
CITY OF KELOWNA

MEMORANDUM

Date: June 20, 2007
File No.: 0550-05
0230-20
To: City Manager
From: Airport General Manager
Subject: AIRPORT IMPROVEMENT FEE

RECOMMENDATION:

THAT Council approve increasing the Airport Improvement Fee from \$8.00 to \$10.00 effective November 1, 2007;

AND THAT staff be instructed to amend Section 22.1 and 22.2 of the Airport Fees Bylaw No.7982 as follows:

22. **AIRPORT IMPROVEMENT FEES**

22.1 FOR SIGNATORY AIR CARRIERS TO THE AIR TRANSPORT ASSOCIATION
(ATAC) MEMORANDUM OF AGREEMENT

A fee of \$10.00 per departing passenger, less the handling fee provided for in
the ATAC Memorandum of Agreement

22.2 FOR NON-SIGNATORY AIR CARRIERS

A fee of \$10.00 per departing passenger

BACKGROUND:

The airport became a member of the ATAC Memorandum of Agreement on the collection of Airport Improvement Fees (AIF) September 23, 1997 with an initial AIF of \$5.00. This fee was raised to \$8.00 on March 1, 2002.

The debt load associated with the airport's AIF funded capital projects was \$9.6 million as of January 1st 2007.

With passenger activity forecast to grow to 1.6 million passengers by 2015 and a corresponding need for further expansion to airport facilities it is important that steps be taken to reduce the current AIF debt load.

At their June 19th, 2007 meeting the Airport Advisory Committee passed a resolution recommending that the AIF be raised from \$8 to \$10.

The Memorandum of Agreement on AIF requires that an airport give 90 days notice to ATAC and the signatory air carriers of intent to increase fees.

With a \$10 AIF Kelowna would be comparable to other similar sized airports (Victoria, Saskatoon and Halifax are currently \$10, and Regina and St. John's are \$15).

FINANCIAL/BUDGETARY CONSIDERATIONS: There will be increased revenue in 2007 and a budget adjustment will occur in 2008.

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO: N/A

LEGAL/STATUTORY AUTHORITY: N/A

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A

EXISTING POLICY: N/A

PERSONNEL IMPLICATIONS: N/A

TECHNICAL REQUIREMENTS: N/A

EXTERNAL AGENCY/PUBLIC COMMENTS: N/A

ALTERNATE RECOMMENDATION: N/A

Submitted by:

R. Sellick
Airport General Manager

RS/nr

Approved for Inclusion:



[the department director initials here]