

CITY OF KELOWNA
MEMORANDUM

DATE: January 3, 2001
TO: City Manager
FROM: Airport General Manager
SUBJECT: **2001 AIRPORT TAXI LICENCE FEES**

File: 2320-20
0550-05

RECOMMENDATION

THAT Council approve increasing the taxi licence fee at Kelowna International Airport to \$500.00 per taxi per annum, effective April 1, 2001;

AND THAT staff be instructed to amend clause 17.1 of the Airport Fees Bylaw No. 7982 in accordance with this recommendation.

BACKGROUND AND COMMENTS

The last fee increase was on January 1, 1995 to \$150.00 per year.

Until the end of 1998, the airport had been served primarily by two taxi companies with a total of 40 vehicles. During 1998 and 1999, several independent taxi companies and individual owner/operators applied for airport licences and decals. The number of taxi companies operating at the airport increased from 2 to 16 and the number of licences issued this year has increased from 40 to 70.

The increased number of licences being processed has resulted in:

- an increase in administration costs;
- an increase in maintenance and policing on curbside in the taxi holding zones; and
- infrastructure spending of \$11,500 to provide an adequate holding area to accommodate the increase in taxis serving the airport.

On June 12, 2000 the Motor Act was amended by Bill 13, the Motor Carrier Amendment Act 2000. This will require that all taxis and limousines operating within the municipality have Motor Carrier Commission Licences by March 15, 2001.

To correspond with this Motor Carrier Commission deadline and to reduce end of year workload, the renewal date for the taxi licences at the airport has been changed to April 1st and valid for one year until March 31st. On December 6, 2000, the licences were extended to March 31, 2001.

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Two options were considered for the taxi operation at the airport for 2001: a closed stand or an open stand. Feedback concerning these options was received from the taxi industry at an information session on October 26, 2000. The industry's preference by the majority of the owners could not be determined from the meeting. Also presented to the industry at the meeting were two options for an open stand:

- 1) an unlimited number of airport taxi licences to be made available at \$500 per licence; or

- 2) a limited number of licences be put out to tender and awarded to the first 35 with the highest bids.

Of the two options, the taxi companies with the largest fleet preferred option 2, while the smaller companies preferred option 1. It has been decided to recommend option 1 to Council to provide a fair and consistent approach for all taxi companies.

The airport generated \$10,500 from taxi licences in 1999 and \$11,700 in 2000. Based on the proposed new licence fee of \$500, the projected revenue for 2001 will be approximately \$30,000.

Victoria International Airport operates a closed stand which generates annual revenue of \$365,000. Victoria handles approximately 1,100,000 passengers per annum. Vancouver International Airport charges \$1,440 per licence with 416 licences issued for the year 2000. This generates \$599,040 in annual income. For 2001 Vancouver is implementing a \$1.00 per trip fee and estimates revenue will increase to approximately \$700,000.

R. Sellick

BH/dt/jmj