Agenda - Council - January 24, 2007

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - January 9, 2007

Item No. 1 Avion Services Corporation - City Connect Shuttle Service
File TE-1

STANDING COMMITTEE RECOMMENDATION:

On January 9, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works rescinded its recommendation of November 21, 2006 and submitted the matter to the Executive Policy Committee and Council without recommendation.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 17, 2007, the Executive Policy Committee concurred in the administrative recommendation, as amended, and submits the following to Council:

1. That, in accordance with Section 163(3) of The City of Winnipeg Charter, an agreement with Avion Services Corporation be approved that is renewable at five-year intervals, that authorizes Avion Services Corporation to operate its proposed City Connect Shuttle Service, and that contains the following conditions:

    A. Avion Services Corporation be required to obtain from The Public Utilities Board approval of its agreement with the City and authorization to operate a local transportation service before beginning to operate the proposed shuttle service.

    B. The proposed City Connect Shuttle Service be restricted to making passenger pick-ups and drop-offs only at hotels that are located within the City of Winnipeg or at the James A. Richardson (Winnipeg) International Airport.

    C. Avion Services Corporation be required to charge a one-way passenger fare for its proposed City Connect Shuttle Service that is at least four (4) times the value of the regular cash fare in effect for the Winnipeg Transit System from time to time.

    D. The proposed City Connect Shuttle Service be prohibited from using for passenger pick-ups and drop-offs any bus stop, transit terminal, or transit loop used by Winnipeg Transit to deliver its regular transit and Handi-Transit services.

    E. Avion Services Corporation be required to comply with Regulation 76/94 The Periodic Mandatory Vehicle Inspection Regulation as amended from time to time,

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EXECUTIVE POLICY COMMITTEE RECOMMENDATION: (continued)

even if the vehicles used for the proposed City Connect Shuttle Service are not within the definition of a "bus."

F. Avion Services Corporation be required to indemnify the City against any and all claims and to have $5 million in insurance with the City as an additional named insured and containing a cross liability clause.

G. Avion Services Corporation not be permitted to assign or sublet the agreement without the consent of the Director of Transit.

H. The agreement can be cancelled by the Director of Transit without compensation on ninety (90) days notice,

but with the proviso that such agreement not be executed by the City unless and until The Public Utilities Board provides its approval of the agreement and authorizes the operation of the local transportation service.

2. That Council recommend that The Public Utilities Board hold a public hearing to review all aspects of the operation of the proposed service.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 17, 2007, the Executive Policy Committee concurred in the administrative recommendation, with the following amendments, namely:

- Recommendation 1 to state

  1. That, in accordance with Section 163(3) of The City of Winnipeg Charter, an agreement with Avion Services Corporation be approved that is renewable at five-year intervals, that authorizes Avion Services Corporation to operate its proposed City Connect Shuttle Service, and that contains the following conditions:

- Add the following after Recommendation 1.H.

  "but with the provisio that such agreement not be executed by the City unless and until The Public Utilities Board provides its approval of the agreement and authorizes the operation of the local transportation service."

- Add the following as Recommendation 2

  2. That Council recommend that The Public Utilities Board hold a public hearing to review all aspects of the operation of the proposed service.

  and renumber the balance of the remaining recommendations,

and submitted the matter to Council.

Further, on January 17, 2007, the Executive Policy Committee received submissions from the following:

In support of the Avion Services Corporation proposal for an airport-downtown shuttle service:

- Jim Baker, President, Manitoba Hotel Association, submitted a communication dated January 20, 2007.
- Shelley Tataryn, General Manager, Avion Services Corporation, submitted a communication from Marcelle Forest dated January 11, 2007.

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DECISION MAKING HISTORY (continued):

- Peggy A. May, Director of Marketing, Winnipeg Airport Authority, submitted a communication (undated).
- Paul Edwards, Lawyer, Dubosse Edwards Haight and Schachter submitted supporting documentation (undated)

In opposition of the Avion Services Corporation proposal for an airport-downtown shuttle service:

- Barry L. Gorlick, Q.C., Monk Goodwin LLP, representing Duffy's Taxi, Unicity Taxi, Blueline Taxi, Spring Taxi and various limousine companies, submitted a communication dated January 16, 2007 and supporting documentation.
- Ross Eadie submitted a communication dated January 9, 2007.

STANDING COMMITTEE RECOMMENDATION:

On January 9, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works rescinded its recommendation of November 21, 2006 and submitted the matter to the Executive Policy Committee and Council without recommendation.

Further on January 9, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works received submissions from the following:

In support of the Avion Services Corporation proposal for an airport-downtown shuttle service;

- Scott Marhon, Winnipeg Airports Authority submitted communications dated December 11, 2006 and January 8, 2007.
- Shelley Tataryn, General Manager, Avion Services Corporation, submitted supporting documentation dated January 9, 2007.

In opposition of the Avion Services Corporation proposal for an airport-downtown shuttle service;

- Barry L. Gorlick, Q.C. and Maria Mitousis, Monk Goodwin LLP representing Duffy's Taxi, Unicity Taxi, Blueline Taxi, Spring Taxi and various limousine companies submitted supporting documentation dated January 9, 2007.

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DECISION MAKING HISTORY: (continued):

EXECUTIVE POLICY COMMITTEE:

On November 29, 2006, the Executive Policy Committee referred the matter back to the Standing Policy Committee on Infrastructure Renewal and Public Works inasmuch as there was no initial consultation with the industry stakeholders, and directed that the industry stakeholders be notified when the Standing Policy Committee considers this matter.

Further, on November 29, 2006, the Executive Policy Committee received a communication dated November 22, 2006, from Jerry Kozubal, Secretary of the Taxicab Board, advising the Taxicab Board is satisfied that the proposal from Avion Services Corporation to operate its proposed City Connect Shuttle Service would not fall within the jurisdiction of The Taxicab Act and Regulations and therefore has no objection with the proposed service.

Also on November 29, 2006, the Executive Policy Committee received communications submitted by Joan Wilson, General Manager, Unicity Taxi, from the Secretary of the Taxicab Board dated November 27 and 28, 2006 respectively, with respect to the proposal Avion Services Corporation for an airport-downtown shuttle service.

STANDING COMMITTEE RECOMMENDATION:

On November 21, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and forwarded to the Executive Policy Committee and Council.

RE: Avion Services Corp.'s Proposal for City Connect Shuttle Service

FOR SUBMISSION TO: **Standing Policy Committee on Infrastructure Renewal and Public Works**

ORIGINAL REPORT SIGNED BY: **Dave Wardrop, Director of Transit**

REPORT DATE: **2006-09-01**

RECOMMENDATION:

That, in accordance with Section 163(3) of the City of Winnipeg Charter, the City enter into an agreement with Avion Services Corp. that is renewable at five-year intervals, that authorizes Avion Services Corp. to operate its proposed City Connect Shuttle Service, and that contains the following conditions:

a) **Avion Services Corp. be required to obtain from The Public Utilities Board approval of its agreement with the City and authorization to operate a local transportation service before beginning to operate the proposed shuttle service.**

b) **The proposed City Connect Shuttle Service be restricted to making passenger pick-ups and drop-offs only at hotels that are located within the City of Winnipeg or at the Winnipeg International Airport.**

c) **Avion Services Corp. be required to charge a one-way passenger fare for its proposed City Connect Shuttle Service that is at least four (4) times the value of the regular cash fare in effect for the Winnipeg Transit System from time to time.**

d) **The proposed City Connect Shuttle Service be prohibited from using for passenger pick-ups and drop-offs any bus stop, transit terminal, or transit loop used by Winnipeg Transit to deliver its regular transit and Handi-Transit services.**

e) **Avion Services Corp. be required to comply with Regulation 76/94 *The Periodic Mandatory Vehicle Inspection Regulation* as amended from time to time, even if the vehicles used for the proposed City Connect Shuttle Service are not within the definition of a "bus."**

f) **Avion Services Corp. be required to indemnify the City against any and all claims and to have $5 million in insurance with the City as an additional named insured and containing a cross liability clause.**

g) **Avion Services Corp. not be permitted to assign or sublet the agreement without the consent of the Director of Transit.**

h) **The agreement can be cancelled by the Director of Transit without compensation on 90 days notice.**

Report Summary

Key Issues:

- Section 163(1) of the City of Winnipeg Charter provides the City with exclusive authority to operate local fixed-fare passenger transportation services within Winnipeg. Under Section 163(3), however, the City can enter into an agreement with a person who wishes to operate a local transportation service that falls under the exclusive authority of Section 163(1). Council must authorize the City entering into such an agreement.

- On August 29th, 2006, the Director of Transit received a formal request from Avion Services Corp. to operate a proposed City Connect Shuttle Service between the Winnipeg International Airport and downtown hotels.

- Based on the proposal submitted by Avion Services Corp., it is not expected that the City Connect Shuttle Service would compete for the same type of passengers served by the City's transit service and, as a result, the revenue risk to the City of such an operation would be low.

- On condition that the features of the proposed City Connect Shuttle Service are sufficiently differentiated from those of regular transit service, and that the operation of the City Connect Shuttle Service does not interfere with the operation of the City's regular transit or Handi-Transit services, the Transit Department is supportive of the City entering into an agreement with Avion Services Corp. to establish the City Connect Service.

- The recommended conditions for the agreement have been reviewed verbally with the General Manager of Avion Services Corp. and the General Manager confirmed that the conditions are acceptable

Implications of the Recommendation(s):

General Implications

(X) None

( ) For the organization overall and/or for other departments

( ) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Policy Implications

(X) No

( ) Yes

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Environmental Implications

(X) No

( ) Yes

Human Resources Implications

(X) No

( ) Yes

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Report

REASON FOR THE REPORT:

Section 163(1) of the City of Winnipeg Charter provides the City with exclusive authority to operate local fixed-fare passenger transportation services within Winnipeg. Under Section 163(3), however, the City can enter into an agreement with a person who wishes to operate a local transportation service that falls under the exclusive authority of Section 163(1). Council must authorize the City entering into such an agreement.

DISCUSSION:

Avion Services Corp. Proposal

On August 29th, 2006, the Director of Transit received a formal request from Avion Services Corp. to operate a proposed City Connect Shuttle Service between the Winnipeg International Airport and downtown hotels.

The proposed service would have the following characteristics:

Service Type	Shared-ride van transportation between the airport and downtown hotels for groups of 1 to 9 passengers
Vehicle Type	9-passenger vans with space for luggage
Service Frequency	Departures every 20 to 60 minutes from the Airport and from downtown hotels between 04:00 and midnight on weekdays and Saturdays
Fare	$9.00 for a one-way trip; $17.00 for a return trip

Impact on the City's Transit Services

The *15 Sargent* transit route currently services the Winnipeg International Airport. Route 15 operates at 15 to 25 minute intervals between 6:00 am and 1:00 am on all days of the week. The route provides local transit service between the airport and downtown via Sargent Avenue, Portage Avenue, and Main Street. Standard transit buses, with seated capacity of 50 passengers, but with no luggage racks, are operated on the service. Current cash fares for the service are $2.00 for adults and $1.65 for children, students, and senior citizens. About 400 passengers currently board or alight Route 15 at the airport terminal building each day. A high proportion of existing transit passengers are employees of businesses at the airport.

Based on the proposal submitted by Avion Services Corp., it is not expected that the City Connect Shuttle Service would compete for the same type of passengers served by the City's transit service and, as a result, the revenue risk to the City of such an operation would be low.

In several respects, the proposed service would be very different from regular transit service:

Feature	City Connect Shuttle	Transit Route 15
Passenger Market	Visitors to Winnipeg traveling between airport and downtown hotels	Mostly Airport employees Some air travellers
Service Type	Non-stop service between airport and hotels	Local service between airport and downtown
Vehicle Type	9-passenger van with luggage racks	Standard transit bus without luggage racks
Fare	$9.00 for one-way trip	$1.65 - $2.00 for one-way trip

On condition that the features of the proposed City Connect Shuttle Service are sufficiently differentiated from those of regular transit service, and that the operation of the City Connect Shuttle Service does not interfere with the operation of the City's regular transit or Handi-Transit services, the Transit Department is supportive of the City entering into an agreement with Avion Services Corp. to establish the City Connect Service.

To ensure that the City Connect Shuttle Service is sufficiently differentiated from the City's transit service, it is recommended that any such agreement include a provision that the one-way fare for the City Connect Shuttle Service be at least four (4) times the value of the regular cash fare in effect for the Winnipeg Transit System from time to time.

To ensure that the City Connect Shuttle Service does not interfere with regular transit or Handi-Transit operations, it is recommended that the City Connect Shuttle Service be prohibited from using for passenger pick-ups and drop-offs any bus stop, transit terminal, or transit loop used by Winnipeg Transit to deliver its regular transit and Handi-Transit services.

Recommendation

Based on a review of the proposal submitted by Avion Services Group, it is recommended to Council that, in accordance with Section 163(3) of the City of Winnipeg Charter, the City enter into an agreement with Avion Services Corp. that is renewable at five-year intervals, that authorizes Avion Services Corp. to operate its proposed City Connect Shuttle Service, and that contains the following conditions:

a) Avion Services Corp. be required to obtain from The Public Utilities Board approval of its agreement with the City and authorization to operate a local transportation service before beginning to operate the proposed shuttle service.

b) The proposed City Connect Shuttle Service be restricted to making passenger pick-ups and drop-offs only at hotels that are located within the City of Winnipeg or at the Winnipeg International Airport.

c) Avion Services Corp. be required to charge a one-way passenger fare for its proposed City Connect Shuttle Service that is at least four (4) times the value of the regular cash fare in effect for the Winnipeg Transit System from time to time.

d) The proposed City Connect Shuttle Service be prohibited from using for passenger pick-ups and drop-offs any bus stop, transit terminal, or transit loop used by Winnipeg Transit to deliver its regular transit and Handi-Transit services.

e) Avion Services Corp. be required to comply with Regulation 76/94 *The Periodic Mandatory Vehicle Inspection Regulation* as amended from time to time, even if the vehicles used for the proposed City Connect Shuttle Service are not within the definition of a “bus.”

f) Avion Services Corp. be required to indemnify the City against any and all claims and to have $5 million in insurance with the City as an additional named insured and containing a cross liability clause.

g) Avion Services Corp. not be permitted to assign or sublet the agreement without the consent of the Director of Transit.

h) The agreement can be cancelled by the Director of Transit without compensation on 90 days notice.

These conditions have been reviewed verbally with the General Manager of Avion Services Corp and the General Manager confirmed that the conditions are acceptable.

Financial Impact Statement **Date:** September 1, 2006

Project Name: Avion Services Corporation Proposal for City Connect Shuttle Service

COMMENTS:

The recommendation of this report has no financial impact.

Original Signed By Paul D. Olafson

Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Branch

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department	Transit
Division	Planning and Schedules
Prepared by:	Bill Menzies, Manager of Planning and Schedules
File No.	0502-41