

REPORT TO COUNCIL



Date: September 7, 2011
File: 0610-53
To: City Manager
From: Sam Samaddar, Airport Director
Subject: AMENDMENT TO AIRPORT FEES BYLAW NO. 7982 - KELOWNA INTERNATIONAL AIRPORT
Report Prepared by: Toni McQueenie, Legal & Administrative Services Coordinator

Recommendation:

THAT Council receives for information the Report of the Airport Director dated September 7, 2011 outlining recommended increases to the fees in the Airport Fees Bylaw;

AND THAT Bylaw No. 10608 being Amendment No. 25 to the City of Kelowna Airport Fees Bylaw 7982 be advanced for reading consideration.

Purpose:

To obtain Council's approval to increase the Kelowna International Airport's fees and charges by amending Bylaw No. 7982.

Background:

As outlined in the airport's budget, one of its goals is to ensure that the airport generates sufficient revenue to operate on a financially self-sufficient basis.

Previous increases to the airport's fees and charges occurred between three to six years ago as outlined on the Summary of Fee Revisions attached as Schedule "A". The continued expansion of the airport complex and operating hours have resulted in increased costs for building and grounds maintenance, security, snow removal, as well as higher labour, utility and fuel costs.

In addition, the airport has invested in common use equipment in partnership with the Airlines, such as Common Use Self Service Check-in and Common Use Terminal Equipment which has increased efficiency in terms of passenger processing and airline operations, but has increased airport operating costs associated with greater utilization and reliance on these technologies.

In order to reduce administrative costs for both the airlines and the airport, the General Terminal Fee is proposed to be raised by ten percent (10%), however, several fees including the Common Use Terminal Equipment, Flight Information Display System, PA System, and Self Bag-Tagging costs have been amalgamated with the General Terminal Fee. The overall fee increase proposed is 10%, however, the net incremental cost to the airlines is five percent (5%).

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Continued investments have been made in the airport's vehicle parking facilities and include additional parking, purchase of land, use of technologies to provide more payment options for passengers, and a further investment in 2012 associated with the parking revenue control system. These investments along with maintaining the facilities and a high level associated with customer expectations have resulted in increased costs for providing these services.

A survey conducted showed that the proposed fee increases keep Kelowna in the low range of comparator airports such as Victoria, Prince George, Regina, Saskatoon, Thunder Bay, and Halifax.

These fee increases are necessary to ensure that the airport remains financially viable, and have been endorsed by the Airport Advisory Committee, and presented to the Airline Consultative Committee and airport tenants.

The airport is requesting approval for the following fee increases:

1. AIRCRAFT LANDING FEES

1.1(a) Effective January 1, 2012: Landing fees for Jet and Turbine aircraft will be \$5.57 per 1,000 kgs or fraction thereof, of maximum take-off weight.

1.1(b) Effective January 1, 2013: Landing fees for Jet and Turbine aircraft will be \$5.84 per 1,000 kgs or fraction thereof, of maximum take-off weight.

2. GENERAL TERMINAL FEES

A General Terminal Fee will be charged on all aircraft using the Air Terminal Building/Apron #1 facilities (as shown in the Canada Air Pilot) as follows:

Number of Passenger Seats in Aircraft	Cost per Aircraft Per use Effective January 1, 2012	Cost per Aircraft Per use Effective January 1, 2013
01-09	\$11.04	\$12.15
10-15	\$26.32	\$28.96
16-25	\$40.68	\$44.75
26-45	\$71.40	\$78.54
46-60	\$101.66	\$111.83
61-89	\$162.23	\$178.45
90-125	\$223.39	\$245.73
126-150	\$264.13	\$290.55
151-200	\$365.13	\$401.64
201-250	\$475.97	\$523.57
251-300	\$586.71	\$645.38
300-400	\$701.26	\$771.39
Over 400	\$864.42	\$950.87

3. AIRCRAFT PARKING FEE

Effective January 1, 2012

The charges for aircraft parking are as follows:

3.1 AIRCRAFT PAVED PARKING

- (a) Apron #1 \$40.00 per night
- (b) Apron #2 \$18.00* per night
- (c) Apron # 3 Operational Stand \$30.00* per night
Itinerant Short Term \$14.00* per night
& Helipad

*includes applicable tax(es)

10. AIR TERMINAL BUILDING ADVERTISING SPACE FEE

Effective January 1, 2012 to December 31, 2012

10.1	Strip Signs	approx. size 2' x 4'	\$680.00 per annum
10.2	Remove		n/a
10.3	Super Signs	approx. size 30" x 40"	\$2,681.00 per annum
10.4	Hotel Directory Board	approx. size 8" x 10"	\$473.00 per annum
10.5	Bag Belt Signs	approx. size 2' x 4'	\$1,208.00 per annum
10.6	Spectacular Signs	approx. size 9' x 5'	\$8,400.00 per annum
10.7	Entrance Roadway Sign	approx. size 15' x 6'	\$10,500.00 per annum

Effective January 1, 2013

10.8	Strip Signs	approx. size 2' x 4'	\$714.00 per annum
10.9	Super Signs	approx. size 30" x 40"	\$2,815.00 per annum
10.10	Hotel Directory Board	approx. size 8" x 10"	\$496.00 per annum
10.11	Bag Belt Signs	approx. size 2' x 4'	\$1,268.00 per annum
10.12	Spectacular Signs	approx. size 9' x 5'	\$8,820.00 per annum
10.13	Entrance Roadway Sign	approx. size 15' x 6'	\$11,025.00 per annum

14. AUTOMOBILE PARKING FEES - Effective April 1, 2012 to March 31, 2013

PARKING LOTS:

- (a) Short Term Lot
First 15 minutes free
\$1.25 for the 1st hour or part thereof
(includes first 15 minutes)
\$2.25 for each additional hour or part
thereof to
a maximum of \$15.00 per 24 hours
\$800.00 for "Gold Pass" a six month
pre-purchase program.
- (b) Long Term Lot
First 15 minutes free

\$1.25 per hour or part thereof (includes first 15 minutes), to a maximum of \$10.00 per 24 hours and a weekly maximum rate of \$50.00.

(c) North End Lot &
North Airport Way

First 24 hours free
\$6.00 for each additional 24 hours or part thereof.

14.2 CURBSIDE PARKING METERS \$1.50 per 30 minutes

14. AUTOMOBILE PARKING FEES - Effective April 1, 2013

PARKING LOTS:

(a) Short Term Lot

First 15 minutes free
\$1.50 for the 1st hour or part thereof (includes first 15 minutes)
\$2.50 for each additional hour or part thereof to a maximum of \$18.00 per 24 hours
\$900.00 for "Gold Pass" a six month pre-purchase program.

(b) Long Term Lot

First 15 minutes free
\$1.50 per hour or part thereof (includes first 15 minutes), to a maximum of \$11.50 per 24 hours and a weekly maximum rate of \$56.00.

(c) North End Lot &
North Airport Way

First 24 hours free
\$7.00 for each additional 24 hours or part thereof.

14.2 CURBSIDE PARKING METERS \$1.75 per 30 minutes

17. TAXI AND FIXED RATE WALK OUT LIMOUSINE LICENCES

Effective January 1, 2012 to December 31, 2012

17.1 Taxi - \$525.00 per taxi per annum

17.2 Limousine - \$788.00 per limousine per annum

Effective January 1, 2013 to December 31, 2013

17.3 Taxi - \$551.00 per taxi per annum

17.4 Limousine - \$827.00 per limousine per annum

Effective January 1, 2014 to December 31, 2014

- 17.5 Taxi - \$579.00 per taxi per annum
- 17.6 Limousine - \$868.00 per limousine per annum

Effective January 1, 2015 to December 31, 2015

- 17.7 Taxi - \$608.00 per taxi per annum
- 17.8 Limousine - \$912.00 per limousine per annum

January 1, 2016 to December 31, 2016

- 17.9 Taxi - \$638.00 per taxi per annum
- 17.10 Limousine - \$957.00 per limousine per annum

23. COMMON USE TERMINAL EQUIPMENT (CUTE)

Remove this section from the Bylaw as these charges have been captured under the increase to the General Terminal Fees in Section 2.

Internal Circulation:

Airport Finance & Administration Manager

Financial/Budgetary Considerations:

The recommended fee increases will be included in the 2012 Budget Request.

Considerations not applicable to this report:

Legal/Statutory Authority: N/A

Legal/Statutory Procedural Requirements: N/A

Existing Policy: N/A

Personnel Implications: N/A

External Agency/Public Comments: N/A

Communications Comments: N/A

Alternate Recommendation: N/A

Submitted by:



S. Samaddar, Airport Director

Approved for inclusion:



For
Paul Macklem, General Manager Corporate Sustainability

SUMMARY OF FEE REVISIONS

SCHEDULE "A"

AVIATION FEES

	<u>CURRENT</u>	<u>2012</u>	<u>2013</u>	<u>LAST REV.</u>
Landing Fees	\$5.30	\$5.57	\$5.84	Nov. 2008

Terminal Fees	10%	10%	10%	Nov. 2005
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*Common Use Terminal, Flight Information Display and PA System Fees and Bag Tagging -5%
 Cost Recovery Amalgamated into Terminal Fee -5%

Aircraft Parking				Jan. 2008
Apron 1	\$33.00	\$40.00		
Apron 2	\$15.00	\$18.00	*inc tax	
Apron 3	\$24.00	\$30.00	*inc tax	
Itinerant & Helipad	\$11.00	\$14.00	*inc tax	

SUMMARY OF FEE REVISIONS

VEHICLE PARKING

*1st 15 Minutes Free remains free in short & long term lots

	<u>Current</u>	<u>2012</u>	<u>2013</u>	<u>Last Rev.</u>
Short Term Lot	1st Hr	\$1.00	\$1.25	\$1.50
	2nd Hr	\$2.00	\$2.25	\$2.50
	Daily	\$13.00	\$15.00	\$18.00
Gold Pass	6 mo	\$714.00	\$800.00	\$900.00
Long Term	Per Hour	\$1.00	\$1.25	\$1.50
	Daily	\$8.75	\$10.00	\$11.50
	Weekly	\$45.00	\$50.00	\$56.00
Meters -Per 30 min		\$1.00	\$1.50	\$1.75
North End Lot	1st 24 hrs	\$0.00	\$0.00	\$0.00
	add 24 hrs	\$5.00	\$6.00	\$7.00

Apr. 09 to incorporate HST

SUMMARY OF FEE REVISIONS

▶ TAXI & LIMO FEES - 5% Per Annum

	Current	2012	2013	2014	2015	2016	Last Rev.
Taxi	\$500	\$525	\$551	\$579	\$608	\$638	Feb-05
Limo	\$750	\$788	\$827	\$868	\$912	\$957	

▶ AIRPORT ADVERTISING - 5% Per Annum

	Current	2012	2013	Last Rev.
Strip Signs	\$648	\$680	\$714	Dec-06
Super Signs	\$2,553	\$2,681	\$2,815	
Hotel Dir. Board	\$450	\$473	\$496	
Bag Belt	\$1,150	\$1,208	\$1,268	
Spectaculars	\$8,000	\$8,400	\$8,820	
Entrance Roadway	\$10,000	\$10,500	\$11,025	