



**Lease Agreement/Renewal
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5
AGENDA DATE: Thu 05/12/2005
PAGE: 1 of 1**

SUBJECT: Authorize the negotiation and execution of an amendment to the Parking Management Agreement with AMPCO SYSTEM PARKING, Houston, TX, to provide valet parking services at Austin-Bergstrom International Airport (ABIA) as a concession under which the City will receive concession fees equal to 10% of the first \$750,000 in annual valet gross revenue and 70% of annual valet gross revenue over \$750,000.

AMOUNT & SOURCE OF FUNDING: Revenue in the amount of \$35,381 is projected for the Fiscal Year 2004-2005 (May-September). This revenue is not reflected in the Department of Aviation's (DOA) Approved Fiscal Year 2004-2005 Budget.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Aviation
DEPARTMENT:

DIRECTOR'S
AUTHORIZATION: Jim Smith

FOR MORE INFORMATION CONTACT: Charles W. Gates, Director of Finance & Administration/
(512) 530-7526

PRIOR COUNCIL ACTION: Approved AMPCO contract - 6/24/04

BOARD AND COMMISSION ACTION: Approved by the Austin Airport Advisory Commission

The Department of Aviation entered into a contract with AMPCO System Parking for the management of ABIA parking facilities, effective 10/1/04. The management contract does not currently provide for valet parking services, which will be new to ABIA. In order to minimize the cost to the City to implement this service, the Department determined that valet parking should best be provided as a concession, separate from the management terms applicable to the Airport's other parking services. As a concession, AMPCO will pay the costs to start up and operate the valet service. Under the proposed amendment, AMPCO will provide valet parking for the remainder of the term of the Parking Management Agreement, which expires 9/30/09.

AMPCO will provide necessary staffing, revenue controls, reports at AMPCO's expense and pay the City Aviation Department concession fees equal to 10% of valet revenues up to \$750,000 and 70% of revenues over \$750,000 annually. The City Aviation Department will provide initial and on-going marketing to help publicize the new program. The valet service parking will be on the lower level of the parking garage with a pay station in the baggage claim area.

AMPCO and the Department of Aviation will review the valet service each year and make adjustments to ensure first class customer service, the City may terminate the service if the demand is low.