



# **Tales of Two Partnerships**

## **Vancouver International Airport**

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# Tales of Two Partnership Projects at YVR

## Agenda

1. Canadian airports, a primer
2. McArthurGlen Designer Outlet
  1. The quest for non-aeronautical revenue
  2. Finding a partner
  3. Noteworthy Issues
3. Rapid Transit to YVR
  1. History
  2. The Players
  3. The Deal
  4. Hindsight



# Canadian Airports, a Quick Primer

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- **History of Canadian Airport Ownership**
- **Canadian Airport Authority Model**
  - **Private, not-for profit companies**
- **Vancouver Airport Authority created in 1992**
- **Ground lease from the federal government until 2072**
  - **Rent = 12% of gross revenue**



# The Quest for Non-Aeronautical Revenue

- YVR constantly looking to increase non-aeronautical revenue
  - Traditional and non-traditional sources
- The Designer Outlet Centre: a new approach to land development



# Slight Problem - we have never built a mall

## Finding a Partner

- RFP
- McArthurGlen Group won the RFP



# Noteworthy Issues

- **Development Site**
- **Financing**
- **Construction**
- **Working with a Partner**



# Other Comments

- The McArthurGlen Designer Outlet opened in July of 2015 and sales have been strong
- Final phase is now under consideration
- Great revenue stream for the Vancouver Airport Authority



# The Canada Line

- **2010 Winter Olympics (the precursor)**
- **Rapid Transit Link between Richmond, YVR and Downtown (and many points in between)**
- **Part of the Public Transportation Network**

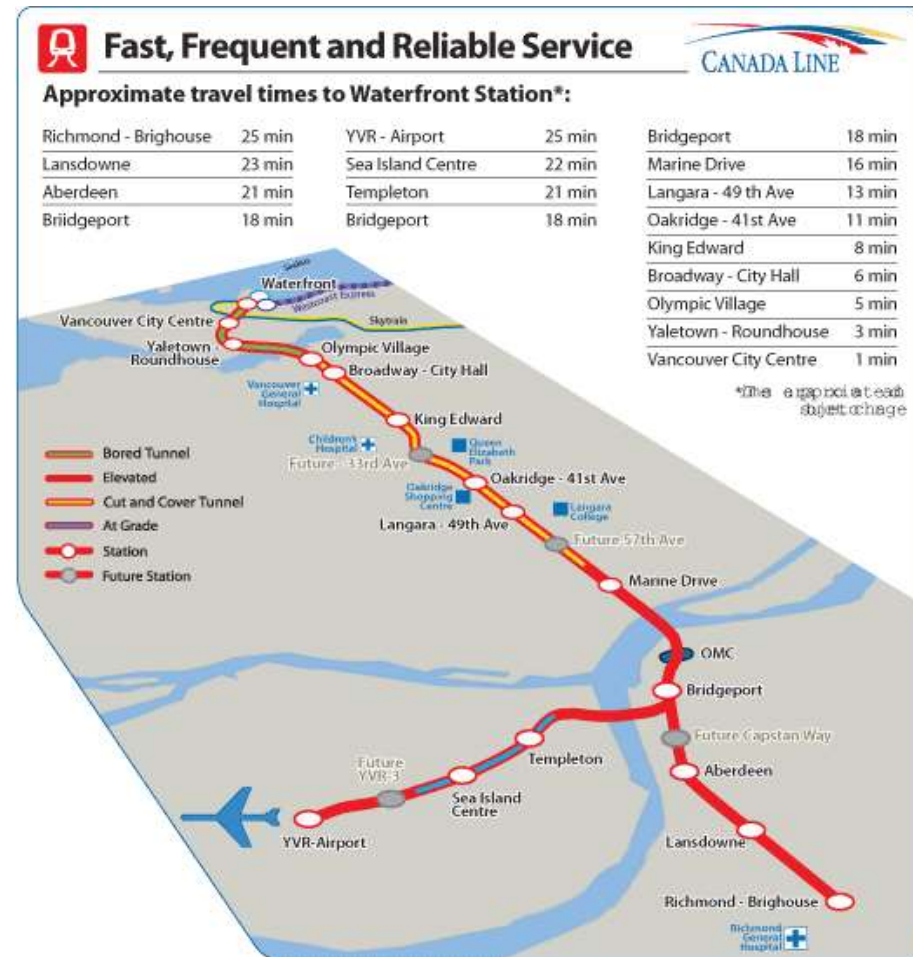




# The Main Parties

## Main Parties and Approximate Funding

- **Federal Government: \$450M**
- **Provincial Government: \$386.2M**
- **TransLink: \$301M**
- **YVR: \$300M**
  - **Why?**



# The Deal

- **Funding Agreement**
  - YVR → TransLink (sub)
- **Facilities Lease**
  - YVR → TransLink
- **Concession Agreement**
  - TransLink → In TransitBC
- **Operations and Maintenance Contract**
  - In TransitBC → Protrans



# Successes

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- **Ridership**
- **Affordable**
  - **No add-fare for monthly pass holders or Sea Island employees**
  - **Free travel on Sea Island**
- **Fully Integrated with Public Transportation**
- **Connectivity**
- **Green**
- **Clean, Modern**
- **Fast**
- **Efficient**
- **YVR Developments**



# Challenges

- **The “YVR Add Fare”**
  - some feel it is too high
  - many consider it a YVR fee
  - YVR has limited control
  - exempting employees complicated
- **Privity and Inconsistencies in Facilities Lease, Concession Agreement and Operations and Maintenance Contract**
- **Parking and Taxi Revenue**
- **Advertising**



# Questions?

