



CRAIG RICHMOND
PRESIDENT AND CHIEF EXECUTIVE OFFICER

February 25, 2014

Mayor and Council
City of Richmond
6911 No. 3 Road
Richmond, BC
V6Y 2C1

Dear Mayor and Council,

I am looking forward to making my first presentation on behalf of the Vancouver Airport Authority to Richmond City Council on March 3, 2014. Joining me will be the City's appointee to our Board of Directors, Howard Jampolsky, and Anne Murray, Vice President Community and Environmental Affairs.

Vancouver Airport Authority would like to continue to work with the City of Richmond in a collaborative manner. To that end, I am supplying a briefing note update on our activities over the past year. This will provide background information that will facilitate our discussion while allowing for a more forward looking conversation to address future opportunities and issues.

I would also like to use this occasion to extend a standing offer to members of Council for a tour of YVR. Should you have additional questions after our presentation to Council, you are welcome to get in touch with me directly at 604-276-6501 or craig_richmond@yvr.ca.

Again, I look forward to meeting all of you.

Sincerely,

A handwritten signature in black ink, appearing to be 'CR', is written over the printed name 'Craig Richmond'.

Craig Richmond
President & Chief Executive Officer



Beyond, Every Day.

Briefing Note to City of Richmond Council – 2013 Report

Safety

Safety and security remain at the centre of everything that Vancouver Airport Authority does. We want YVR to be as safe as it can possibly be both for our employees and for our passengers. For example, in April 2013, we successfully carried out the largest emergency planning exercise in YVR's history involving over 780 individuals and 30 agencies. Special thanks to the City of Richmond and associated organizations for their participation. The advance planning, the exercise itself and the post-event review provided valuable information and insights as we all strive for continuous improvement in safety-related matters.

Air Service

YVR set a new record of 17.97 million passengers in 2013, up 2.1% from 2012. Growth in 2013 was led by increased service to China as well as increases in intra-BC regional services. China Eastern went from daily to double daily flights to Shanghai; China Southern increased frequencies from three a week to daily service to Guangzhou; and Air China grew service to Beijing from daily to 12 times per week. At 75 frequencies a week, YVR had more service to China than any other North American airport. Other new services in 2013 included WestJet Encore flights to Victoria, Fort St. John and Terrace and Lufthansa's new daily seasonal service to Munich.

Construction at YVR

Significant construction was underway at YVR in 2013 on several major projects, a few of which are key elements of the YVR Gateway Strategy. Additionally, we completed important infrastructure upgrade projects in 2013 that support City of Richmond residents.

- Completed re-paving of Russ Baker Way
- Pier A Commuter Facility - Expanded apron, completed a new walkway and holdroom to support WestJet Encore's new turbo prop service



VANCOUVER
INTERNATIONAL
AIRPORT

Beyond, Every Day.

Page 2 of 4

- Ongoing infrastructure work on roads, dykes and bridges, sewer, water and hydro continued
- Significant progress on renovation and expansion of the Domestic Terminal A & B Pier - expected completion of Phase 1 November 2014
- Expedited Transfer Facility including improved and more direct walkways for passengers transferring international to domestic and a new high speed baggage system – work well underway
- Airside Operations Building where our Emergency Services, Maintenance and Operations team members will work under one roof for more efficient and direct access to the airfield, expected completion December 2014

Commercial Development

Construction of the Designer Outlet Centre is underway with completion of both Phase One and Two slated for the spring of 2015. Construction of Phase 3 is currently planned to begin immediately following opening of the first two phases. The Outlet Centre will bring 1,000 new jobs and new taxes to Richmond when complete.

The new Canada Post facility in Airport North is scheduled to open in June 2014 with 1200 Canada Post employees moving to Sea Island. A shuttle bus from the Templeton Canada Line station will offer the employees regular service to the new facility.

Community

Vancouver Airport Authority is committed to open, honest and timely communication with our community. We invite the community to find out about the business of the airport at our Annual Public Meeting and held specific Open Houses for key issues throughout the year including the Designer Outlet Centre. In 2013, we began publishing a two page monthly update in the Richmond News and Review, providing our community with key information and updates from YVR. We also launched the summer festival series, where we supported local community events with a physical presence answering questions and providing fun and informative details about the airport. We attended more than 13 festivals throughout the Lower Mainland including the Maritime Festival, the Raptor Festival and the Salmon Festival.

One of our most important community contributions in 2013 included the revitalization of Flight Path Park. After extensive consultation with the community, the park was

overhauled to create play areas for children, picnic tables, improved landscaping and interpretive elements to support plane spotting. Additionally, we linked the bike lanes in the area and included a free bike service station at the park.

We have a dynamic and expansive online community through our website yvr.ca, Facebook, Twitter, Instagram and YouTube. We also provide access to WebTrax, a key tool available on our website allowing users to track flights over their neighbourhoods.

Once again we held our School Tour Program welcoming 1,560 students from 60 different grade 5 and 6 classes in 2013. Almost 20% of participants come from schools in the City of Richmond.

In 2013 YVR invested over \$760,000 in donations to 69 different organizations in the community. Examples of programs that we supported included the Great Canadian Shoreline Clean-up, Richmond Therapeutic Equestrian Society, and the Richmond Centre for Disabilities, Richmond Museum, Maritime Festival, Steveston Salmon Festival, School District 38 Scholarship program, Quest Outreach Society, YVR for Kids and Spinal Cord BC's orientation program for first time fliers.

Noise and Environment

In 2013, Vancouver Airport Authority completed the new 2014-18 Noise Management Plan including a five-year action agenda. The plan was developed in partnership with internal and external stakeholders, business partners and neighbouring municipalities including the City of Richmond as well as the Aeronautical Noise Management Committee, which includes both Richmond city staff and citizen representatives. The Plan has been submitted to Transport Canada for its review and approval.

The Ground Run-up Enclosure continues to function as designed and is the favoured run-up location for operators. It has cut night time engine run-up noise in the nearby community by over half; today, the majority of high power engine run-ups by propeller aircraft maintained in closest proximity to Richmond residents occur in the Ground Run-up Enclosure.

We continued our multi-year program to improve cycling infrastructure on Sea Island with the construction of a vehicle separated bike path parallel to Russ Baker Way in 2013. We also installed two public use electrical vehicle charging stations in our Parkade.



VANCOUVER
INTERNATIONAL
AIRPORT

Beyond, Every Day.

Page 4 of 4

Policy

YVR's mandate includes contributing to BC's economy—generating jobs, facilitating trade and tourism and creating opportunity for Richmond and BC businesses. Approximately 5,800 Richmond residents work at YVR.

We are working with governments and like-minded organizations to open up air service treaties with other countries allowing more air service to YVR. Examples of countries and regions where we would like to see expanded service include Singapore, Southeast Asia, the Middle East and Chile. Following an expansion of the Air Services agreement with Taiwan in 2013, we will see additional flights by EVA airways in 2014.

A second major policy thrust is removing barriers to trade by simplifying Canada's visa process; including allowing more countries and airlines to participate in the program that allows connecting passengers to travel via YVR without a visa. Canada has made positive changes including multi-year tourism visas and adding more visa processing centres. But other countries are ahead of Canada in terms of making it easier to apply for and receive a visa in a timely manner. Canada risks losing its share of the international tourism market if it fails to keep pace.

The Airport Authority has an office in Hong Kong focused on building relationships with Asian airlines and airports. We recently spoke to Xiamen Airlines about service from Richmond's sister city to YVR—resolving visa issues would help us to attract services from additional Chinese cities. We look to support from the City, Tourism Richmond and Richmond Chamber of Commerce and are interested in partnering on marketing and advocacy efforts.