

CITY OF KELOWNA

MEMORANDUM

DATE: March 22, 2004

File: 0550-05

6640-20

TO: City Manager

FROM: Airport General Manager

SUBJECT: ADDITIONAL VEHICLE PARKING – KELOWNA INT’L AIRPORT

RECOMMENDATION

THAT Council approve deferring the proposed Airport Parkade until the next major airport expansion program (approximately 2010);

AND THAT Council approve completing the current terminal expansion program by expanding the Economy Parking Lot by 325 stalls at a cost of \$1,200,000;

AND THAT Council approve a 2004 budget amendment in the amount of \$930,000 from the AIF Reserve for Phase #1 of the Economy Lot expansion;

AND THAT Council approve amending Bylaw No. 7982 to reflect an increase in the parking fees in the Main Parking Lot to \$2.00 per hour after the first hour to a maximum of \$10.00 per day effective November 1, 2004.

BACKGROUND AND COMMENTS

The current parking lot capacities and rates are:

Main Lot (Short Stay)	Economy Lot (Long Stay)	Overflow Lot
332 stalls	900 stalls	38 stalls
\$1.00 per hour	\$1.00 per hour	Free
\$8.00 per day	\$5.00 per day	Free

The Main Lot serves both short term in and out parking during flight times and long term premium parking. The Economy Lot serves primarily long term discount parking. The Overflow Lot is only used during peak periods.

The proposed parkade was conceived in 1998 as Phase 6 of the Major ATB Expansion Program primarily to satisfy the demand from business travelers for premium parking. In a recent survey, business traffic at YLW has decreased to only 23% of total traffic. Most analysts are forecasting that business travel will not bounce back to the pre-9/11 levels for many years, if ever. This change in traffic mix has occurred at the same time as a shift in demand from premium to economy parking. Other airports have reported similar experiences.

In a recent survey, it was learned that customer satisfaction levels with the existing surface parking facilities appear to be very high. On a five point scale YLW achieved ratings of 4.44 for ‘convenience of parking’ and 4.14 for ‘cost of parking’. Both ratings were the highest of the airports that participated in the survey.

Over the Christmas/New Year holiday period the demand for economy parking exceeded capacity by 110 vehicles. A grass field had to be pressed into service for up to 75 vehicles. Based on historical experience, this kind of demand can be expected during future peak travel periods. Reliance on grass overflow areas for peak period parking is not considered a satisfactory long term solution because ground conditions can often be highly problematic depending on prevailing weather conditions.

This proposal would be a significant departure from the original plan to construct a parkade. It does, however, have a number of attractive features not the least of which is deferring any further airport debt until the current debt load is paid down. Constructing surface stalls would also reduce the rate of increase in the airports O & M budget as they are considerably less expensive to maintain than parkade stalls.

A number of studies completed in 2003 suggest that a parkade would be better included in the next major terminal expansion program. A more southerly location to the originally proposed siteing would avoid poor soil conditions and place vehicle parking more central to the future terminal development. This would have the impact of reducing walking distances for the majority of customers.

The proposed new stalls in the Economy Lot would all be within 1000 feet of the Terminal and would be as convenient as many of the existing stalls in the lot.

Current parking rates at similar sized airports are:

Airport	Hourly Rate	Daily Premium Rate	Daily Economy Rate	Weekly Economy Rate
Victoria	\$2.00	\$10.00	N/A	\$50.00
Quebec City	\$5.00	\$10.00	N/A	\$60.00
Moncton	\$2.00	\$10.00	N/A	\$50.00
Regina	\$2.00	\$8.00	N/A	\$48.00
Saskatoon	\$2.00 – 1 st hour \$1.00 thereafter	\$8.00	NA	\$48.00
Prince George	\$1.00	\$5.50	N/A	\$27.50
Proposed YLW Rates	\$1.00 - 1st hour \$2.00 thereafter	\$10.00	\$5.00*	\$35.00

Airport parking rates have not been increased since March 1st, 1999. Even with the projected change, Kelowna would remain very competitive. Economy Lot rates would remain unchanged at \$5.00 per day.

At its meeting on March 16th, 2004 the Airport Advisory Committee unanimously endorsed this recommendation. At the suggestion of committee members the project scope was also expanded to include improved payment options and a passenger loading/unloading shelter in the Economy Lot.

The 2004 Final Budget presentation to Council will include a reduction in the airport's Capital Budget by \$150,000 for the Airport Parkade – Final Design and an addition of \$930,000 for the Economy Lot Expansion – Phase #1 (229 stalls). Phase #2 funding in the amount of \$270,000 will be included in the airport's 2007 budget submission for an additional 96 stalls. Financial Services has been consulted with respect to the Airport's 10 year capital plan.

R. Sellick

RS/cdu
Attachment

cc: Director, Financial Services