

Council Report: Kelowna Airport Advisory Committee Meeting

Date: October 3, 2024

Subject: Update on Airport Development and Future Plans

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Executive Summary

The Kelowna Airport management team has been actively engaged in advancing airport development and securing support from key stakeholders. These efforts have led to significant progress in 2024, including infrastructure upgrades, passenger growth, and expanded services to the USA.

1. Passenger Growth and Recovery Post-COVID

The airport has made significant strides in recovery from the COVID-19 pandemic, marking the fastest recovery of any airport in Canada. Key statistics include:

- 2.1 million passengers in 2024. An impressive milestone post-pandemic.
- Projected 2.3 million passengers projected in 2025. The busiest year in the airport's history.
- Despite fewer flights, there is an increase in passengers due to the use of larger aircraft.

2. Expansion of Services to the USA

Plans are underway to introduce services connecting the airport to new destinations in the USA in 2025. This expansion is expected to boost international traffic and provide new opportunities for economic growth for the entire region.

3. Capital Projects Overview

Several major capital projects are currently in progress to enhance airport infrastructure:

- **\$6.4 million pavement upgrades:** These are nearing completion.
- **Airfield Lighting Upgrades:** Scheduled to be completed by the end of 2024.
- **Combined Operations Building:** A \$16.5 million project, currently under construction and expected to be completed by the end of 2025.
- **Air Terminal Expansion:** This \$108 million project is progressing on time and within budget, with completion slated for late 2026.
- **YLW Hotel Development:** A \$100 million project with a timeline spanning from 2025 to 2027. It is currently in the planning and approvals stage.

4. Financial Outlook

The airport will see \$88 million in investments for 2025 alone, ensuring continued development and modernization.

Additionally, an **Airport Improvement Fee (AIF)** increase has been announced:

- The fee will rise from \$25 to \$28, effective January 2025.
- This marks the first fee increase since March 2020.

Conclusion

Kelowna Airport's focus on key projects and future expansion demonstrates a strong commitment to growth and development. With significant infrastructure upgrades underway, passenger traffic expected to hit record levels, and expanded international services, the airport is poised for a successful future. Continued investments and strategic planning will be critical to maintaining this momentum.