

2021 Sustaining Grant Allocation

Registered Delegate:

RJ Steenstra, Chief Executive Officer, and Denean Robinson, Chief Financial Officer, Fort McMurray Airport Authority

Fort McMurray Airport Authority



RJ Steenstra – President & CEO
Denean Robinson – CFO & VP Corporate Services

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Organization Mandate

- **Fort McMurray Airport Authority (FMAA) Mandate**
 - To manage the airport safely, securely and efficiently, in order to advance economic and community development for the general benefit of the public in the region.
- **Community served**
 - All communities within the RMWB.
- **Project to be funded by the grant**
 - Business Recovery & Critical Operations (Pandemic Impact)

Organization Mandate

Project Goals

- Position the airport for a strong recovery for the purpose of facilitating the region's broader economic recovery and economic development efforts.

Key Outcomes

- Rebuild lost regional air connectivity (reduce impacts to current and future economic development and tourism growth).
- Freeze Airport Improvement Fees (prevent passing down increasing costs to the customer/residents).
- Continue supporting small airport businesses (rent relief for businesses struggling to survive amidst fallen air travel demand).

Community Impact

Alignment to RMWB 2018-2021 Strategic Plan

- **Regional Economic Development**
 - Business attraction and investment
 - Increasing businesses exporting/importing/diversification
 - Increasing small business start-ups
 - Increasing small business growth

Community Need

Essential services for community sustainability (creates stronger linkages between our remote community and economies across Canada and the world).

Positive Impacts:

Several socio-economic benefits and spin-offs (jobs, procurement, quality-of-life, tourism, conferences, meetings, entertainment, food security – Fort Chipewyan).

Funding Support Context

Economic Downturn & Pandemic

- Airport designed to support growing industry and local population.
- 2014 – **>1.3 million** annual passengers.
- 2015 to 2019 – (-) 50% in annual traffic + (-) 33 % in operating expenses.
- 2020 – Additional (-) 61.5% travel demand + (-) 10 % in operating expenses.
 - Equates to 37% in sustained operational cost reductions.
 - Air travel demand (2020: 229,314 2019: 595,316)
- This culmination of economic factors has put the airport at significant risk.
- Reserves have been depleted to a critical level.

2021 Grant Request

	Total Cost	Other Funding Source	Grant Request
Administration	\$ 5,098,824	\$ -	\$ 5,097,159
Operating	\$ 9,902,841	\$ -	\$ 9,902,841
Interest	\$ 7,902,270	\$ -	\$ -
Amortization	\$ 9,411,287	\$ -	\$ -
TOTAL	\$ 32,315,222	\$ -	\$ 15,000,000
Funding Request Under Review			
Western Economic Diversification (Federal)		\$ 1,300,000	
Airport Relief Fund (Federal)		\$ 1,600,000	

2021 Grant Request

In thousands

Cash Flow projection

Status Quo			
Yearly cash flow			
	Forecast	Reserve balance	# years reserves
2019	(3,148)	41,400	13
2020	(13,655)	27,745	2
2021	(16,665)	11,080	1
2022	(8,448)	2,632	0
2023	(4,597)	#CASH DEPLETED	

2021-2023 Forecast

Closing

Project Importance

- 1) Catalyst for economic recovery/development.
- 2) Contributes to region's competitiveness (investment, business attraction, economic diversification, population development, skills/labour).
- 3) Enhances quality-of-life (remote transportation/connectivity).
- 4) Contributes to supply-chain fluidity + food security (Fort Chipewyan).
- 5) Supports local businesses

Impacts if Not Successful

- 1) YMM will deplete reserves to zero and will be unable to sustain operations.