

**CITY OF KELOWNA**  
**MEMORANDUM**

**DATE:** February 4, 2003

**File:** 0550-05  
2380-20-8090

**TO:** City Manager

**FROM:** Assistant Airport General Manager

**SUBJECT: RENNOVATIONS TO SKYWAY GOURMET RESTAURANT –  
KELOWNA INTERNATIONAL AIRPORT**

**RECOMMENDATION**

THAT Council approve in principle extending the Skyway Gourmet Ventures Inc. airport sub-lease for an additional three years beyond its current expiry of December 31, 2009;

AND THAT Council authorizes the Mayor and City Clerk to sign a supplemental agreement on behalf of the City covering these arrangements.

**BACKGROUND AND COMMENTS**

The passenger satisfaction survey completed in March 2001 revealed that the Customers wanted a change in the level of service associated with food and beverage services. In order to respond to the concerns raised we have been negotiating with Skyway to make the necessary improvements.

The proposed changes will result in a complete renovation of the existing Restaurant complete with a new theme that will address the level of service issues.

Since 1996 Skyway has invested \$500,000 into capital renovations and equipment some of which had to be written off as part of the major Air Terminal Building Expansion project completed in 2000. Skyway has proposed a financial commitment of \$115,000 for the renovation proposal which includes the cost of the equipment upgrades and renovations.

As part of this agreement Skyway has also agreed in principle to a refurbishment plan that would see a commitment of up to \$75,000 for additional capital improvements in the year 2007 or 2008 with the exact timing of the investment to be agreed to at the discretion of the Airport General Manager.

Since taking over the concessions, Skyway has provided a consistently high level of service. This project will correct some of the operational deficiencies and concerns raised by the traveling public.

The airport's revenues from these concessions have met expectations. This extension recognizes Skyway's additional investment and will further the partnership between the City and Skyway Gourmet Ventures Inc. It will also reduce the capital that would have to be invested by the City.

S. Samaddar

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