



Yellowknife Airport Gateway Strategy

Value and Awareness Summary and Presentation

PREPARED FOR
Yellowknife Airport

PREPARED BY
InterVISTAS Consulting Inc.

July 2024

Introduction and Purpose of Report

In early 2024, Yellowknife Airport (YZF) launched its Gateway Strategy Project, focused on underlining and reinforcing the critical role that YZF plays in the development of Canada's North. The project has three primary focuses. Firstly, we aim to fully understand and appreciate the value YZF contributes to Canada's territories in various ways. Secondly, we aim to highlight the value of and strengthen YZF's relationships with its partners and stakeholders through economic impact case studies and a capital investment program. Finally, we are identifying long-term developments to accommodate the planned growth of the Territory and Canada over the coming decades.

As the first critical component of YZF's Gateway Strategy Project, this report discusses key insights into the value that the airport provides to the Northwest Territories and Canada's North more generally. This report was commissioned to communicate the value of YZF key regional stakeholders in the travel sector including scheduled passenger airlines, fixed base operators, destination management organizations, and various branches of government. The insights contained within the report include detailed analysis of passenger flows, capacity trends, supply chains, airport plans, and conversations between YZF and its key stakeholders.

YZF's success as a regional hub for the Northwest Territories and Nunavut as well as a connector between Canada's northern and southern communities is the result of collaboration among different stakeholders that make daily operations possible. The airport has grown considerably over the last decade and has made a significant contribution to the territorial economy. In addition to pursuing environmental initiatives, the airport has several anticipated improvements and ongoing projects that are aimed at enhancing both the customer experience and the long-term value of the airport.

“Where the North Connects”

YZF plays a crucial role in supporting the growing population of the Northwest Territories. It serves as a vital hub for various operations, including cargo, charters, general aviation, medical travel, National Defence programs, and commercial air services. With over 510,000 passengers annually between the main air terminal building (ATB) and fixed based operations (FBO), the airport serves as a gateway to the Northwest Territories and the Canada's North while being only ten minutes from the city centre of Yellowknife. YZF's role as a connector is not limited to air services, with the airport serving as a launching pad for connecting services by road to tourist activities across the Northwest Territories. Furthermore, the airport significantly contributes to the economy by providing approximately 1,000 direct jobs and generating nearly \$600 million (CAD) in economic output. Recent forecasts estimate that the airport will have over 575,000 passengers (425,000 ATB and 150,000 FBO) by 2025.

Our History

YZF was built by Canadian Pacific Airlines in 1944 before being sold to the Department of Transportation in 1946. YZF's terminal building was added in 1963 and a control tower was added in 1972. The terminal was enlarged in 1973, 1989, refurbished in 2006, and enlarged again in 2008. In 1990, the Department of Defence and NWT Government signed an MOU allowing for the construction of DND facilities including a NORAD Forward Operating Location.

YZF is among the 26 airports designated under the National Airport Systems of Canada, making it a strategic asset recognized by the federal government. This category includes major airports like

Toronto Pearson, Montreal, Ottawa, Vancouver, and Halifax. In 1995, the airport transitioned its operations to territorial government control and away from Transport Canada, like many others in the group of 26 national airports.

In 2017, a new revolving fund shifted YZF from being funded by the GNWT to a new self-sustaining financial model. Today, the airport is run by an experienced senior management team of 7 individuals led by the Regional Airport Manager. The airport has 40 total staff.

Our Organization

We recognize that success in managing the airport is a team effort. The airport operates within a complex environment, and its success relies on the collaboration and support of numerous partners. Whether it's retailers, ground handlers, emergency services, or commercial operators, every member of the airport community plays a vital role in its daily operations.

The YZF team is united by a shared vision of "Stronger Airport, Stronger Impact, Stronger Economy," reflecting a commitment to ensuring that the airport can contribute to the economic growth of the territories it serves. This is further reinforced in the YZF mission statement which is, "to provide and promote safe, secure, reliable, and sustainable air transportation that drives economic development by strengthening connections, capturing opportunities, and embracing innovation." This mission highlights that ensuring a safe, consistent, and sustainable experience at YZF is a core priority of airport staff. From efficiently managing passengers arriving curbside to offering necessary amenities during their time inside the terminal and ensuring prompt baggage retrieval at the baggage carousel, YZF is committed to delivering a customer experience that aligns with the unique character of the territories it serves.

YZF has numerous partners that make its connecting role a reality, ranging from airlines to government agencies. Among them are the airlines that transported over 500,000 passengers in 2023, cargo operators that moved over 29,000 tonnes of cargo last year, medical and air ambulance carriers crucial to several NWT communities, fuel suppliers which supplied over 2 million litres of fuel essential for operations, and government agencies guiding us and safeguarding Canada's borders - Yellowknife has a lot of partners.

Our Airport

The airport covers 670 hectares, which is about 1.5 times the size of New York's Central Park or roughly equivalent to 980 football fields. It features two runways and a terminal capable of handling up to 10 aircraft simultaneously. YZF is under continuous control by a NAV Canada tower and flight operations service station, ensuring 24/7 operation. The main air terminal building is approximately 57,000 square feet in size and includes CUTE check-in procedures as well as CATSA pre-board and hold baggage screening. The airport is serviced by local emergency services and an on-site fire department. The airport also has a large area for many air operators and a fire training location. To ensure safety and reliability for everyone at YZF, we offer a variety of amenities and services for aircraft including fuel, oil, de-icing, cleaning, hangarage, minor repairs, and jet aircraft starting units. Because of its location and facilities, YZF is often listed as a diversion airport for the numerous aircraft flying over Canada's North to connect North America with other continents.

From food and retail choices in the terminal to various ground transportation options, we strive to meet the needs of both passengers and employees. Current food and retail options include the

Yellowknife coffee chain, Javaroma, as well as Quiznos Subs and the Cabin Gift Shop. Ground transportation options include taxi services, car rentals, and shuttle buses. The airport is equipped with a cellphone waiting area and two parking lots, one for short-term parking, and an energized stall long-term lot. The terminal also includes free wi-fi, pet relief areas, an ATM, vending and arcade machines, a business centre, and accessibility features.

The airport serves as a vital link not only for air travel but also for ground transportation, with hotel shuttles, tour operators, and medical travel services utilizing the facility. There are 2 medical travel companies and 12 unique tour companies and hotels offering shuttle services from YZF. Additionally, it facilitates traditional air connections, including float planes, general aviation activity and charter operations, which connects remote communities and supports important economic activities across the Territory such as tourism and diamond mining.



Yellowknife
Airport | Aéroport



Aircraft Movements and Cargo Volumes

Aircraft Movements

119%

% of Q4 2022 Levels in Q4 2023

+9%

Year-over-Year Increase from CY 2022 to CY 2023

Cargo Volumes (t)

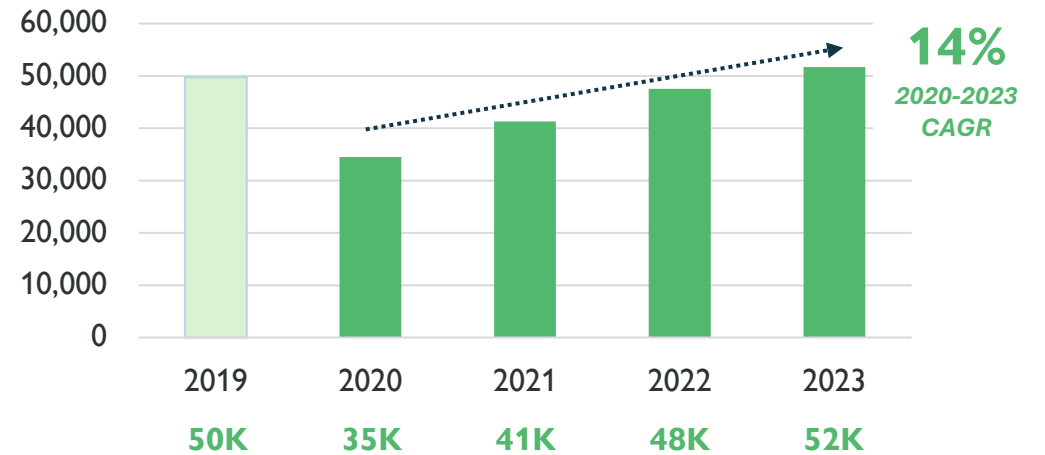
101%

% of Q4 2022 Levels in Q4 2023

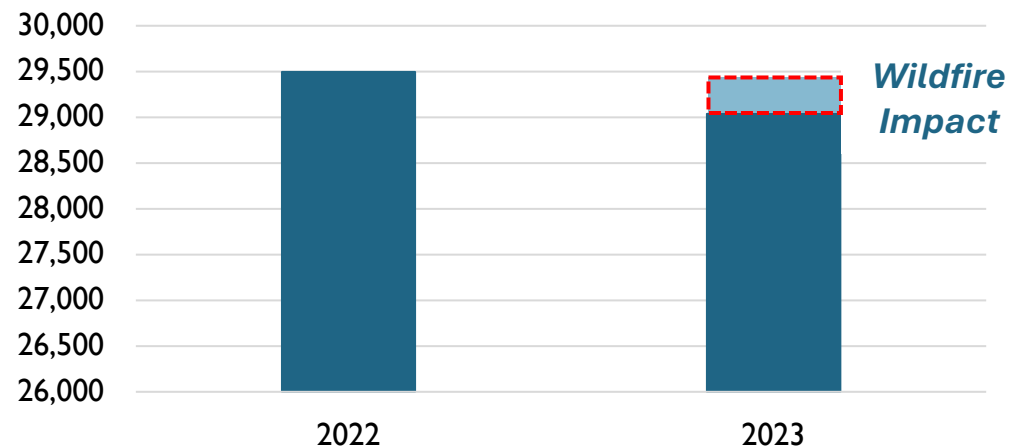
-2%

Year-over-Year Decrease from CY 2022 to CY 2023

Aircraft Movements (all)

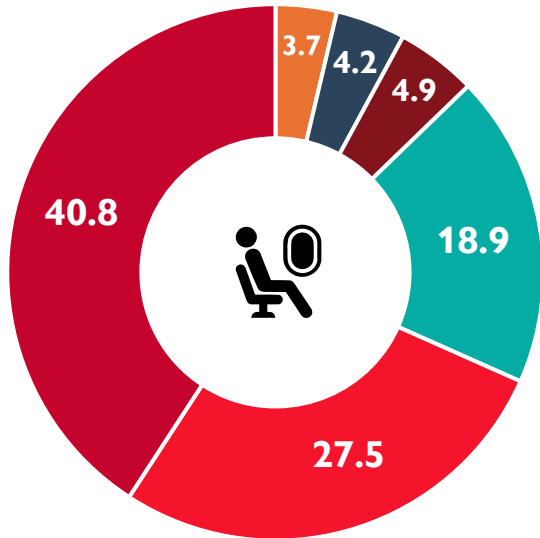


Cargo Volumes (Tonnes)



Our Air Services

***2024 Capacity Market Share**
(Scheduled Seats)



■ Air North

■ North-Wright

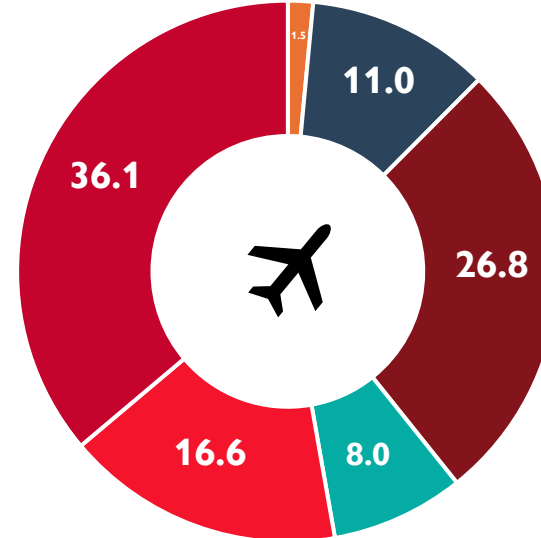
■ Air Tindi

■ WestJet

■ Air Canada

■ Canadian North

2024 Frequency Market Share
(Scheduled Flights)



Other Passenger Services (including Charter)

- Buffalo Airways*
- Det'on Cho*
- Northwestern Air Lease
- Summit Air*

**charter operations*

Capacity Change from CY 2023

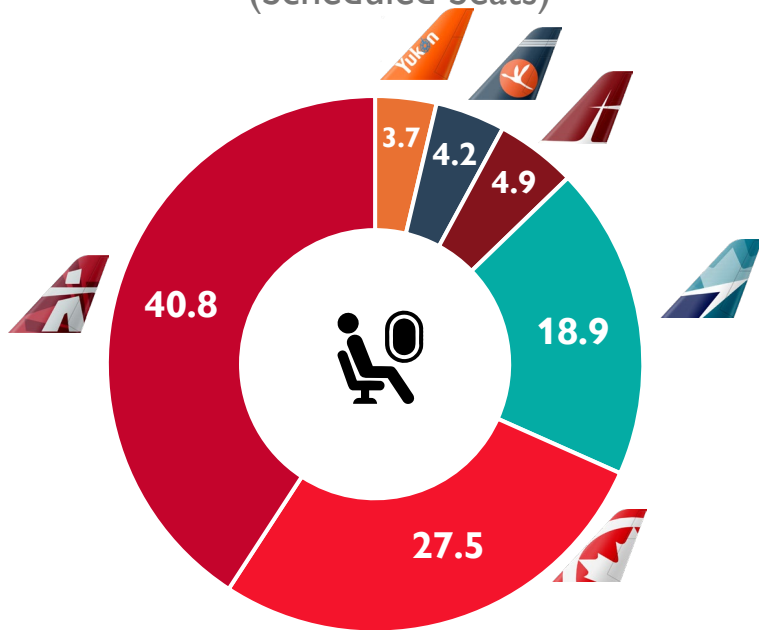
- **AIR CANADA:** Increased Share by 10%
- **CANADIAN NORTH:** Decreased Share by 8%

New Services

- **AIR CANADA:** New Service to Toronto (as of December 2023)
- **AIR NORTH:** New Service to Toronto (as of May 2022)
- **NORTH-WRIGHT AIRWAYS:** New Service to Colville Lake (as of May 2021)

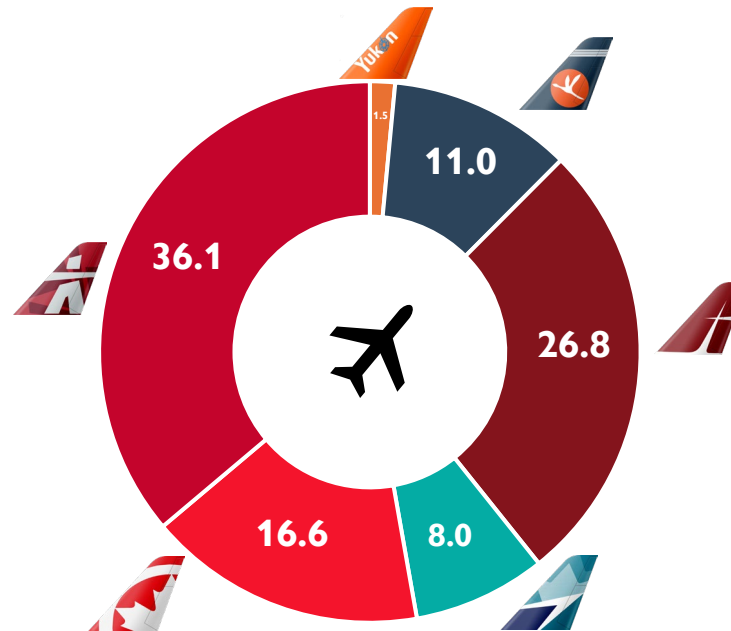
Our Air Services

***2024 Capacity Market Share**
(Scheduled Seats)



- Air North
- North-Wright
- Air Tindi
- WestJet
- Air Canada
- Canadian North

2024 Frequency Market Share
(Scheduled Flights)



Other Passenger Services (including Charter)

- Buffalo Airways*
- Det'on Cho*
- Northwestern Air Lease
- Summit Air*

**charter operations*

Capacity Change from CY 2023

- **AIR CANADA:** Increased Share by 10%
- **CANADIAN NORTH:** Decreased Share by 8%

New Services

- **AIR CANADA:** New Service to Toronto (as of December 2023)
- **AIR NORTH:** New Service to Toronto (as of May 2022)
- **NORTH-WRIGHT AIRWAYS:** New Service to Colville Lake (as of May 2021)

Passenger Volumes

Air Terminal Building & Fixed Base Operator Passenger Volumes



ATB Passenger Volumes

73%

% of CY 2019 Levels in CY 2023

+17%

Year-over-Year Increase from CY 2022 to CY 2023

FBO Passenger Volumes

103%

% of CY 2019 Levels in CY 2023

+8%

Year-over-Year Increase from CY 2022 to CY 2023

Connecting Canada

111K

CY2023 Passengers
Connecting at YZF

26%

% of Passengers at
YZF in CY2023

117K

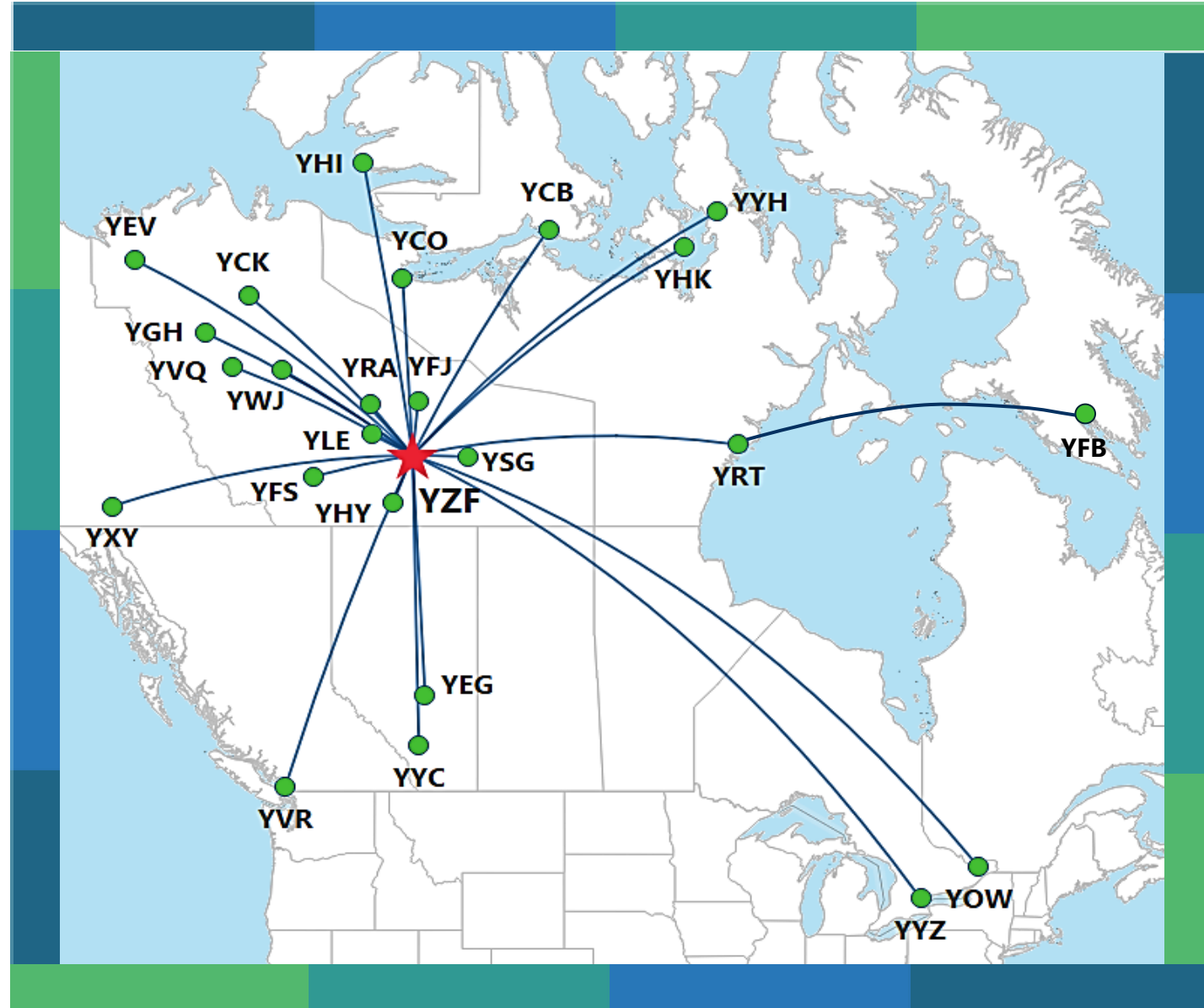
CY2019 Passengers
Connecting at YZF

25%

% of Passengers at
YZF in CY2019

Top Flows

Edmonton – Yellowknife – Norman Wells – Inuvik	15,500
Edmonton – Yellowknife – Norman Wells	12,600
Edmonton – Yellowknife – Cambridge Bay	6,900
Edmonton – Yellowknife – Inuvik	5,600
Edmonton – Yellowknife – Kugluktuk	5,100



Passenger Air Carriers at YZF

Destination	Airline(s)	2023 Passengers	2024 Peak Freq
Edmonton (YEG)	Canadian North Air Canada WestJet	35,000 98 Per Day (33% YoY Increase)	5T 10x - 733 AC 7x - CR9 WS 6x - DH4
Calgary (YYC)	WestJet	26,700 73 Per Day (73% YoY Increase)	WS 7x - 73H WS 5x - DH4
Vancouver (YVR)	Air Canada	17,400 48 Per Day (62% YoY Increase)	AC 14x - CR9
Toronto (YYZ)	Air North Air Canada	12,700 35 Per Day (23% YoY Increase)	4N 2x - 735 AC 3x - 319
Hay River (YHY)	Canadian North	10,300 28 Per Day (28% YoY Increase)	5T 4x - ATR 8T 11x - DHT

YZF Top 2023 Destinations by Share.

Destination	% of Pax.
Edmonton (YEG)	17%
Calgary (YYC)	13%
Vancouver (YVR)	8%
Toronto (YYZ)	6%
Hay River (YHY)	5%

Overall Airport Economic Impact Study

DIRECT

YZF airport & airport related businesses

INDIRECT

Supplying & supporting industries

INDUCED

Employees spending in the economy

Including indirect and induced impacts, **YZF supports nearly 1,500 jobs in 2024**

Annual Impact	Employment (Jobs)	Labour Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	1,000	\$119	\$228	\$594
Indirect	300	\$29	\$49	\$98
Induced	180	\$14	\$39	\$60
Total	1,480	\$162	\$316	\$752

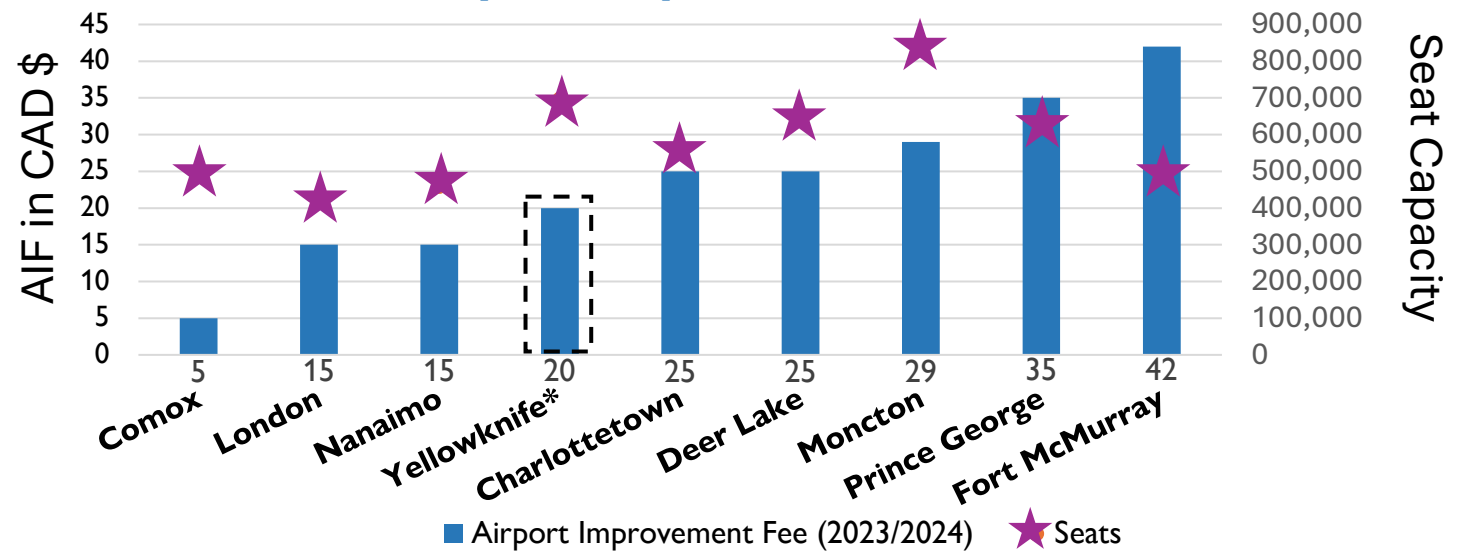
Notes: Direct jobs estimated from ratio of passengers to employment from YZF 2015 study. Wages, GDP and Output are in 2024 prices. Totals may not sum, due to rounding.

Fees & Charges

Fees/Charges	Example	% of total
Aeronautical	Ex. Aircraft Landing and Parking Fees	62%
Non-Aeronautical & Capital Related	Ex. Air Terminal Concessions; Airport Improvement Fee (AIF)	38%

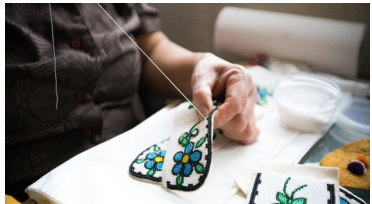


Airport Improvement Fees



*AIF drops to \$10 for travel within the NWT

YZF: A Tourism Facilitator



- The **Gateway to the Northwest Territories** and Canada's North located only ten minutes from Yellowknife City Centre
- Launching pad for **connecting services** by road and air to tourist activities across the Northwest Territories
- **Hotel Shuttles:** Chateau Nova Yellowknife, Capital Suites, Nova Inn
- **Tour Company Shuttles:** Jiguang Tours, Aurora Village, Arctic Tours Canada, Destination NWT, Aurora Dream, Morning Star Travel, Aurora Borealis Experience, Yellowknife Tours, Hello Aurora, Bucket List Tours, Sonny Aurora Tours, Aurora Holiday Tours

Leisure Spending in the Northwest Territories

\$126M 2019-2020 Spending Total

\$1,500 2019-2020 Spending per Visitor

Leisure Visitors to the Northwest Territories

85,320 Total NWT Leisure Visitors (2019-2020)

- Top NWT Tourism Activities:**
- Aurora Viewing (43% of leisure travel volume)
 - General Touring (24%)
 - Outdoor Adventure (9%)
 - Fishing & Hunting (6%)
 - Visiting Friends and Relatives (18%)

YZF and Access to Medical Services



Most NWT Communities have access to local health centres only.



Travel to local airport is necessary to get to Yellowknife for specialist care and emergencies, when an air ambulance is used.



Yellowknife Airport (YZF)



23,782
NWT and NT* Patients
Transported via YZF (2023)
*Kitikmeot Region of NT



Patients arrive at Stanton Territorial Hospital from YZF for specialized care. Stanton is the major healthcare and referral centre in NWT.



Serious cases are sent to Edmonton via YZF for higher levels of care.

YZF: A Critical Link in Getting Food to NWT



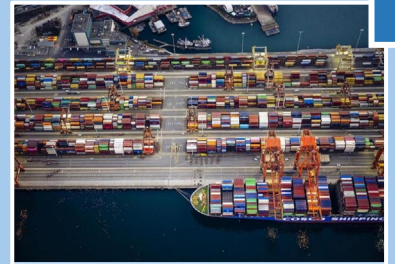
Banana Plantation



Air Travel from Southern Canadian Cities to YZF



Local Transport



Unloading at North American Ports (e.g. Port of Vancouver)



Refrigerated Container Shipping (Central/South American Ports)



YZF acts as a major Connecting Cargo Hub for the North

Cargo Unloaded, Sorted, and Readied for Onward Transport at Various Carrier Facilities at YZF

Cargo Flights From Port Cities through other Airports or direct to YZF

Onward Transport by Truck and Plane



Banana on Grocery Shelf in NWT



Protecting Canada's Sovereignty in the North

- YZF acts as a crucial hub for the Canadian Armed Forces (CAF) in the North and has a **North American Aerospace Defense Command (NORAD) Forward Operating Location**
 - Accommodates fighter jets, support personnel, and storage facilities
- CAF supported firefighting & evacuation efforts from YZF in 2023
- DND owns and operates the Evans Building (home to JTFN HQ) in the City of Yellowknife and float docks by Great Slave Lake
- The 440 Squadron operates out of a DND-owned hangar on leased land at YZF. Part of the facility is leased to the RCMP.

Upgrades to NORAD Forward Operating Location

- In June 2022, Canada launched a \$38.6 billion plan to modernize NORAD which includes upgrades to Northern Basing Infrastructure
- There is an upcoming upgrade/expansion of CAF facilities at the Yellowknife Forward Operating Location (southwest of aerodrome)
- Flexible Design: Multi-purpose opportunities will be considered with Indigenous and Northern governments and partners.



Environment & Sustainability Movements



Recent Environmental Improvements

- Energy Management: Parking lots, apron lighting, airfield lighting, signage, Air Terminal Building arrival and departure areas all converted to LED Lighting
- Biomass: Air Terminal Building and Combined Services Building use biomass (pellet) heating to offset propane use
- Glycol Management: New design for de-icing bay and renewed glycol retention pond liner
- Noise Emissions: Reduced noise emissions expected by 2038 (total area exposed to emissions greater than NEF 30 is 24% less than in 2017)

Short Term Forecast

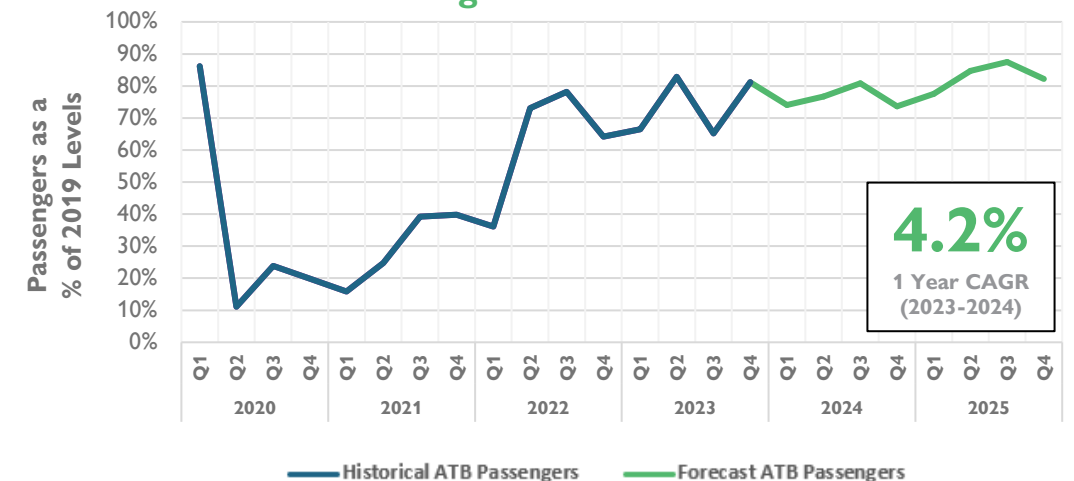
Contributing Factors

- Tourism → Increased tourism levels are expected to grow with a significant increase from **Asian countries** as rates post covid are still lagging compared to others.
- Natural Resource → Mining activity and remediation efforts are expected to keep industry-related passenger traffic flows at a steady rate.
- Military / DND → Planned expansions to YZF's FOL are expected to result in increased airfield activity from military aircraft.
- Medical → YZF continues to serve as a critical hub for regional medical-related transportation.
- Economics → Stronger headwinds in terms of output projections, interest rates, and inflation are leading to a slower demand recovery outlook.

YZF Short-Term Passenger Forecast



YZF Passengers as a % of 2019 Levels



Airport Enhancements

Completed Projects

- Pre-Board Screening Upgrades
- Pre-Board Lounge
- Apron and Runway Repair
- De-Ice Bay Study and Design
- Hand Baggage System (HBS)
- Terminal Upgrades
- Lighting Upgrades
- Airfield Drainage
- Master Plan Consolidation
- Parking System
- Tow/Plow Vehicle
- ARRF Crash Truck
- Runway Sweeper
- Geotechnical Assessment of Runways

Planned / Anticipated Projects

- Northern Basing Infrastructure (NORAD FOL) Upgrades
- Tow/Plow Vehicle
- Snow Blower
- Runway Tar Kettle / Asphalt Overlay
- Rapid Intervention Vehicle
- Runway Safe Area (RESA)
- Airport Security Fence Repair & Replacement
- Parking Lot Expansion
- Airport Concession Seating
- Website
- New Baggage Carts
- CUTE Upgrade
- Accessibility Enhancements: Accessible Parking, Wayfinding & Colour Contrasting, Seating (with and without arm rests), Grab Bars and Back Support in Washrooms



Looking ahead a bit further, certain enhancements have been identified necessary to meet the immediate needs of the airport. Future improvements to the check-in area include a layout reconfiguration to support increased demand, optimizations on queuing space, and improvements to passenger flow which currently obstructs some terminal activities. Improvements are also planned in pre-board screening to accommodate greater queue lengths, increase throughput, improve passenger screening processing, and enhance customer service. The terminal washrooms will receive accessibility improvements and layout design improvements. Safety and accessibility will also be enhanced with improvements to the apron boarding and deplanement of passengers. Finally, the baggage claim areas will receive modifications to the existing layout to accommodate passenger waiting areas and create additional space between arriving passengers and non-screened passenger activity.

Summary

YZF plays a critical role in the territory and its importance is only growing. By connecting the territory by air and land, we act as a critical gateway to the Canada's North. The partnerships we maintain and the collective vision and mission we aspire to have helped the airport operate in a reliable and safe manner. The airport acts as an economic generator by facilitating air services, national defence activities, and critical supply chains for goods and services. The airport is continuing to grow at a rapid pace with activity forecasts projecting an increasing number of passengers passing through the airport each year. This requires YZF to continue planning improvements that support the needs of passengers while also helping partners and the community achieve their goals. Airport management is aiming to continue leveraging the existing collaboration with stakeholders as we move through the next steps of the Gateway Strategy.

Contact Information

Randy Straker
Regional Airport Manager
randy_straker@gov.nt.ca

Sarah Hodgins
Business and Marketing Officer
sarah_hodgins@gov.nt.ca

Peter Vician
Economic Advisory Committee Chair
Pvician.yk@gmail.com



Prepared by:
InterVISTAS Consulting Inc.

450 Southwest Marine Drive
18th Floor
Vancouver, BC, V5X 0C3

Telephone: +1-604-717-1800
www.intervistas.com