

Klondike Development Organization

Third Partnership Forum

Ground Transportation and the Klondike

November 30, 2011



Across The River Consulting

Today's Agenda

Introduction

1. Airport shuttle 11.15-11.55
2. Taxi 11.55-12.15

LUNCH BREAK AND FREE DISCUSSION

3. Whitehorse bus 12.45-1.15
4. Vehicle rentals 1.15-1.35
5. Bicycle rentals 1.35-1.45

ROUND TABLE WRAP-UP

Today's Objectives

Inform and Inspire!

1. Deliver clear research
2. Gauge community service expectations
3. Identify transportation assets
4. Identify and explore innovative business models
5. **EXPLORE PARTNERSHIPS!**

Work to Date

- Strategic Access Committee 2006-08
- TIAY Nodal Development Assessment 2009
- KDO Household Survey 2011
- KDO Business Survey 2011

TIAY Destination Assessment 2009

Gaps identification

Very limited accessibility

- Limited accessibility on all fronts: RV, cars, air, motor coach, Yukon Queen, bus.
- Lack of organized transportation around town and to activities
- Accessibility is near nil in winter

KDO Household Survey 2011

Changes to improve the area:

- Housing 24%
- Recreation 18%
- Transportation links to outside 7%
- Year-round businesses 7%
- Reduced cost of living 6%

Local product and service demand:

- Whitehorse bus 3%
- Car rental 1%

KDO Household Survey 2011

Ability to attract more year-round residents:

- Housing 37%
- Recreation 26%
- Year-round employment 7%
- Health services 5%
- Year-round restaurants 5%
- Government jobs 3%
- Transportation links 3%

KDO Business Survey 2011

Changes to improve the area:

- Affordable housing 16%
- Recreation 13%
- Land development 9%
- Whitehorse bus 6%
-
- Airport shuttle 1%
- Car rental 1%

Airport Shuttle

Regulations

- Under 10 passengers – municipal taxi regs
- Over 10 passengers no municipal regs
- National Safety Code compliance (Yukon)
- 6 month Periodic Commercial Motor Vehicle Inspection
- 3rd party liability insurance usually \$1 million

NO UNREASONABLE BARRIERS

Insurance

- \$950 annually (liability) up to 25km radius
- Same \$950 'additional' cost for hotels to take passengers NOT guests

Airport Shuttle

Costs to operate:

- Liability insurance
 - \$1.36 per trip (annual service)
 - \$5.28 per trip (summer only)
- Vehicle costs
 - \$20.98 per trip (34.4km*0.61c)
- Labour costs
 - \$25.00 per trip (no waiting)

Total cost estimates:

- \$47.34 per trip (\$51.26 summer only)
- \$94.68 per day
- \$29,540 annual
- \$9,226 summer only

Discussion - Service Expectations?

- Schedule
 - Tourism/summer only?
 - Scheduled or on-demand?

- Quality

- Price

- Before you said...
- Now you say...

Destination	Shuttle	Taxi
Toronto	\$24	\$72
Anchorage	\$15	\$22
Vancouver	\$14	\$44
Whitehorse	\$10	\$17
Inuvik	-	\$25 (1), \$39 (2), \$49 (3)
Dawson	?	?

Discussion – Solutions?

- Market size (to/from Whitehorse flights only)
 - Total passengers
 - % hotel pick-up?
 - % own transport or individual drop-off?
 - % need shuttle??? = **MARKET**
 - Market potential:
 - Visitor?
 - Business?
 - Government?
 - Local?
- Assets
- Business models – what is it worth and to whom?
- Partnerships – who wants this baby?

Taxi

Regulations

- Municipal regs only
- Annual licenses for vehicle and operator
- Criminal records checks
- 6 month Periodic Commercial Motor Vehicle Inspection
- 3rd party liability insurance \$2 million
- Operator chooses fixed fare schedule for approval

NO UNREASONABLE BARRIERS

Taxi

Costs to operate

- Liability insurance
 - \$1,700 annually
 - \$4.66 per day (year-round service)
 - \$16.19 per day (summer only)
 - \$0.47/hour (ten hours/day)
- Vehicle costs
 - \$0.61/km
- Labour costs
 - \$25.00 per hour

Taxi Pricing

Destination	Vancouver Rate	Whitehorse Rate	Operation Cost (1-way)	Last Dawson Price	You Said
In-Town	\$3.20	\$4.50	\$4.86	\$8	
Dome Sub	\$8.75	\$9.00	\$10.93	\$15	
Top Dome	\$18.00	\$20.25	\$24.92	\$25	
Rock Creek	\$38.35	\$45	\$24.92	\$25	
Henderson	\$43.90	\$51.75	\$28.86	\$30	
Airport	\$32.80	\$38.25	\$23.09	\$25 or \$15 pp	
Dredge No.4	\$29.10	\$38.25	\$21.87	\$20 pp round	

Taxi Discussion

- Quality
- Schedule/Season/Hours
- Market size?
 - Visitor
 - Business
 - Government
 - Local
- Business models – airport shuttle crossover?
- Partnerships – who wants this baby?

Whitehorse Bus

Current service

- Greyhound from south to Whitehorse
- Alaska-Yukon Trails west to Fairbanks and Alaska (no intra-Canada trips)
- Alaska Direct west from Whitehorse to Alaska
- **SERVICE GAP: WHITEHORSE – DAWSON**

Whitehorse Bus

Regulations

- Over 10 passengers no municipal regs
- National Safety Code compliance (Yukon)
- 6 month Periodic Commercial Motor Vehicle Inspection
- 3rd party liability insurance usually \$1 million
- NO mandatory scheduling requirements

NO UNREASONABLE BARRIERS

Insurance

- \$1500 annually (liability) over 160 km radius

Whitehorse Bus

Costs to operate

- Liability insurance
 - \$1,500 annually over 160km radius (bus or 15P)
 - \$4.81 per trip (annual 3/week service)
 - \$16.67 per trip (summer only 3/week service)
- Charter vehicle costs
(all-inclusive of vehicle, labour, insurance, fuel, maintenance etc.)
 - \$3,100 return-trip
 - \$1,550 each-way
 - \$139,500 per 15-week season (3/week service)
 - \$483,600 annual service (3/week service)

Discussion - Service Expectations?

- Price
 - You said.....
 - Now you say.....
- Quality
 - Coach?
 - 15P van?
- Schedule
 - Daily?
 - Alternate day?
 - Seasonal or year-round?

Discussion – Solutions?

- Market size
 - Visitor?
 - Government?
 - Local?
- Business models
 - Public transit?
 - North Klondike Highway community co-op?
 - What is it worth and to whom?
- Partnerships – who wants this baby?

Vehicle Rentals

- Research
 - Pricing – compact car out of Whitehorse
 - \$45/day (150km) + \$0.20/km
 - \$52/day (200km) + \$0.20/km
 - Maximum revenue – **FULL** 100 day season
 - \$4500 or \$5,200 per car (within km)
 - Cost to operate
 - Vehicle lease
 - Staff administrative time
 - Insurance including liability
 - Maintenance and cleaning
 - Etc. etc.....

Vehicle Rentals

- Driving Force
 - Contacted this summer
 - Need for local partner business to act as ‘front-end’
 - Interested if enough demand to be busy
 - Asked for market size and demand tracking
- Rent-a-Wreck
 - No interest from Whitehorse franchise – too small
 - ‘Small’ fleet for a franchise is 5-6 cars year-round
 - New franchise typically requires \$100,000 equity

Vehicle Rentals

- Rent-a-Wreck Franchises
 - \$20,000 buy-in fee
 - Unencumbered equity \$50-100,000
 - \$100-300,000 fleet financing
 - Royalty fee of 6% of gross revenues
 - Marketing fee of 4% of gross revenues

Discussion - Service Expectations?

Community objectives?

- Price
 - You said?
 - Now you say?
- Scope
 - To/from the Klondike?
 - Within the Klondike?
- Quantity
- Quality

Discussion – Solutions?

- Market size
 - Visitor?
 - Business?
 - Government?
 - Local?
- Business models
 - Packaging with flights?
 - One-way returns?
 - Web coordination?
- Partnerships – would you do this?

Bicycle Rentals

Paul Robitaille

Round Table Wrap-Up

- Priorities
- Next Steps

