

CITY OF KELOWNA

MEMORANDUM

DATE: April 20, 2006

File: 0550-05
2320-20-8027.01

TO: City Manager

FROM: Airport General Manager

SUBJECT: **AIRPORT PUBLIC PARKING FACILITIES**

RECOMMENDATION:

THAT Council authorize Airport Administration to enter into a renewal of the sub-lease agreement with Royal Star Enterprises Inc. for the airport public parking facilities effective April 1 , 2006 for a period of one year ending March 31, 2007 with a provision for two one year renewals at the City's option;

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

BACKGROUND & COMMENTS:

The Airport received a proposal from the incumbent operator on December 9, 2005 for consideration of renewal of their current sub-lease agreement. A "Notice of Intent" with the City's desire to enter into a renewal was published with a closing date of March 16, 2006. In response to the notice of intent, Impark was the only other company that expressed an interest in the sub-lease. The Purchasing department and Airport staff then met with Impark to view their presentation and to offer a more detailed review of the sub-lease requirements. At that point Impark withdrew their interest in writing.

The total gross revenue in 2005 for the parking contract was \$1,906,315. Rent to the City is based on the current contract as a percentage of monthly gross revenue, 60% up to and including \$50,000 and 86.25% on all additional revenue.

Royal Star Enterprises has operated the airport parking facilities over the past 16 years.

The Purchasing department concurs with this recommendation.



R. Sellick

RS/DF/lab