



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Approval of Lease & Concession Agreements with Hertz and Enterprise Car Rental Companies

MEETING DATE: February 22, 2017

PREPARED BY: Hardy S. Bullock, Director of Aviation & Community Services

RECOMMENDED ACTION: Approve the Hertz and Enterprise Rental Car Agency Lease and Concession Agreements.

DISCUSSION: The District has completed negotiations with Hertz and Enterprise to provide auto rental services on site within the designated facilities on the east side of the warehouse office building (WOB). Hertz has a long history of providing exclusive service on the airfield. Hertz was located in a legacy building on the current WOB building site. Hertz was temporarily displaced into Hangar 2 until the WOB was completed. Enterprise has never provided on site auto rental service at the airport. Enterprise, along with Avis and occasionally Hertz would “drop” keys for UNICOM staff and the auto rental would be handled by District staff. Enterprise has agreed to enter into a four year term for auto parking, concession and vehicle storage. The two agreements, one Hertz and one Enterprise are attached. They are functionally identical except for the office building portion; Enterprise has signed a 6 month office rental agreement with intent to test the business marketplace through a full service location lease. Enterprise’s current location in the Cameo Shopping Center was recently flooded. This temporary 6 month lease instrument is handled under the authority of the General Manager and has been signed by both parties. Staff anticipates a four year agreement will be reached prior to the expiration once Enterprise evaluates the long term viability of the location.

WHAT’S NEXT: A four year Office Lease Agreement with Enterprise is anticipated near the end of August if the location proves to be successful for Enterprise.

FISCAL IMPACT: Hertz Terms: 4 years. Office, Wash Bay, 12 parking spots yields \$1860 per month rent, \$300/month parking fees, 10% annual commission on all airport generated or exchanged transactions with a minimum annual guarantee of \$2400. On average Hertz revenue for the commission portion totals approximately \$75,180 per year. Total estimated annual revenue from Hertz is approximately \$101,000.

Enterprise Terms: 4 years for 5 parking spots totally \$125/month, 10% annual commission on all airport generated or exchanged transactions with a minimum annual guarantee of \$2400. 6 month short term Office Lease Agreement includes an additional 10 parking spots and yields \$1860 per month rent plus \$250/month parking fees. Staff anticipates similar concession revenue from Enterprise once the business location is established.

PUBLIC COMMUNICATIONS: A Request for Proposal was circulated for prospective rental car agencies. Social media posts and e-blast will contain news of the new rental car locations.

SAMPLE MOTION(S): I move to approve the Hertz and Enterprise Lease and Concession Agreements.

ATTACHMENTS:

Hertz Lease and Concession Agreement

Enterprise Lease and Concession Agreement