

# Fort McMurray Airport Authority



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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

	<b>Total Cost</b>	<b>Other Funding Source</b>	<b>Grant Request</b>
Administration	\$ 5,098,824	\$ -	\$ 5,097,159
Operating	\$ 9,902,841	\$ -	\$ 9,902,841
Interest	\$ 7,902,270	\$ -	\$ -
Amortization	\$ 9,411,287	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 32,315,222</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>
<b>Funding Request Under Review</b>			
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)	<b>#CASH DEPLETED</b>	

2021-2023 Forecast

2021 Sustaining Grant Request

# 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.