Airport Consultative Committee

Minutes of the Meeting Held at the
Victoria Marriott Inner Harbour Hotel
Pacific Salon B
Thursday, March 5, 2009, 07:30 – 09:00 AM

Next Airport Consultative Committee Meeting: TBA

Melinda Oriowski – Committee Secretary
Christine Stoneman – ACC Chair
## ACC REPRESENTATIVE MEMBERS

<table>
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<tr>
<th>Organization</th>
<th>Representative(s)</th>
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<td><strong>Airlines:</strong></td>
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<td>Air Canada Jazz</td>
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<td>WestJet</td>
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<td>Air Terminal Building Tenants Representative</td>
<td>Paul Homewood, Budget Car and Truck Rentals</td>
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<td>Airport Land Tenants' Association</td>
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<td>Association of Canadian Travel Agencies</td>
<td>Kim Fox, My Travel BC</td>
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<td>BC Ministry of Transportation and Highways</td>
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<td>Canadian Aircraft Owners and Pilots Association</td>
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<td>Capital Regional District</td>
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<td>City of Victoria</td>
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<td>Corporation of the District of Saanich</td>
<td>Councillor Paul Gerrard</td>
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<td>Department of National Defence</td>
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<td>District of Central Saanich</td>
<td>Councillor Terry Siklenka</td>
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<td>District of North Saanich</td>
<td>Mayor Alice Finall, Councillor Cairine Green</td>
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<td>District of North Saanich Residents' Association</td>
<td>Geoff Orr</td>
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<td>Greater Victoria Chamber of Commerce</td>
<td>Bruce Carter</td>
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<td>Nav Canada</td>
<td>Jim Honeyman</td>
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<td>Pauquachin Band Council</td>
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<td>Saanich Peninsula Chamber of Commerce</td>
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<td>Sidney Business Association</td>
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<td>Sidney Ratepayers Association</td>
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<td>Tourism Victoria</td>
<td>Helen Welch</td>
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<td>Town of Sidney</td>
<td>Mayor Larry Cross, Murray Clarke, Councillor Jeanette Hughes, Councillor Steve Price</td>
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Greater Victoria Business Organizations in Attendance:

Butchart Gardens
Colliers
Copeland Communications
Harbour Towers Hotel
KPMG
Saanich Peninsula Hospital Foundation / Sidney and North Saanich Memorial Park Society

Laurel Akam, Graham Bell
Ken Cloak
Keith Dagg
Cliff Kennelly
Jen Preston
Karen Morgan

VAA Board Members in Attendance:

Airport Consultative Committee:
Christine Stoneman, Chad Rintoul, Peter Dolezal, Mel Couvelier

Other Board Members in Attendance:
Victoria Kuhl, Glen Crawford, Bruce Knott, Graeme Roberts

VAA Staff in Attendance:
Richard Paquette, Danita Ouellette, Terry Stewart, Ian West, Scott Cunningham, Rick Robertson, James Bogusz, Randy Bogle, Melinda Orlowski

Public in attendance: 10
1. **Call To Order**

Christine Stoneman, Chair of the Victoria Airport Authority Board of Directors, acted as the Chair of the meeting, and Melinda Orlowski acted as Recording Secretary.

2. **Introduction of Members Present**

Christine Stoneman, Airport Consultative Committee Chair, welcomed the members and the public to the Airport Consultative Committee meeting. Each of the Committee Member representatives was introduced. Christine thanked the participants for attending the meeting.

3. **Approval of 28 October 2008 ACC Minutes**

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE 28 OCTOBER 2008 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

4. **Report from VAA Chair**

Christine Stoneman, the VAA Board Chair, wanted to recognize the positive working atmosphere within the Victoria Airport Authority: “The sky never falls at YYJ.”

The Chair reported that there were two major projects under consideration by the Victoria Airport Authority:

- **McTavish Road / Pat Bay Highway Interchange and Extension of Runway 09/27**

  The safety at the McTavish Road / Pat Bay Highway intersection is a priority for the VAA. There have been many meetings between the VAA and the District of North Saanich, the Provincial Ministry of Transportation, and the Federal Government. Discussions with Minister Gary Lunn and Minister Kevin Falcon have been very positive regarding their support of the projects. The construction phase will generate significant economic benefits for the community.

  The VAA President and CEO will expand further on these projects in his report to the Committee.

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

Peter Dolezal, Chair of the Audit and Finance Committee, advised it was his eighth and final year on the VAA Board of Directors.
Committee Chair Dolezal was pleased to report that 2008 was another very positive year for the Victoria Airport Authority.

- The balance sheets remain strong, with a healthy working capital and a reduction in the level of long-term debt;

- In 2008, debt repayments of $1.8 Million brought the VAA’s debt down to $14.9 million, which is expected to be paid within seven years;

- The Airport Improvement Fee (AIF) revenues are used solely to fund capital projects which are related to airline operations, air navigation, and to the processing of passengers. Since the AIF was implemented in 1999, the VAA has collected $43 million in AIF Revenue and has expended approximately $55 million on AIF-funded projects. The difference is essentially the long term debt of $14.9 million;

- VAA Operations Revenues must not only fund ongoing operations and maintenance costs, but also all other capital projects which are not funded out of AIF Revenues, such as parking lots, vehicles and equipment, water and sewage system upgrades, etc. Since 1997, the VAA has expended approximately $15 million on operations-funded capital improvements;

- The VAA has invested a total of $70 million in capital improvements since 1997;

- Key measures of economic competitiveness:
  - The VAA is proud to report that their $10.00 AIF is among the lowest in Canada;
  - The landing and terminal fees are also among the lowest in Canada;
  - Level of long term debt is low;
  - Total revenue generated by 38 employees – a consultant commented that comparative airports typically have double the staff.
Highlights of 2008 Financial Performance to December 31, 2008:

- Revenues were 5.7% over budget;
- Expenses were 1.1% over budget
- Net income stood at $2.8 million – 30.2% ahead of budget

Committee Chair Dolezal advised it was another excellent year for the VAA. Due to the exceptional leadership of the CEO, and the work by management and staff, the VAA has remained relatively unaffected by the economic fluctuations. Since 65% of the airport non-AIF revenue is generated from sources other than landing fees and airlines (ie: land leases, concessions, parking etc.), the VAA is able to keep the costs to the airlines to a minimum.

Copies of the Preliminary Unaudited Financial Results were made available to the members of the Airport Consultative Committee.

6. Report from the VAA President and CEO

Richard Paquette, President and CEO, introduced the VAA management team and staff and thanked them for their hard work on behalf of the airport.

The VAA wants to keep airport fees as low as possible to make it attractive for air carriers to operate out of Victoria.

The CEO gave a power point presentation about where the VAA has come from, where we are now, and where we are going to. Highlights of the presentation included:

- Passenger volumes
- Revenue (by category) – AIF, Non-AIF and Aeronautical
- Cumulative capital investments
- Capital improvements
- Land development
- Air service improvements – "Connectivity is the key to prosperity"
- Possible new air carrier routes
- Master plan
- McTavish interchange
- Improved transit
- New 443 Maritime Helicopter Squadron hangar
- Proposed runway extension infrastructure project - to allow non-stop air service to London and beyond
Revenue – the VAA is fortunate that it doesn’t have to rely exclusively on airline fees to generate revenue; there are other sources to draw from – such as land development, concessions, parking, etc.

Loading Bridges – work is currently underway on two new passenger loading bridges. Once completed, it is anticipated that all large aircraft will be bridged in the future.

Parking - the VAA has reduced the short-term parking rate to $1 for a two-hour flat rate. Anyone who spends $10 or more at one of our food service providers will be refunded the $1 parking fee.

Art – is an important part of who we are in Victoria. The VAA has a rotating art program, as well as several pieces of commissioned work. Local Coast Salish artist Charles Elliot has been commissioned to create several new First Nations pieces for the Air Terminal Building.

Land Development – new developments in North Saanich are proceeding well. Three lots have been leased to date. Sobey’s (Thrifty Foods) has an option to develop a large warehouse facility. A 2.5 km bike / walking path from West Saanich Road to McDonald Park Road has been substantially completed. We envision the path eventually will be expanded to a 10 km circle around the airport.

Viking Air – a new manufacturing facility for the Twin Otter by Viking Air is nearly complete. It is anticipated that this facility will generate significant number of good jobs in Victoria.

Direct Air Service:

- United Express – to San Francisco – as of April 1, 2009, there will be two flights daily;
- WestJet – to Las Vegas – this seasonal service has been a very successful route, with three flights weekly;
- Aeromexico / WestJet – to Cancun and Puerto Vallarta – again, a successful seasonal service to these sun destinations.

Possible New Air Carrier Routes:

- Canada - Winnipeg, Ottawa, Prince George, Kamloops;
- Toronto – expand to three flights daily;
- **Los Angeles** - once the service to San Francisco proves to be successful, a route to this southern California destination may be possible;

- **Southwest Airlines / WestJet Partnership** - a code sharing arrangement has been concluded between these two airline carriers, which would give us access to the strength of Southwest;

- **Hawaii**

- **London, England** - with the possible extension of Runway 09/27, a new non-stop air service to London.

**Master Plan** – completed and approved by the Board in February 2008. There will be extensive development of the air terminal building, including:

- U.S. pre-clearance
- Expanded Canada Customs
- Additional departure gates
- Self-service check-in
- Realignment of Willingdon Road and airport access roads
- New parking facilities

- **McTavish Interchange** – the VAA is working with the Town of Sidney, the District of North Saanich and the Ministry of Transportation regarding this initiative. The VAA is willing to contribute $3 million into a potential partnership with the Provincial and Federal governments (total $24 million project). The CEO is optimistic that this project will move forward and expects to see an announcement in the near future.

- **443 Maritime Helicopter Squadron** – this is a major project that will be undertaken by the Department of National Defence; it is anticipated to bring many construction jobs to Victoria.

- **Runway Extension** – the principal focus of the VAA’s attention is the potential to expand Runway 09/27 from 7,000 feet to 8,400 feet. It will allow us to reach destinations in Europe, with the principal target being London, England. Out of the top 16 airports in Canada, Victoria has the shortest runway.
Surveys were conducted both in Britain and in Victoria; they indicate strong support for this initiative. CFAX conducted a poll in 2008 – 84% of people supported a runway expansion.

Non-stop air service would not only benefit Victoria, but all of Vancouver Island. There is significant tourism potential for economic development, and a consultant’s report reaffirms that the demand is there. However, the VAA can’t undertake this project alone. A three-way cost sharing partnership is being proposed with the Provincial and Federal governments.

The VAA has invested $500,000 thus far to advance this project. A partnership agreement has to be in place by the end of May if we want to keep the momentum going. This project is not just for the benefit of the VAA; the entire community will benefit from the expansion. The VAA has received great support from the Greater Victoria Chamber of Commerce and Tourism Victoria.

The CEO encouraged the Airport Consultative Committee members to join the VAA, the GVCC and Tourism Victoria in voicing their support for the Runway Expansion project.

Christine Stoneman thanked Richard Paquette for providing the update, and she encouraged the group to support the runway expansion project in order to realize the economic benefits it would generate.

7. **Call for New Business**

   None.

8. **New Business**

   None.

9. **Questions / Comments from the Committee and the Public**

   - **Councillor Paul Gerrard from the Corporation of the District of Saanich** asked what would happen if the VAA did not receive funding for the McTavish Interchange and Runway Expansion projects.
Richard Paquette advised that he views the McTavish route as a critical transportation gateway. The VAA is willing to commit $3 million toward improvements. If the interchange project doesn't come to pass, the VAA intends to pursue this issue with the Province to make intersection safety improvements. Christine Stoneman added that the VAA had very positive discussions with the Province.

As for the runway extension project, Richard Paquette advised that now is the time to undertake such a project, with infrastructure dollars being made available. The VAA would not be able to undertake such a venture alone; if it doesn't happen now, it won't likely happen for a very long time.

➤ **Councillor Terry Siklenka from the District of Central Saanich** asked how long it would take to complete the Runway Extension project. He also wanted to ensure there were complete engineering services, and whether local engineering companies would be included in the process.

Richard Paquette advised that 95% of the airport work to date has gone to local companies. He confirmed that we can get good value from the local companies. At this point, he was not sure how long it would take to compete; he anticipates one construction year, but that may be a slightly ambitious estimate. Preliminary design for the project will be completed by April.

➤ **Bruce Carter from the Greater Victoria Chamber of Commerce** commented about connectivity being the key to prosperity, as indicated in the VAA presentation. In light the anticipated fare increases by BC Ferries, and the fact that the Anacortes ferry run could be in jeopardy, it is reassuring to know that the VAA is keeping the airline fees low.

The GVCC is very supportive of the McTavish Interchange and Runway Extension projects. They will have significant economic impacts for Victoria. With improved direct air service, Victoria could become a potential home port for cruise ships and attract more conferences.

The GVCC is interested in furthering the projects; Bruce Carter inquired which government agencies should be approached.

Christine Stoneman advised that the Federal government is very supportive of the projects. The primary concern is with the Provincial government, specifically the Ministry of Transportation and Premier Gordon Campbell's office. It isn't that they aren't in favour of or interested in the projects; the issue is funding.
It should be noted that the VAA is "shovel ready" and able to proceed on the projects. Research has been completed, a business case has been presented, and the VAA is willing to put its own funds into the projects.

Mayor Larry Cross from the Town of Sidney inquired about possible noise and traffic concerns within the residential community.

Richard Paquette will be making a presentation to the Mayor and Council for the Town of Sidney on March 23, 2009. The VAA will also be hosting an open house on April 4, 2009, to explain the airport developments. There will be a noise simulation component, which will demonstrate the sound impacts by the various aircraft. One point to keep in mind is that the airlines have made significant improvements to modernize their aircraft to be quieter and more fuel efficient.

Noise and environmental impacts will be careful considerations. A consultant is currently working on a report, and the results are expected to be positive.

With the runway extension, the landing profile will not change. However, the runway will provide greater length for take-offs, which will mean the aircraft will be higher in the air by the time they fly over Sidney. Aircraft can also use less thrust which equates to less noise and fewer emissions.

The VAA is cognizant that the community needs to be included in all aspects of the planning process.

Councillor Cairine Green of the District of North Saanich advised that the District is very supportive of the VAA. She inquired about the environmental impacts from the fill and terrain resurfacing. There was also a concern of additional impacts relating to increased airline traffic.

Richard Paquette advised that several studies are either underway or have been completed, in order to determine the impact the Runway Extension project would have on the environment and community, including:

- Air Quality
- Archaeological
- Marine
- Noise
- Environmental Assessment

The archaeological study included First Nations soil monitors; no Native burial grounds or artifacts were found in the area impacted by the runway extension.
Mayor Larry Cross from the Town of Sidney inquired whether there would be a study regarding the lighting impact on the area residents.

Richard Paquette advised that with or without a longer runway, the current high intensity lights would not be up to full industry standards. Accordingly, two additional approach lights would be required in Sidney and two more in Patricia Bay. The VAA will be looking at the impact these additional lights might have on the community.

Chad Rintoul, Chair of the Planning and Development Committee, advised that some of the new high tech lighting could be directional in nature to minimize community impact.

Mayor Alice Finall of the District of North Saanich inquired whether there would be an increase in noise at the west end of the airport with a runway extension.

Terry Stewart, Director of Airside Operations and Maintenance, advised that the noise would actually be diminished in North Saanich, the area around Patricia Bay, as well as the Orchard area in Sidney. With the new airline technology, there will be less thrust. A 30-40% reduction in fuel emissions is expected with new aircraft. The airlines continue to spend money to improve their aircraft.

There were no more questions from the group. With that, Richard Paquette extended an invitation to visit the VAA website (www.victoriaairport.com) for further information or feedback.

Richard thanked the group for attending the Airport Consultative Committee meeting, and for their comments and questions.

10. Announcements

Next Airport Consultative Committee Meeting – TBA

11. Adjournment