tuesday, 19 February 2008, 8:30 - 9:30 AM**

**Next ACC Meeting: 08:30 AM, Tuesday, 28 October 2008
Mary Winspear Centre at Sanscha
(2243 Beacon Avenue, Sidney – Corner of Beacon & Pat Pay Highway)**

Paul Connolly – Committee Secretary

Matthew Watson – ACC Chair

Representative Members

Association of Canadian Travel Agencies	
BC Ministry of Transportation & Highways	
Canada Border Services Agency	Kathy Pringle
Canadian Aircraft Owners and Pilots Association	
Capital Regional District	Christopher Causton
City of Victoria	
Corporation of the District of Saanich	Bob Gillespie
Department of National Defence	Shane Voisard
District of Central Saanich	Susan Mason
District of North Saanich	
District of North Saanich Residents' Association	Derek Finall
Greater Victoria Chamber of Commerce	
Nav Canada	
Pauquachin Band Council	
Saanich Peninsula Chamber of Commerce	
Saanich Peninsula Water Commission, and Waste Management Committee	
Sidney Business Association	Peter Garnham
Sidney Ratepayers Association	
Tourism Victoria	Helen Welch
Town of Sidney	Bob Jones
Tseycum Band Council	
Airlines:	
WestJet	
Air Canada / Jazz	
Horizon Air	
Pacific Coastal Airlines	
Air Terminal Building Tenants Representative	
Airport Land Tenants' Association	

VAA Board Members in Attendance:

*Gordon Denford, *Matthew Watson, *Mervyn Lougher-Goodey, *Bob Coulter, *Victoria Kuhl, *Chad Rintoul. (*Peter Dolezal, *Christine Stoneman and Peter Bray sent regrets.) Other Board members in attendance: Lindalee Brougham, Mel Couvelier, Glen Crawford and Bruce Knott.

VAA Staff: Richard Paquette, Danita Ouellette, Randy Bogle, Mike Booton, James Bogusz, Ian West, Terry Stewart, Rick Robertson and Paul Connolly.

*Board members on the ACC.

Public in attendance: 4

1. Call to Order

Matthew Watson, Vice Chair of the Victoria Airport Authority Board, acted as the Chair of the meeting, and Paul Connolly acted as Recording Secretary.

2. Introduction of Members Present

Matthew Watson, Airport Consultative Committee Chair, welcomed the members and the public to the Airport Consultative Committee meeting. Each Member of the Committee and the public present introduced themselves.

3. Public Participation Period

The Committee Chair invited the public to comment or ask questions. Matthew Watson noted there is additional time at the end of the agenda for comments / questions.

There were no comments / questions at this time.

4. Approval of 30 October 2007 ACC Minutes

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE 30 OCTOBER 2007 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

5. Report from the VAA Chair

VAA Board of Directors

In Memory of Peter Parsons

VAA Board Chair, Gordon Denford, paid respect to Peter Parsons. Since the last Airport Consultative Committee meeting Peter Parsons, District of Central Saanich Nominee to the VAA Board of Directors, passed away. The Chair stated, Peter will always be remembered for his enthusiasm, humour and desire to help his community. He will be missed for his thoughtful contributions at VAA Board meetings.

2008 VAA Board Executive

The Board made the following appointments as Officers of the Corporation and Committee Chair positions for the upcoming Year 2008.

Chair
Vice Chair, & Chair, Airport Consultative Committee
Secretary, & Chair, Governance Committee
Chair, Audit and Finance Committee
Chair, Planning and Development Committee

Gordon Denford
Matthew Watson
Christine Stoneman
Peter Dolezal
Mervyn Lougher-Goodey

Airport Access – McTavish Road / Pat Bay Highway

The VAA Chair stated, with the completion of the Terminal Building expansion and renewal, we have an Airport that brings a real sense of pride to Victoria. Victoria International Airport is the Region's key link to the world. Unfortunately, the route between the Airport and Victoria city centre has not kept pace with Airport improvements.

VAA continues to work with the Province to advance the priority for the interchange at McTavish Road and the Pat Bay Highway 17. All of the roads in question are Provincial responsibility. The VAA Board has, nevertheless, resolved to contribute \$3 million towards the \$13 million interchange project, which also qualifies for partnership funding under the Federal Infrastructure Program. Unfortunately progress is stalled because of a lack of agreement and commitment on the relative priority of this project.

The Chair encouraged the Committee members and the public to let the Provincial and Federal Governments know how important this interchange project is to the Region.

Master Plan

Gordon Denford reported the Board approved the Airport's Master Plan February 4, 2008.

VAA's Master Plan will help direct the future of Victoria International Airport and ensure that VAA has the infrastructure needed. The Master Plan forecasts aviation activity to 2025 and defines improvements required to meet demand.

Key recommendations in the Master Plan are a 1,400 foot extension to the principal runway to permit non-stop service to Europe, a realignment of Willingdon Road, an expansion to the surface parking lot and ultimately an airport parking structure.

The Terminal Building will be expanded to provide more boarding gates, more room for concessions, security screening functions, an expanded Canadian Border Services Agency facility, an expanded domestic arrivals area, and ultimately a United States Preclearance Facility.

The Master Plan is posted on the VAA web site www.victoriaairport.com.

6. Report from the Chair of the Audit and Finance Committee

Matthew Watson informed the Committee members that Peter Dolezal, Chair of the Audit and Finance Committee, and Peter Bray, Vice Chair of the Audit and Finance Committee sent regrets as unable to attend this meeting. Matthew Watson presented the report on their behalf.

Matthew Watson stated the results to the end of December 2007 are preliminary and unaudited. The External Auditors, KPMG, are presently undertaking the annual financial audit. More detailed financial statements will be available at the VAA Annual General Meeting, 1 May 2008.

Matthew Watson stated that 2007 was another successful financial year for the VAA. He thanked the VAA CEO, Richard Paquette, and his team for their fiscal prudence.

2007 Financial Performance to December 31, 2007:

- **AIF Sector:**
 - \$6.9 million net AIF collected
 - \$4.8 million spent on AIF capital projects (incl. financing costs, etc.)
 - \$1,350,000 of debt has been repaid (reduced from \$18.0 million to 16.6 million at year-end)

- **Operations Sector:**
 - \$13.2 million total Revenue
 - \$10.6 million total Expenses (after Depreciation)
 - Year-end net income of \$2.6 million was expended on Operations Capital projects totaling \$2.9 million

The Balance Sheet remains strong, with very healthy working capital and with a prudent level of long-term debt. The current plan sees the debt being liquidated over the next 10 years.

Since the AIF was implemented in 1999, the VAA has collected \$35 million in AIF Revenue and has expended approximately \$51 million on AIF-funded projects. The difference is essentially the anticipated year-end, long-term debt of \$16.6 million.

Matthew Watson stated the VAA is proud to report that the \$10.00 AIF is among the lowest of all airports in Canada and that VAA's landing and terminal fees are also among the lowest.

VAA Operations Revenues must not only fund ongoing operations and maintenance costs, but also all other capital projects which are not eligible to be funded out of AIF Revenues such as parking lot expansions, vehicles and equipment, sewage and water system upgrades, etc. Since the airport was transferred from Transport Canada to the Victoria Airport Authority in 1997, approximately \$15 million of Operations Revenue has been expended on operations-funded capital improvements.

7. Report from the VAA President and CEO

Richard Paquette, President and CEO, briefed the Committee on a number of matters:

- **Airport Customers and Community**

Again in 2007, the VAA has participated in a national **Customer Satisfaction Survey**. The survey benchmarks Victoria International Airport against other Canadian airports of similar size. This year, Victoria finished third with an overall rating of 4.44 on a 5 point scale – up from 4.38 the previous year.

There have been continuous improvements which are appreciated by the public:

In October 2006 the Airport's **Tim Hortons** opened. In July 2007 the **Airport's full service White Spot Restaurant** was officially opened. Food and beverage sales have increased close to 50% since the White Spot opened.

Rotating Art from the Art Gallery of Greater Victoria, and the Community Arts Council of Greater Victoria has been added to the Terminal Building.

Because more and more people want to bring their bicycles when they fly, VAA has made it easier by installing a dedicated, covered **Bicycle Assembly Station** with an air pump, bicycle rack and storage locker for cardboard boxes.

- **Passenger Traffic and Airlines**

Passenger traffic was up over 6.6% at year end 2007, with a total of 1.48 million passengers

Horizon Air increased capacity on their Seattle / Victoria route by 43% with the introduction of the 70 seat Q400 aircraft. With increased capacity they are more competitive with their fares.

United Airlines announced it will start flying non stop VICTORIA / SAN FRANCISCO (SFO) beginning June 5, 2008. It will be operated by SkyWest using a Canadair RJ 700, 66 seat passenger aircraft including business class. This new flight will certainly be a very convenient option to all Vancouver Island residents headed south to San Francisco, or beyond to a long list of US and International destinations served by United Airlines through SFO. Flying into SFO also directly connects Vancouver Island's high tech industry into the heart of Silicon Valley.

VAA is supporting the initiative by contributing towards an outbound marketing program and waiving landing fees and general terminal fees for a period of time. As far as an airline is concerned it will only commit to a new route if it is profitable. VAA is seeking strong support from the Chambers, Tourism, the High Tech sector and the community to ensure the new route is a success.

Land Development

Viking Air has started construction on a new manufacturing facility to bring the DeHavilland Otter back into production. Completion of the new facility is scheduled for November 2008.

BC Aviation Museum is expanding its display area by adding a new 12,000 square foot hangar to the west of their current facility.

Construction of **Milwest Holdings' marine dry dock**, storage and service facility at Beacon Avenue and Galaran Road is on hold while the Developer's building and logistical plans are refined.

Lease with Sobeys (Thrifty Foods) off Mills Road is being finalized. Their site layout and building design are underway. **Victorian Epicure** has withdrawn its interest in Airport property off Mills Road. The 9 acre lot they relinquished is being redesigned. A few companies have expressed an interest.

The VAA has committed to construct in 2008 a **Bike Path the full length of Mills Road**, from West Saanich Road connecting with the path at the intersection of Henry Avenue and McDonald Park.

The traffic study for Mills Road was discussed recently with officials from North Saanich and Sidney. Both Municipalities have requested that a broader study of the whole corridor from Mills Road to the Beacon Avenue / Pat Bay Highway intersection be reviewed for potential improvements.

- **The Environment**

Victoria Airport Authority and Transport Canada have partnered in a study of Victoria International Airport's green house gas emissions. The study is the first of its kind in Canada and will serve as an example for other airports. A meeting with VAA, Transport Canada and Environmental Consultant was held January 24 to finalize the Study and to discuss further funding from Transport Canada to help implement program initiatives at the Airport.

Commercial aircraft are much quieter and fuel efficient than their predecessors. In fact, there has been a 70% improvement in fuel efficiency when today's modern aircraft such as the Boeing 787 are compared to the original Boeing 707 and Douglas DC 8 jet aircraft.

Victoria Airport Authority's **Environmental Management Plan** was updated in 2007, and is available on VAA's web site www.victoriaairport.com

2007 Capital Program

Total of 2007 capital projects funded from operating income was \$2,868,400 including expanded parking lot facilities, overflow parking lot and the Car Rental Service Facility.

Total of 2007 capital projects funded from the Airport Improvement Fee (AIF) was \$4,014,100 including relocating the Weather Office, restaurant improvements, CCTV (Closed Circuit) surveillance cameras in the parking lots and Terminal Building increased from 13 to 65, new landscape berm, extension of arrival carousels and replacing edge lighting on Taxiways E & W.

Total 2007 Capital Program \$6,882,500.

2008 Capital Program

Total of 2008 capital projects to be funded from operating income is \$4,066,300 including replacement of Sewage Pumpstation #2, renovations to VAA administration offices, preliminary design of a new maintenance garage and Mills Road Business Park land development. Before a decision can be made regarding a 1,400 foot extension to the principal runway VAA will undertake a number of studies in 2008 including Aeronautical and Engineering studies.

Total of 2008 capital projects to be funded from AIF is \$6,585,900 including preliminary design of a new fire hall, installing two loading bridges, ongoing rehabilitate airfield pavements program and airfield lighting improvements

Total 2008 Capital Program \$10,652,200.

Advertising

VAA awarded an advertising contract to a BC company with strong Vancouver Island roots. Immediate Images is a leading provider of digital signage systems. The screens installed throughout the Terminal Building blend in with the overall design scheme. Immediate Images also installed traditional backlit panels and brochure racks.

The digital displays are connected to the internet so advertisers can update their ads at virtually no additional cost from any web-enabled computer. Displays will also include weather and road conditions, and information about the Region.

8. Call for New Business

None

9. New Business

None

10. Questions / Comments from the Committee and the Public

- In response to Councillor Gillespie's (District of Saanich) question about progress on cleaning up environmental contamination at the Airport, the CEO stated in 2007 VAA successfully completed a project to remove heavy metal contamination soils on the banks and in the sediments of Reay Creek. During the excavation, a small pocket of hydrocarbon contamination was discovered. These soils will be removed in 2008. VAA continues to monitor water quality in both Reay and Ten Ten Creeks, and showing continuous improvement.
- Bob Gillespie commented he would like to see greater participation at these Committee meetings; he noted the number of absent representatives at the October 30, 2007 meeting.

Although there is more representation from various organizations at today's Committee meeting Matthew Watson stated, ironically a low participation rate at some of these meetings can partly be explained by the success of the Airport. We now have an Airport that brings a real sense of pride to the entire community.

The CEO and his team also foster good relations within the community through a number of initiatives, and stakeholders have opportunities to participate at Committee meetings established for specific purposes such as the Environmental Management Committee, Noise Management Committee and Tenants' Committees. VAA is open to suggestions from members of the Committee to encourage greater participation.

- Councillor Susan Mason, District of Central Saanich, stated the future as outlined in the Master Plan looks exciting. She commended the VAA and staff on all the good work being accomplished at the Airport.

- Mayor Christopher Causton, representing the CRD, asked which Airports in the national Customer Satisfaction Survey, referenced by the CEO in his presentation, were first and second (Victoria placed third at 4.44 on a 5 point scale). The CEO stated Comox was Number 1 in the Survey, results which are not surprising since they now have a brand new facility which the local community is proud of. Saint John New Brunswick placed second.
- Christopher Causton noted the VAA Chair, in his presentation to this Committee, asked the representatives to this Committee and the public for their support to let the Provincial and Federal Governments know how important the McTavish / Pat Bay Highway 17 Interchange Project is to the Region and to complete it by 2010. Mayor Causton suggested the case for the McTavish Interchange Project in the context of other interchanges would be helped if statistics, such as delays in exiting / entering the Highway at the McTavish Road intersection, were available.

The Committee Chair, Matthew Watson, stated as it is difficult to compete on a regional basis with other transportation concerns, the various Municipalities need to break the logjam by supporting each other rather than competing against one another over interchange projects. When Municipalities cannot agree the Province does not feel compelled to proceed with any local interchange project. Matthew Watson suggested the Municipalities support one local interchange project that is relatively easy and inexpensive to complete; then proceed to the next and so on. The VAA is supportive of other interchange projects.

The VAA Board Chair, Gordon Denford, stated the McTavish Interchange Project has been in the planning and discussion stages for a few years now and is well documented with the Province. Other proposed interchanges on the Pat Bay Highway are more complex, costly and do not offer the same opportunities for partnerships. VAA Board has resolved to contribute \$3 million towards the \$13 million project. The Province already has title to the lands and North Saanich has given favourable consideration for zoning of the land which would allow for the Province to recover some of the capital cost through the sale of surplus Crown land. The interchange would benefit the residents of Sidney and North Saanich as well as BC Ferries. As each year passes construction costs escalate, by 2010 the price tag could well be over \$15 million. As the number of passengers increase at the Airport the interchange becomes even more critical. At peak periods the left turn lane traffic extends into the fast lane resulting in a dangerous situation.

The Sayward Road intersection statistically has more accidents. Keating Cross Road also requires improvements for safe access to the industrial area. However, as the VAA Chair stated, more of the pieces are in place for the McTavish Interchange to proceed immediately.

A suggestion was made to have Interchange Project "Talking Points" available for use (attached).

Susan Mason stated it was her impression, after attending meetings with the Province; they have no intention on proceeding on any additional projects until after 2010.

- Christopher Causton asked about the scope of the work for the runway extension.

Gordon Denford said VAA will be completing Aeronautical and Engineering studies as well as an Economic Feasibility Study in 2008 which will identify the possibilities and quantify the project. LPS Aviation Inc has been awarded the Aeronautical Study. The Board Chair stated he will keep the Committee informed of the results of the studies.

- Christopher Causton asked about VAA plans to encourage improved BC Transit service to the Airport.

VAA's Director of Airside Operations and Development, Terry Stewart, stated VAA is going to engage a coop student to undertake research to support the case to BC Transit to improve service to the Airport. Town of Sidney Mayor Don Amos, Chair of the Victoria Regional Transit Commission, was helpful in obtaining direct transit service from Sidney to the Airport starting in September 2008.

- Christopher Causton asked if it was feasible to increase the number of parking spaces in the Long Term / Daily Lot by reducing the size of the Short Term Parking Lot and adding those spaces to the Long Term Lot.

The CEO stated the Short Term Lot fills close to capacity during peak hours. The problem of capacity in the Long Term Lot cannot be solved by reducing the number of spaces in the Short Term Lot. The solution is to increase the size of the Long Term Lot. The Board approved a project in 2008 to extend the number of spaces by 140.

- Councillor Bob Jones, Town of Sidney, asked if VAA has plans to build a parking structure.

The CEO stated the Master Plan references future parking requirements. In the short term VAA will continue to expand the public lots, in the mid term realign Willingdon Road to accommodate future surface parking growth and in the long term a parking structure is proposed. Parkades are costly to build, costly to maintain and operate, and there are security issues to consider.

VAA arranges for shuttle service to get the travelling public to / from their vehicles when they have to park further away from the Terminal Building during peak seasons. This system worked well during the past Christmas holidays. The Airport tries to keep the public informed during peak seasons and encourages them to use alternate modes of transportation to get to the Airport, such as public transit, taxis, airporter or drop-off.

11. Announcements

- **VAA AGM (Annual General Meeting)**
7 pm, Thursday, 1 May
Mary Winspear Centre – same location as today's ACC meeting
- **Next ACC Meeting – 28 October 2008**
8:30 am, Tuesday, 28 October 2008
Mary Winspear Centre

12. Adjournment