

## **Report to Nominators Presentation**

### **City of Victoria**

**May 23, 2019**



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## **Introduction**

### **Geoff Dickson**

President and Chief Executive Officer

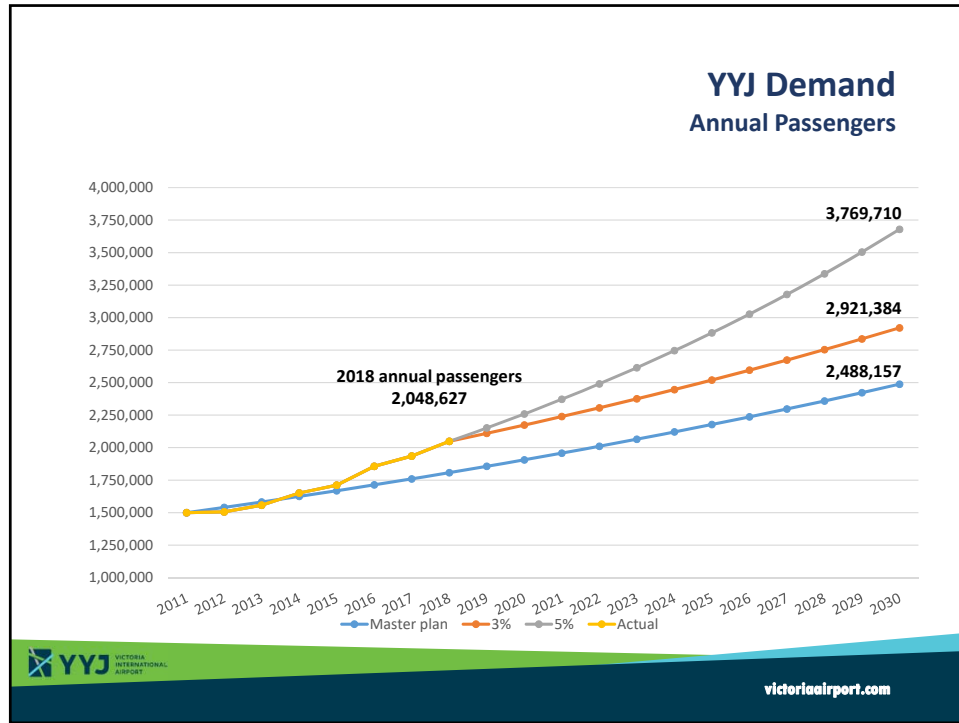
### **Eric Donald**

City of Victoria Nominee

- Governance Committee
- Planning and Development Committee
- Audit and Finance Committee
- Chair, Human Resources and Compensation Sub-Committee



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## 2019 Growth Slowing?

- January traffic down (0.4%)
- February traffic down (5.3%)
- March traffic down (0.6%)
- Shift in service and weather events contributed
- Monitoring trends, but emphasizes need for revenue diversification



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## 2018 Financial Highlights

- Operating and Capital budgets achieved and financial position strong
- Debt fully retired as of January 3, 2017
  - \$175 million of capital investment since VAA inception
- Non-aviation revenue as a percentage (67%) of total revenue is the highest in the country
  - Parking, restaurants, retail, car rentals, land rent
- Airline operating costs lowest quartile in Canada



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## Financial Income Statement

### Revenue and Expenses

(\$millions)	2018 Actual	2017 Actual	Variance from 2017
Revenue	\$39.5	\$37.2	\$2.3
Expenses excluding amortization	18.8	17.3	(1.5)
Net income before amortization	20.7	19.9	0.8
Amortization	9.5	8.6	(0.9)
<b>Net Income</b>	<b>\$11.2</b>	<b>\$11.3</b>	<b>(\$0.1)</b>



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## 2019 Capital Expenditures

2019 Projects Include:	2019 (\$ thousands)
Lower Hold Room Expansion (Multi-phase)	\$10,200.0
Apron Expansion Phase 4A	\$7,100.0
Extend Taxiway Echo East	\$4,300.0
ATB Power System Improvements – Phase 1	\$850.0
Airside Fleet Renewal - 2019	\$650.0
Common Use Ground Power Units	\$600.0
Automated Exit Lane Portals	\$425.0



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## Snow Event



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## Lower Hold Room Expansion



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## New Accessibility Features In Consultation with Rick Hansen Foundation



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## New Commissioned Art 'Time Capture' by Charles Campbell

- Three sided wooden vessels derived from the shape of canoes, ship hulls and migratory birds;
- 12 meter diameter ring
- 5 rings of 12 vessels = 60 seconds in a minute, 60 minutes in an hour
- The surface of each vessel is inscribed in Morse code with a verse from Octavia Butler's poem 'Paradise'



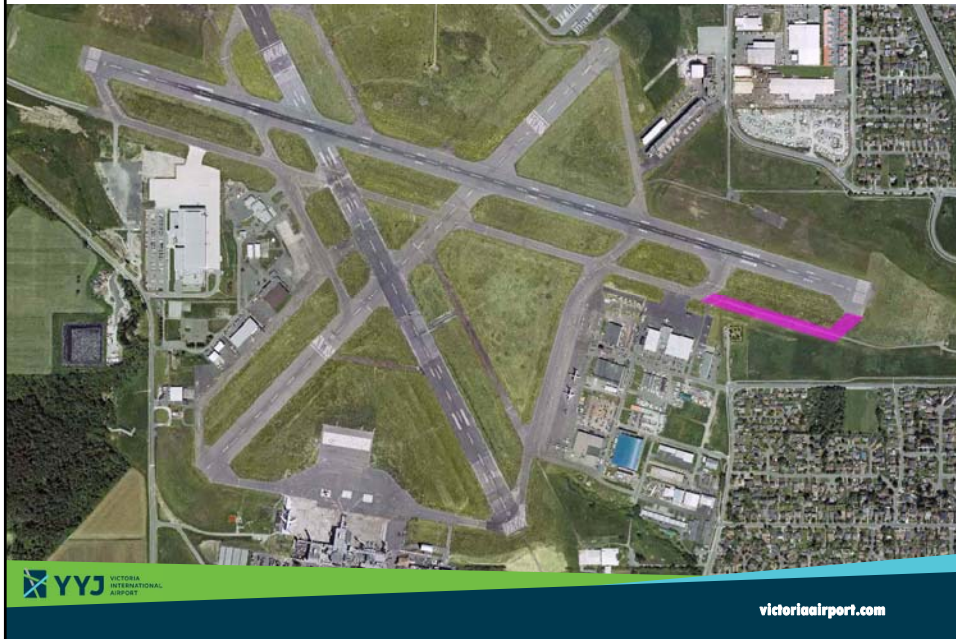
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## Apron Expansion Phase 4



## Extend Taxi Echo East



### Air Canada Rouge

767-300 Service to Toronto Plus 5 x weekly Montreal A319



Photo Credit: Wikimedia



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### Delta Airlines Ending Seattle Service





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# New Airlines are Entering the Market

Ultra Low Cost Carrier (ULCC) model proposed in order to generate incremental demand



Currently Operating  
New Management Team



Started June 2018  
Separate from WestJet  
Target 40% Cheaper Fares



Pursuing Financing  
Indigo Partners






## Improved Public Transit



- Currently 32 departures to and from YYJ and the McTavish Transit Exchange
- Ten additional BC Transit bus frequencies started September 2018
- Improvements to routes 83/88

## Airport Carbon Accreditation



### MAPPING

Footprint measurement

### REDUCTION

Carbon management towards a reduced carbon footprint

### OPTIMIZATION

Third party engagement in carbon footprint reduction

### NEUTRALITY

Carbon neutrality for direct emissions by offsetting

- **Level 1:** YYJ was one of the first airports to achieve Level 1 certification; only 11 in North America
- **Level 2:** Focus on reducing emissions by airport tenants
- **Level 3:** Focus on aircraft movements, corporate business travel and ground access transportation
- **Level 4:** Carbon neutrality
- Since 2013, YYJ has seen a **22% reduction** in carbon emissions

## Carbon Reduction Programs

### Airline Partners at YYJ



#### Air Canada

- Newer and lighter aircraft, shorter routes, alternative fuels, expanded recycling program; carbon offset credits in partnership with Less Emissions Inc.



#### WestJet

- New aircraft, winglet and engine technology; new head office constructed to LEED standards; electric ground support equipment; carbon offset credits in partnership with Carbonzero Canada



#### Alaska Airlines

- Improved aircraft technology, shorter flight times, sustainable biofuels, composting program; 'Greener Skies' approach; carbon offset credits in partnership with Carbonfund.org; rated the most fuel-efficient U.S. carrier five years in a row



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## Environmental Awards



- Synergy Sustainability Institute's 2017 Vancouver Island EcoStar Community Environmental Award for Ecological Stewardship



- BC Aviation Council's Silver Wings 2018 Environmental Achievement Award for the TenTen Creek Sediment Reduction Project



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