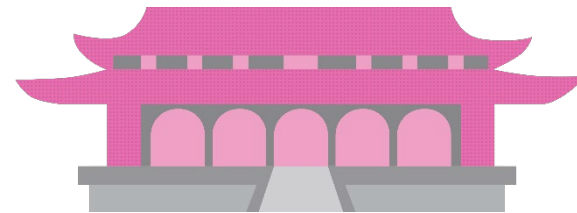
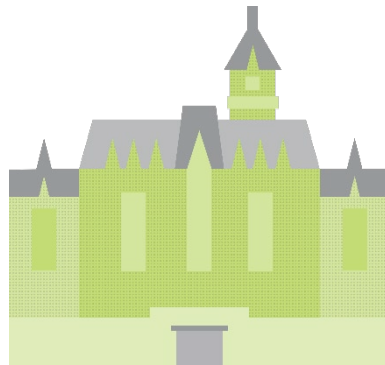
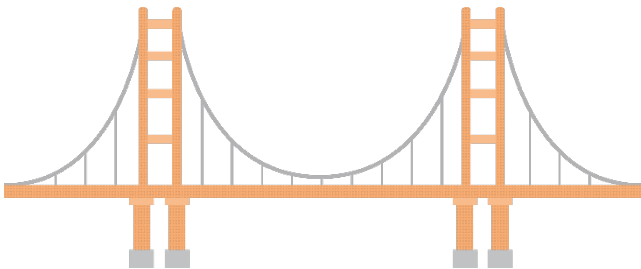


City of Saskatoon COVID-19: PILT Relief Request

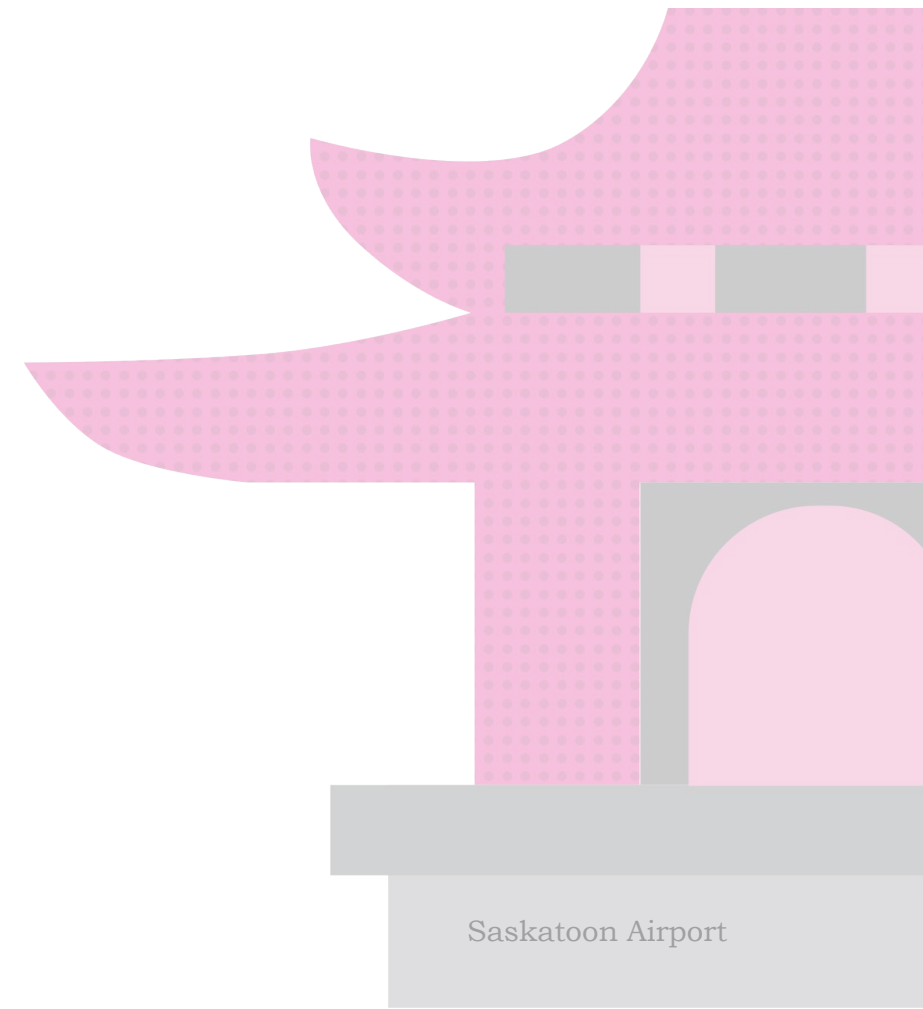
June 29, 2020



1. Current Agreement

2. Current Impacts & Responses

3. Proposed Outcome



Key Components of Airport PILT:

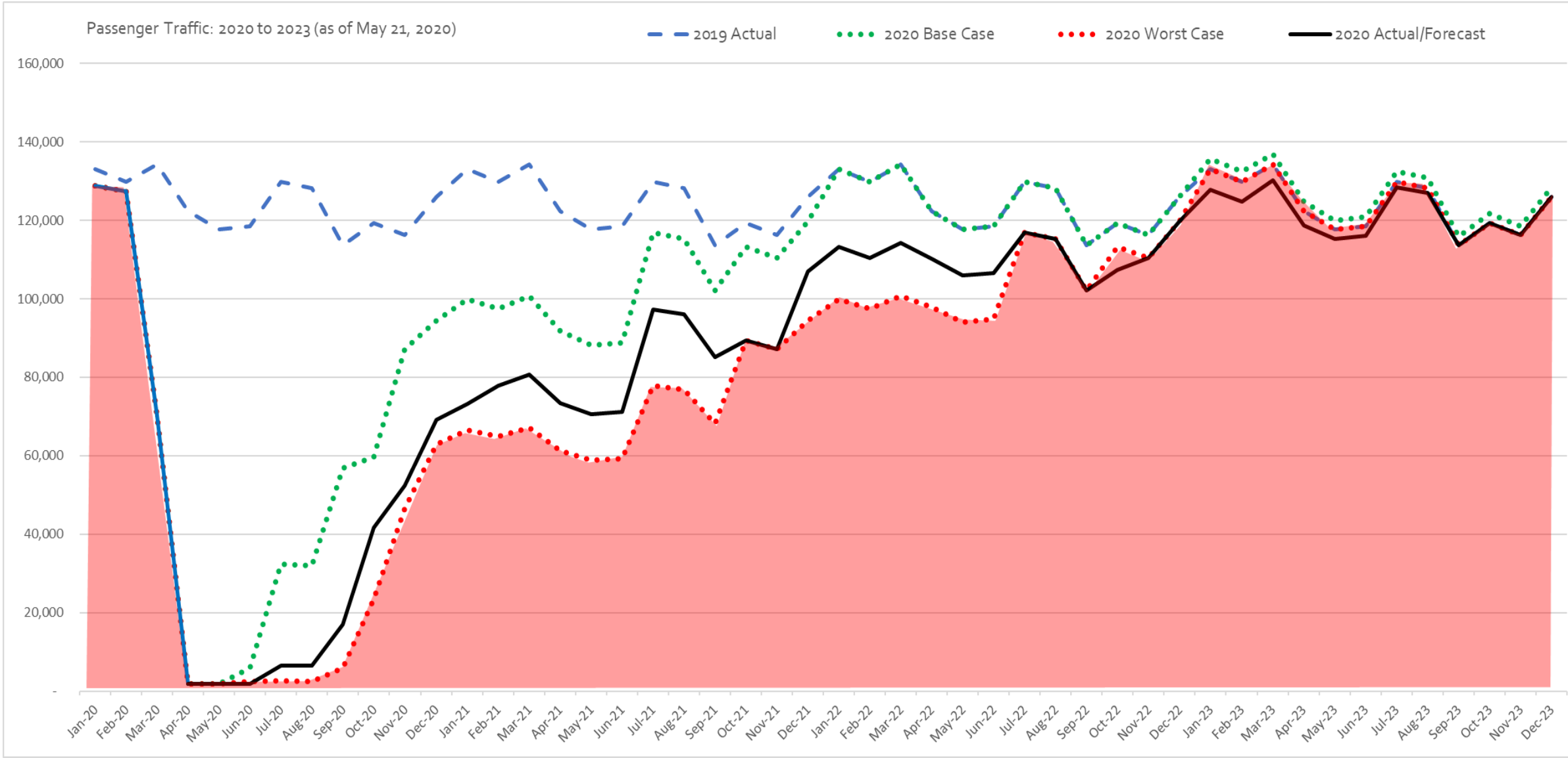
- Community-asset with a cost-recovery (user pay model)
 - Reinvest all earnings back into operations for public good
 - Significant facilitator/catalyst for economic growth/recovery
 - Requires excess constructed capacity to promote growth
- Per Passenger Methodology (fair tax abatement model)
 - Reflects a vacancy factor (asset capacity greater than demand)
 - Prior year actual passengers x \$0.73 per passenger
 - 2018 baseline threshold (\$1,040,644)

Post-COVID Operations:

- Business drivers have plummeted
 - Passengers (-93 to -98%) & Seats (-77 to -92%)
 - 2020 passengers expected to be 500,000 (approx. -70%)
- Facilities and Services are closed
 - F&B, Retail, ATB & Parking
- Financials are devastated:
 - Revenue -47% and Expenses increased (pandemic-driven)
 - Capital revised -77%
 - Insufficient Federal relief (12% of Expenses)
 - Forecasted operating losses and debt

Post-COVID Outlook:

Current Impacts & Responses



Aggressive SAA Response:

1. Leverage (limited) Federal Government Relief

- 10 months' rent relief & Canada Emergency Wage Subsidy (combined less than 12% of 2020 Budget Expenses)
- Offset by increased regulatory expenses

2. Significant Expense Reduction (in fixed cost environment)

- Elimination of administrative costs
- Significant contract service reductions and service levels
- Dramatically revised 10-year capital program

3. Workforce

- Hiring freezes, re-alignments and program suspensions
- Voluntary retirements & layoffs (-15% of permanent workforce)

1. Full PILT Relief

- SAA pays \$0 (maximum outcome & recovery)

2. Partial PILT Relief (based on actual 2020 passengers)

- SAA pays est. \$365,000 (forecast of 500,000 passengers)
- Fairly recognizes vacancy factor & per passenger model
- Balances City & SAA hardships (reasonable outcome)

3. No PILT Relief (current PILT with no vacancy consideration)

- SAA pays \$1,055,836 (based on 1.49 M passengers)
- Expense position further compromised (worst recovery)

Questions??

