



Wednesday, February 7, 2024

Mayor Ryan Windsor and Council
District of Central Saanich
1903 Mt. Newton Cross Road
Saanichton, BC V8M 2A9

Via email: municipalhall@csaanich.ca

Dear Mayor Windsor and Council,

RE: Airport Improvement Fee Increase at Victoria International Airport

I am writing to formally advise you that effective May 1, 2024, Victoria Airport Authority (VAA) will be increasing the Airport Improvement Fee (AIF) from the current \$15.00 per departing passenger to \$25.00 for all tickets sold on or after April 1, 2024, for travel after May 1, 2024.

VAA has managed, and will continue to manage, its financial responsibilities in a strategic and intentional manner and we will continue to ensure that future investments are timed to meet expected demand. As noted in our strategic plan, VAA is committed to maintaining its fees in the lowest quartile of airports in Canada and this change will still allow us to maintain that position.

Last increased in 2015, AIF funds are used to finance YYJ capital projects that support passenger and airline-related infrastructure within the airport terminal building as well as the airfield and the airport lands. However, since 2015, over \$15 million more has been invested in AIF capital projects than has been collected. This shortfall has been addressed through directing funds from other revenue sources, such as terminal and landing fees, rent from our land tenants, and revenue derived from commercial sources such as parking and car rentals. And while we have been able to accomplish this without going into debt, this is not sustainable as we look to the future.

VAA's masterplan, which was released in early 2023, provides a long-term strategy for the development of our airport to meet the growth that is predicted for our region and all of Vancouver Island. The plan identified almost \$600 million in capital investments that could be required, equating to an average investment of \$30 million per year over the next 20 years.



Keeping the AIF at the current rate would result in VAA having to take on a substantial amount of debt to finance these investments.

The additional revenues the AIF increase will generate will enable VAA to better manage the financing of the required investments and ensure that revenue sources are available for sustainable and environmentally responsible initiatives that support commerce, tourism and community well-being across Vancouver Island.

By 2042, it is forecasted that YYJ will reach over 3 million arriving and departing passenger annually, 50 percent more than our peak period pre-pandemic. And as we plan for the implementation of improvements to infrastructure and facilities to meet this demand, we firmly believe these investments will allow VAA to pursue its mission of providing a safe, secure and efficient airport that supports the prosperity of our region while connecting Victoria to the world.

We appreciate your support as we undertake this needed increase of our AIF. Please do not hesitate to reach out to me with any further questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Elizabeth M. Brown', with a long horizontal flourish extending to the right.

Elizabeth M. Brown
President and CEO
Victoria Airport Authority

