

CITY OF KELOWNA
MEMORANDUM

DATE: August 18, 2005
TO: City Manager
FROM: Airport General Manager
SUBJECT: **AIRPORTER BUS SERVICE LICENCES – KELOWNA INTERNATIONAL AIRPORT**

File: 0550-05
2320-20-8048
2320-20-8100
2320-20-8045

RECOMMENDATION:

THAT Council award 5 year Airporter Bus Service Licences to the following companies:

593697 B.C. Ltd. d.b.a. Kelowna Airport Shuttle
Peach City Cabs (1986) Ltd. d.b.a. Penticton Airport Limo Shuttle
Vernon Airport Limousine Ltd.

AND THAT Council authorize the Mayor and City Clerk to sign the agreements on behalf of the City of Kelowna;

AND THAT Council approve amending Bylaw No. 7982 to reflect the following change in the concession fee:

20. Airporter Bus Service


Effective July 1, 2005 - 2% of gross revenue
Effective July 1, 2006 - 2.5% of gross revenue
Effective July 1, 2007 - 3% of gross revenue
Effective July 1, 2008 - 3.5% of gross revenue
Effective July 1, 2009 - 4% of gross revenue

BACKGROUND AND COMMENTS

From time to time problems have been experienced maintaining continuity of airporter bus service. A market test with the three current operators commenced several years ago. Since that time the market has stabilized with the operators showing an average 69% increase in revenue. These operators provide good service and have invested considerable time and effort in developing the market. Continuity of service is desirable, and the airport is now prepared to offer a longer term commitment in the form of 5 year licences.

Negotiations were entered into with the 3 current airporter companies and 5 year licences with the fee structure shown above agreed upon. A "Notice of Intent" with respect to the City's desire to enter into these licences was published with a closing date of May 31, 2005. No response was received.

The increase in revenue realized by the airport will be approximately \$74,000.00 over the 5 year term of the licences.


R. Sellick
RS/lab
Attachment