



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

AGENDA TITLE: Car Rental Agency Lease Agreements

MEETING DATE: May 24, 2017

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

RECOMMENDED ACTION: Approve a four year property lease and concession agreement with Enterprise Rental Car. Approve a four year parking and concession agreement with Avis Rental Car.

DISCUSSION: The District currently has two spaces within the newly constructed warehouse office building designed to accommodate car rental agencies. There is also approximately 60 parking spaces designated within the complex to accommodate rental car storage. Hertz has a four year property lease and concession agreement for one rental car office space and 12 parking spaces. Enterprise currently has a four year parking and concession agreement with the District for 10 parking spaces only and a six month agreement for office space. The attached lease and concession agreement for Enterprise is combining the two existing agreements into one single four year lease and concession agreement for office space and 15 parking spaces.

The Avis agreement attached here is a four year concession and parking agreement for two parking spaces only without any office space. The agreement allows Avis to offer airport rental car service while paying the District for parking privileges and all associated concession fees.

Hertz, Avis, and Enterprise all pay the same rate for parking, each pay equal concession fees, and the property lease rates per square foot including associated fees such as common area maintenance are identical.

FISCAL IMPACT: Enterprise Terms: four years. Office, Wash Bay, and 15 parking spots yields a total of \$1,860 per month rent plus \$375/month parking fees, 10% annual commission on all airport generated or exchanged transactions with a minimum annual guarantee of \$2,400. On average the existing Hertz revenue for the commission portion totals approximately \$75,180 per year. Total estimated annual revenue from Hertz is approximately \$101,000. Staff anticipates similar concession revenue from Enterprise once the business location is established.

Avis Terms: four years, two parking spots yields \$50 per month. 10% annual commission on all airport generated or exchanged transactions with a minimum annual guarantee of \$1,200.

PUBLIC COMMUNICATIONS: A procurement process based on District Policy was conducted for the warehouse office building rental car facilities. The process for lease and concession agreement approval by the Board was posted within the agenda on the District website.

SAMPLE MOTION(S): I move to approve the attached property lease/parking and concession agreements for Enterprise Rental Car and Avis Rental car companies.

ATTACHMENTS:

Property Lease and Concession Agreement for Avis Rental Car

Property Lease and Concession Agreement for Enterprise Rental Car