



VICTORIA AIRPORT AUTHORITY

Airport Consultative Committee

**Minutes of the Meeting held at the
Mary Winspear Centre
2243 Beacon Avenue, Sidney BC
Tuesday, October 29, 2013
7:00 - 8:30 PM**

Upcoming Public Meetings:

- **Next Airport Consultative Committee Meeting:
7:30 AM, Tuesday, March 11, 2014
Delta Ocean Pointe Resort & Spa
45 Songhees Road, Victoria, BC**
 - **Victoria Airport Authority Annual Public General Meeting:
7:00 PM, Thursday, May 8, 2014
Mary Winspear Centre – Activity Room 4
2243 Beacon Avenue, Sidney, BC**
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Representative Members

Organization

Representative

Association of Canadian Travel Agencies
BC Ministry of Transportation & Highways
Canada Border Services Agency
Canadian Aircraft Owners and Pilots Association

Capital Regional District

Mayor Alastair Bryson (Central Saanich)

City of Victoria
Corporation of the District of Oak Bay
Corporation of the District of Saanich

Department of National Defence

Major Don Philip

District of Central Saanich

Councillor Carl Jensen

District of North Saanich

Mayor Alice Finall

District of North Saanich Residents' Association

Geoff Orr

Greater Victoria Chamber of Commerce

Nav Canada

Pauquachin Band Council

Saanich Peninsula Chamber of Commerce

Joe Jansen

Saanich Peninsula Water Commission & Waste Management Committee

Sidney Business Association

Sidney Ratepayers Association

Tourism Victoria

Dave Cowen

Town of Sidney

Councillor Steve Price, Councillor Kenny Podmore

Councillor Mervyn Lougher-Goodey

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 on the Airport Consultative Committee in attendance:

Graeme Roberts (Committee Chair), Lindalee Brougham (Board Chair),
Mel Satok (Committee Vice-Chair), Peter Bray, Bob Coulter and Bruce Knott

Other VAA Board members in attendance: Glen Crawford, Jim Crowley, Lynne Henderson and
Chad Rintoul

Regrets: Mel Rinald, Suromitra Sanatani and Colin Smith

VAA Management: Geoff Dickson, Randy Bogle, James Bogusz, Scott Cunningham, Melinda Orlowski,
Rick Robertson, Terry Stewart, Ian West

Other VAA Staff: Anita Kardos and Siobhan O'Donnell

Special Guests:

Jonathan Dickie, Constituency Assistant to the Honourable Elizabeth May, MP
Debra Hartung, Constituency Assistant to the Honourable Gary Holman, MLA

Public in attendance: 40

1. Call to Order

The meeting was called to order. Graeme Roberts, Vice-Chair of the Victoria Airport Authority Board of Directors, acted as the Chair of the Airport Consultative Committee; Melinda Orlowski acted as Recording Secretary.

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

The Committee Chair introduced the members of the Airport Consultative Committee and recognized the local dignitaries and special guests in attendance.

3. Motion to Receive the March 12, 2013 Airport Consultative Committee Minutes

IT WAS MOVED, SECONDED AND CARRIED TO RECEIVE THE MARCH 12, 2013 AIRPORT CONSULTATIVE COMMITTEE MEETING MINUTES.

4. Report from the Chair of the Board of Directors

Lindalee Brougham, Board Chair of the Victoria Airport Authority (VAA) welcomed the Committee and members of the public to the fall Airport Consultative Committee meeting.

The Committee is comprised of Representative Members from local municipalities, airlines, airport land tenants and other stakeholders. The Committee meets twice a year; once in the spring and once in the fall. The meetings are an opportunity for the Victoria Airport Authority to provide updates about the airport to members of the business community, airport tenants and citizens of Greater Victoria; to engage in meaningful dialogue; and to encourage feedback when considering the future direction of the airport.

VAA Board of Directors

There are 13 Board members representing nine nominating bodies and one Board appointee on the VAA Board of Directors. Each member has a high level of knowledge and expertise encompassing a broad range of skills to complement the Board:

Peter Bray	City of Victoria
Lindalee Brougham	Greater Victoria Chamber of Commerce
Robert Coulter	Federal Government of Canada
Glen Crawford	Corporation of the District of Saanich
James Crowley	District of North Saanich
Lynne Henderson	Province of British Columbia
Bruce Knott	Federal Government of Canada
Mel Rinald	Town of Sidney
R. Chad Rintoul	District of North Saanich
Graeme Roberts	District of Central Saanich
Suromitra Sanatani	Board Appointee
Mel Satok	Town of Sidney
Colin Smith	Capital Regional District

The following are the Officers of the Corporation and Committee Chair positions for 2013:

Board Chair	Lindalee Brougham
Board Vice-Chair, and Chair - Airport Consultative Committee	Graeme Roberts
Board Secretary, and Chair - Governance Committee	Mel Rinald
Chair - Audit and Finance Committee	Glen Crawford
Chair - Planning and Development Committee	Chad Rintoul

Biographies of all current members of the VAA Board, and the President and CEO are on the VAA website at www.victoriaairport.com.

Board Retirement

It is with regret that R. Chad Rintoul announced his retirement from the VAA Board of Directors effective December 31, 2013. Mr. Rintoul joined the VAA in 2007 and is nominated by the District of North Saanich. He has served in the position of Chair of the Planning and Development Committee since 2009. During his tenure, Mr. Rintoul has been a member of the Steering Committee, Governance Committee, Airport Consultative Committee and Runway Extension Task Force. He remains very active in the community and his departure will be a significant loss for the VAA. We thank Mr. Rintoul for his counsel, oversight and many contributions to the VAA; he will be greatly missed.

Notable Achievements

For the VAA, 2013 was a year of notable achievements. The airport was honoured with a number of local, national and international awards from the Saanich Peninsula Chamber of Commerce, BC Aviation Council and Airports Council International. As a Board, this type of recognition speaks volumes about the dedication and hard work by airport staff.

Special Events

A number of special events were held at Victoria International Airport in 2013. These events provide the VAA with the opportunity to engage with the community and build relationships.

Terminal Improvements

Construction on the \$8.1 million terminal improvement project is well underway. The new circulation core is open, and improvements to the pre-board screening area have commenced. A large skylight has been added to the upper passenger departures area to allow more natural light to enter. Construction on the new 'Spinnakers On The Fly' restaurant is targeted for completion in January 2014.

The VAA is utilizing a variety of different media to keep the public informed. These strategies include time lapse photography, an interactive 3-D flythrough of the artist's rendering of the terminal building, updates through VAA's social media sites and website, and extensive signage explaining each phase of the project. All of the updates can be found at: www.victoriaairport.com under 'Airport Improvements'. The VAA's objective is to ensure that customers enjoy the best experience possible when they

travel through the Victoria International Airport.

Concluding Remarks

On behalf of the VAA, Ms. Brougham thanked everyone for attending the meeting. These public meetings provide the VAA with valuable opportunities to engage with the public and receive valuable feedback about the direction of the airport. As Chair of the VAA Board of Directors, Ms. Brougham expressed her pride in being part of the VAA.

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

Glen Crawford, Chair of the Audit and Finance Committee provided a brief overview of the financial results of the corporation. The VAA is pleased to report that 2013 is another positive year. The balance sheet remains strong with a projected surplus of \$5.9 million, which is a slight increase over 2012. Annual debt repayments of \$1.8 million continue to be made; it is anticipated that the debt will be fully retired by 2017.

The Year 2013 financial statements will be presented at VAA's Annual Public General Meeting on May 8, 2014.

AIF Revenues and Operations Revenue

VAA receives revenue from the following sources: the Airport Improvement Fee (AIF); Operations (aviation and terminal related fees); Concessions; and Rent (from leased airport land).

AIF revenues are used exclusively to fund capital costs which are related to airline operations and passengers, as well as the debt associated to these projects. Operations revenue funds ongoing operations and maintenance costs, as well as all other capital projects that are not eligible for funding out of AIF revenues.

Highlights of forecasted financial performance for 2013:

Revenues: \$24.3 million
Expenses (excluding amortization): \$13.2 million
Excess Revenue Over Expenses before amortization: \$11.1 million
Amortization of Capital Assets: \$5.2 million
Excess of revenue over expenses: \$5.9 million

Revenues are made up of the following categories:

Landing Fees: \$2.9 million
General Terminal Charges: \$2.5 million
Concessions: \$7.7 million
Rentals: \$3.0 million
Airport Improvement Fee: \$7.5 million
Other revenue: \$0.7 million

Total 2013 forecasted revenue: **\$24.3 million**

Expenses are made up of the following categories:

Services, Supplies and Administration: \$5.9 million
(includes items such as security, cleaning services, insurance, landscaping)
Amortization: \$5.2 million
Salaries and Benefits: \$4.1 million
Property Taxes: \$0.9 million
Rent paid to Transport Canada: \$0.8 million
Utilities: \$0.7 million
AIF Administration and Handling Fees: \$0.5 million
Interest: \$0.3 million

Total 2013 forecasted expenses: **\$18.4 million**

VAA has invested approximately \$10 million in capital improvements to date. Some of the projects for 2013 included:

- Air terminal building renovations
- Climate control improvements
- Rehabilitation of airside and groundside pavements
- Airfield power distribution system upgrades
- Completion of 'The Flight Path' – a 9.3 km multi-use bike and walking trail

In 2014, the VAA will be undertaking a significant project that will see the main runway resurfaced to ensure the continued safe operations by the aviation industry.

Since the VAA was established in 1997, over \$111 million in cumulative capital investments have been made in order to continually improve the Victoria International Airport. VAA is proud that its \$10 AIF and terminal fees remain among the lowest of all Canadian airports.

6. Report from the VAA President and CEO

With the assistance of a PowerPoint presentation, President and CEO Geoff Dickson highlighted some of the activities and accomplishments of the Victoria Airport Authority during 2013.

Customer Service

Airports Council International (ACI) is the global trade representative for airports worldwide. Along with nearly 300 other airports, Victoria International Airport participates in an annual customer satisfaction survey that tracks a wide range of customer touch points such as courtesy of staff, efficiency, cleanliness, security screening process and value for money.

Survey results are tabulated by ACI who announced in March 2013 that Victoria International Airport was the Best Regional Airport in North America for customer service in 2012. The CEO was invited to receive the award which was presented at the ACI World Congress in Istanbul, Turkey in June. This award highlights the significant contributions made by YYJ airport employees by being recognized for being best in class on a global scale.

With the explosive growth of technology, people are demanding that more information be available at their fingertips. In response, VAA launched a refined mobile website and entered the world of social media through Facebook and Twitter. These platforms have opened up new avenues that allow VAA to communicate in nearly real-time with customers. VAA also expanded its complimentary WiFi by improving speed and connectivity.

Environmental Initiatives

Reay Creek is an important spawning and rearing habitat for Coho and Chum salmon on the Saanich Peninsula. Historical industrial activities and accepted practices at the time had negative impacts to water quality in the creek.

In 2012, VAA undertook a significant environmental project that saw the construction of a 200 metre long diversion channel around the original contaminated site. In consultation with the Sidney Anglers Association and Peninsula Streams Society, VAA created a new wetland to treat drainage from the east industrial area of the airport using natural plant species. Manually controlled water gates were installed both upstream and downstream of the newly created wetland to capture unforeseen contaminants.

For these efforts, Victoria Airport Authority received two awards: BC Aviation Council's Silver Wings Environmental Award and Airports Council International North America's Environmental Achievement Award. Among the other ACI-NA award recipients are San Francisco, Vancouver and Detroit which demonstrates the dedication and calibre of work put forth by VAA's employees.

Community

In October, VAA launched 'The Flight Path', a 9.3 km multi-use bike and walking trail around the airport. This new recreational facility is a testament to VAA's ongoing commitment to the community. A sign package is under development that will highlight both geographical points of interest and the historical significance the airport played during the war years. Water fountains will be installed at a number of lookout points over the coming months.

VAA continues to support the community through a number of initiatives and financial contributions to organizations such as 676 Kittyhawk Squadron, BC Aviation Museum, Peninsula Baseball Association, Tutu Á La Kup Echoing Aboriginal Women's Wellness Society, the North Saanich Free Ride Park, Peninsula Streams, Sidney Anglers and Tseycum First Nation Shorekeepers among others.

As a result, the Saanich Peninsula Chamber of Commerce recognized VAA with a Crystal Award for Business Excellence for Contribution to the Community. While it is important to be recognized nationally and internationally, it is more significant to be recognized locally and VAA is honoured to receive this award.

New Products and Services

A tremendous amount of construction is underway at the Victoria International Airport. The first phase of a multi-phase terminal renovation project saw the completion of a new

consolidated circulation core. The centralized elevator, escalators and stairs are intended to provide more intuitive flow for travellers to the upper passenger departures area, and for arriving jet passengers exiting the airport.

The next three phases of the project will focus on expanding the security screening area to create more physical capacity in order to reduce line-ups; improving dining and shopping offerings post-security by bringing in more local Victoria flavours; and making the upper passenger lounge commensurate with the lower passenger lounge.

Construction of a new 'Spinnakers On The Fly' restaurant is nearing completion and is expected to open in January 2014.

In the upper passenger lounge, a new skylight has been added to introduce more natural light. New flooring and seating will be added in the colour palette of Emily Carr's painting 'At Beacon Hill: The Wheat Field' to instil a sense of place.

Growth

In June, WestJet launched its new subsidiary Encore which commenced daily air service between Victoria and Vancouver, tripling its frequency in October. Not only can travellers connect to WestJet's network in Vancouver, they can also link to WestJet's global code-share partners with through-flight service. VAA was pleased to see Victoria selected as one of the first airports in North America to enjoy Encore's new air service.

WestJet Encore also introduced same-plane service between Victoria and Fort St. John via Vancouver, and WestJet introduced same-plane service between Victoria and Winnipeg via Calgary. These new services make it more convenient for travellers to get to their destinations.

Air Transat announced they will commence new seasonal air service to Huatulco operating from December to April.

Victoria International Airport saw two record months for passenger traffic in June and August. With a solid growth of 3% YTD, VAA is optimistic that it will realize record passenger traffic by the end of 2013.

Turning to the future, the challenge for airports is to grow in an intuitive and financially responsible way. Passenger forecasts indicate that Victoria could see up to two million annual passengers by 2020, so the VAA is planning accordingly.

Technology and processes are continually evolving to improve the customer experience. Automated check-in and self baggage drops are becoming more prevalent at airports. YYJ is well designed to adapt to potential changes in the process. New security and trusted traveller programs will see the safe, expedited screening of passengers.

The Future

With changes in the aviation world, Victoria International Airport is at a fork in the road. With the shift from ground loaded turbo-props to bridge loaded jet aircraft, the air terminal building had been built to accommodate the aircraft of choice. With the recent introduction of the Q400 aircraft into both the WestJet and Air Canada fleet, VAA will

factor this into its expansion plans.

The air terminal building will likely be expanded to the north to add more seating; to the west to accommodate a larger international arrivals hall and baggage facilities; and to the east for additional loading bridges.

The addition of a U.S. pre-clearance facility will open up markets such as Maui and Palm Springs but will require higher annual passenger thresholds and a significant financial investment in order to become a reality.

Overnight aircraft parking is one of the challenges that will be addressed in the coming years. Victoria is a start-and-end routing for the airlines so additional parking will be required.

In 2014, VAA will be overlaying the main runway which must be resurfaced and strengthened to meet the demands of heavy aircraft operations.

The existing 7,000 foot main runway enables aircraft to fly anywhere within North America and to the Caribbean. Some of the newer jets could fly from YYJ to Europe and Asia but those aircraft are unlikely to be deployed to Victoria.

VAA has explored options for extending the main runway, including a detailed market and cost-benefit analysis. Due to the physical land constraints, the runway could be extended either 600 feet to the west, 800 feet to the east or a combination of both. The topography of the land for an east extension would involve a more complicated construction project at twice the cost than to the west, with marginal benefits. The most likely scenario would be a west extension; however VAA will be focusing on apron and terminal improvements which are critical to growth. VAA has identified this project within its Master Plan for 2017-2018.

Land Development

VAA has identified a number of unique land development opportunities in order to attract businesses to the area.

The Department of National Defence (DND) is building a new 220,000 ft² hangar that will see the consolidation of their administration and flight operations in one location. When that project is complete, the land will be remediated and ownership will revert back to the VAA. The existing DND hangar will be preserved and repurposed, and the roadway will likely be reconfigured to remove the dangerous sight lines. With the BC Forestry Services ceasing operations at the airport, a sizeable piece of airside land will be available for development for the aerospace and aviation industry. VAA's primary focus is looking after the airport's interests to grow and accommodate new aviation services.

One of the outstanding issues is Administration Building 11, which would be demolished by the military prior to turning the space back to the VAA. Part of any DND divestiture is to conduct environmental, heritage and building condition studies. After two separate studies, the Federal Heritage Ministry has deemed the building to be of no significant heritage value.

Due to the emotional connection of the building to some members of the community,

VAA has explored options to relocate or remediate the building; however the scope of the projects would be cost-prohibitive. VAA recognizes the importance of honouring the events and people that helped shape our country. VAA also believes there is a way to meet both the needs of a growing airport while recognizing its history, therefore alternative solutions are ongoing.

Aviation Fees

VAA is proud that its \$10 Airport Improvement Fee and terminal fees remain among the lowest in Canada. In order to attract new air services to our region, it is vital that our aviation fees remain low.

CEO's Closing Remarks

In closing, 2013 has been an incredible year for the Victoria Airport Authority. In addition to the other awards mentioned, the Saanich Peninsula Chamber of Commerce honoured the VAA with its prestigious Crystal Award for Business of the Year (16+ Employees). We are incredibly proud of all those at the VAA who helped make this award possible.

7. Call for New Business

There was no new business.

8. Questions / Comments from Committee Members and the Public

- **North Saanich resident Wally Du Temple provided the members with a background about his father, George Walter Du Temple, who was the first Commanding Officer at the Pat Bay Air Station in the 1940s, and the role that the military played during the second world war. Mr. Du Temple asked VAA to explore some creative ways to repurpose the DND's Administration Building 11 in order to preserve it for future generations. He asked the VAA to hold public hearings and suspend plans to demolish the building until those hearings are concluded. He challenged VAA to reach out to the business community to save the building as a goodwill gesture in memory of those who served under the command of his father.**

The Committee Chair thanked Mr. Du Temple for his eloquent presentation and assured him that the matter would be discussed at the Board level.

- **North Saanich resident Jack Thornburgh wished to support Wally Du Temple's efforts to preserve DND Administration Building 11, reiterating the request to hold a public consultation process so members of the community can put forth ideas to repurpose the building.**

The Committee Chair thanked him for his comments.

There were no further comments or questions from the public or Committee members.

9. Announcements

There are two upcoming public meetings:

Next Airport Consultative Committee Meeting:

7:30 AM, Tuesday, March 11, 2014
Delta Ocean Pointe Resort & Spa
45 Songhees Road, Victoria, BC

Annual Public General Meeting

7:00 PM, Thursday, May 8, 2014
Mary Winspear Centre – Activity Room 4
2243 Beacon Avenue, Sidney, BC

All members of the public are welcome to attend.

10. Adjournment

The Committee Chair thanked the members and the public for attending the meeting, and for their support of the Victoria International Airport.