



Nanaimo Airport (CYCD)
PO Box 149, 3350 Spitfire Road
Cassidy, B.C. Canada V0R 1H0
P: 250-245-2157 F 250-245-4308

February 25, 2021

Via email: premier@gov.bc.ca

The Honourable John Horgan
Premier of British Columbia
P.O. Box 9422 STN PROV GOVT
Victoria, BC V8W 9V1

Subject: Nanaimo Airport and COVID 19

Dear Premier Horgan,

The social and economic impacts of COVID-19 in the Province of BC (the Province) have been unprecedented with the aviation (airline and airport) sector being hit more than most sectors. With significant travel restrictions expected to be in place for the foreseeable future, the Nanaimo Airport is highlighting that government relief is required to protect the airport sector so it is sustainable and ready to assist with economic recovery once the pandemic is under control.

The Nanaimo Airport Commission is a not-for-profit corporation that manages and operates the Nanaimo Airport for the benefit of the Central Island. In 2019 we had our best year on record with 491,499 passengers which represented a 199% growth in services to our customers since 2009. In 2019 we generated a net surplus of \$3.7 million with all proceeds being reinvested into airport infrastructure (e.g. \$14.2 million Airport Expansion opened in February 2020) at the Nanaimo Airport.

We know the Nanaimo Airport is a major economic driver especially for the tourism sector on Vancouver Island. Per a recent 2017 economic impact study, we estimate the economic impact of the Nanaimo Airport at \$486 million annually with 1,895 direct jobs and 860 airport supported tourism jobs.

In 2020 we were forecasting to increase our passenger counts to 510,516 generating a net surplus of \$2.5 million (all would have been reinvested into the airport). As we all know, the pandemic was declared in March 2020 and passenger counts in April 2020 plummeted by 96% to 1,903 instead of the projected 39,914. Thankfully our key partners WestJet and Air Canada maintained regional services at reduced levels so passenger counts leveled off at 70% down for most of the year. In late 2020 further travel restrictions reduced our December passenger counts to 9,135 compared to 41,815 in 2019 – a 79% reduction.

In 2020 the final passenger count was 174,287 compared to 491,499 in 2019. This 65% reduction directly affected our revenue as over 95% of our revenues are directly related to passenger traffic. We normally receive no government subsidies to operate the airport. Fortunately we were eligible for the Canada Emergency Wage Subsidy Program (CEWS) which has allowed us to maintain employment for all our operational staff. However, instead of a budgeted net surplus of \$2.5 million in 2020 we incurred an actual net loss of \$1,452,645 after incurring net revenue losses of \$5.2 million (net CEWS) and cutting costs of \$1.2 million.

Every month during the pandemic our cash flows has been negatively eroding our liquidity. All airports in Canada are experiencing similar or worse situations. We are using up all of our savings and reserves to maintain operations so that essential services can be maintained on Vancouver Island. This is not sustainable in 2021 without government assistance.



Nanaimo Airport (CYCD)
PO Box 149, 3350 Spitfire Road
Cassidy, B.C. Canada V0R 1H0
P: 250-245-2157 F 250-245-4308

At this time we expect 2021 to be similar or worse from a financial perspective with a projected net loss of \$2.5 million.

We are asking the Province to consider several immediate relief measures:

1. Provide immediate financial support in the form of grants to BC airports to help mitigate operating losses;
2. Advocate for Federal financial support in the form of grants (including extension of CEWS), and including disbursement of any funds that were announced in the Fiscal Update - November 2020 to help airports in BC;
3. Invest in air transportation infrastructure programs that will support economic recovery; and
4. At the right time, implement measures to stimulate domestic and international air travel to promote recovery in the aviation and tourism sector.

These are very difficult times in the airport sector with our financial situation getting worse every day. Without immediate government assistance the airports in BC, and Canada, are at significant risk of being unable to operate or invest in our infrastructure to support the broader economy.

We appreciate your government's service during these difficult times and we respectfully request your government's support to protect the BC Airport sector which will benefit all residents in the Province.

Sincerely,

Wendy Clifford

Wendy Clifford
Board Chair
Nanaimo Airport Commission

Cc:

Honourable Selina Robinson, Minister of Finance, FIN.Minister@gov.bc.ca
Honourable Josie Osborne, Minister of Municipal Affairs, jocie.osborne.MLA@leg.bc.ca
Honourable Sheila Malcolmson, Minister of Mental Health & Addictions, sheila.malcolmson.MLA@leg.ca.ca
MLA Doug Routley, doug.routley.MLA@leg.bc.ca
MLA Sonia Furstenu, sonia.furstenau.MLA@leg.bc.ca
MLA Adam Walker, adam.walker.MLA@leg.bc.ca
Mayor Leonard Krog, City of Nanaimo, leonard.krog@nanaimo.ca
Mayor Town of Ladysmith and CVRD Chair Aaron Stone, astone@ladysmith.ca
Mayor Al Siebring, Municipality of North Cowichan, al.siebring@northcowichan.ca
Mayor Michele Staples, Town of Duncan, mayor@duncan.ca
Mayor Ed Mayne, City of Parkville, mayor@parkville.ca
Chair Tyler Brown, Regional District of Nanaimo, tyler.brown@nanaimo.ca
NAC Board