

CITY OF KELOWNA
MEMORANDUM

DATE: January 16, 2001
TO: City Manager
FROM: Airport General Manager
SUBJECT: **AIRPORT PUBLIC PARKING FACILITIES**

File: 0550-05
2380-20-8027.01

RECOMMENDATION

THAT Council authorize airport administration to enter into a sub-lease agreement with Royal Star Enterprises Inc. for the Kelowna International Airport public parking facilities effective April 1, 2001 for a period of two years, ending March 31, 2003 with a provision for three one-year renewals at the City's option;

AND THAT Council authorize the Mayor and City Clerk to sign the sub-lease on behalf of the City of Kelowna.

BACKGROUND AND COMMENTS

Public tenders were called between November 10, 2000 and January 12, 2001 with eight tenders received. The ranking of the tenders is based on percentage of gross revenue. Rent to the City will be based on the tendered percentage of monthly gross revenue in excess of \$50,000 and a fixed 60 percent of gross revenue on the first \$50,000 in monthly revenue.

The eight tenders received were ranked as follows:

	<u>Percentage Bid on Gross Revenue over \$50,000/month</u>
1. Royal Star Enterprises Ltd.	86.25%
2. Amco Commercial Cleaning	86.00%
3. Chanchal Bal DBA	83.25%
4. J. Hajj Enterprises Ltd.	78.10%
5. Roger Anabo	61.00%
6. Imperial Parking	60.00%
7. B.C. Corps of Commissionaires	55.00%
8. Randor Enterprises	50.00%

Royal Star Enterprises Inc., the high bidder, has operated the airport parking facilities over the past 11 years. The estimated revenue to the airport over the first two years of the contract will be approximately \$1,800,000. All terms and conditions are to be in accordance with Tender T00-71 which closed on January 12, 2001.

R. Sellick

BH/jmj