

# Report to Council



**Date:** November 28, 2016

**File:** 0245-10, 0610-53

**To:** City Manager

**From:** Shayne Dyrdal, Senior Airport Finance & Corporate Services Manager

**Subject:** Amendment to Kelowna International Airport Fees and Charges Bylaw No. 7982

Report Prepared by: Toni McQueenie, Airport Administration Manager

---

## **Recommendation:**

THAT Council receives for information the report of the Senior Airport Finance & Corporate Services Manager dated November 28, 2016 outlining recommended changes to the Airport Fees Bylaw No. 7982;

AND THAT Bylaw No. 11326 being Amendment No. 30 to the City of Kelowna Airport Fees Bylaw 7982 be advanced for reading consideration.

## **Purpose:**

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

## **Background:**

The continued increase in passenger numbers and the corresponding airport complex growth have resulted in increased costs including, but not limited to, utilities, maintenance and the need to upgrade technology in a rapidly changing environment. YLW's proposed fees and charges were presented to our stakeholders, including the airlines, without objection and remain among the lowest of comparable Canadian airports.

YLW continues to work with its concessionaires to enhance product availability, increase sales and promote non-aeronautical revenue.

The proposed fee increases are:

## **Landing Fees:**

Landing fees were last increased on April 1, 2015 and are currently \$6.13 per 1,000kg.

The proposed increases are:

January 1, 2017 - \$6.31 per 1,000 kg (3% increase)

January 1, 2018 - \$6.41 per 1,000 kg (1.5% increase)

January 1, 2019 - \$6.50 per 1,000 kg (1.5% increase)

#### **Terminal Fees:**

Terminal fees were last increased on April 1, 2015.

The proposed increases are:

January 1, 2017 - 3% increase

January 1, 2018 - 1.5% increase

January 1, 2019 - 1.5% increase

The following is an example of the landing and terminal fees for a Q400 aircraft and a 737-700 aircraft:

#### Landing Fees

Aircraft	Current	Jan. 1/17	Jan. 1/18	Jan. 1/19
Q400	\$ 183.90	\$ 189.30	\$ 192.30	\$ 195.00
B737-700	\$ 404.58	\$ 416.46	\$ 423.06	\$ 429.00

#### Terminal Fees

Aircraft	Current	Jan. 1/17	Jan. 1/18	Jan. 1/19
Q400	\$ 184.75	\$ 190.29	\$ 193.15	\$ 196.04
B737-700	\$ 300.81	\$ 309.83	\$ 314.48	\$ 319.20

#### **Aircraft Parking on Apron 1:**

This fee was last increased on January 1, 2012 and is currently \$40 per night. Effective January 1, 2017 the proposed fee is \$45 per night.

#### **Outbound Baggage Belt Fee:**

The Outbound Baggage Belt Fee of \$16,930.56 per annum has historically been allocated proportionately amongst the airlines based on each airlines' passenger numbers. This fee is no longer commonly charged by other Canadian airports, so the Airport recommends that the Outbound Baggage Belt Fee be removed from Bylaw 7982. Anticipated increases in other terminal fees are expected to more than offset the \$16,930.56 decrease in revenues.

**Financial/Budgetary Considerations:**

The recommended increases were included in the airport's 2017 provisional budget.

**Internal Circulation:**

Genelle Davidson, Financial Services Director  
City Clerk's Office

**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. Dyrdal, Senior Airport Finance & Corporate Services Manager

Approved for inclusion:



Sam Samaddar, Airport Director  
Joe Creron, Acting City Manager