

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 15313 | Agenda Number | 7. |
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| Meeting Date: | 5/24/2012 | Department: | Aviation |
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Subject

Authorize negotiation and execution of revenue producing agreements with rental car companies to operate rental car concessions at a consolidated rental car facility at Austin-Bergstrom International Airport.

Amount and Source of Funding

This is a revenue generating agreement.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:

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| Prior Council Action: | <p>August 21, 1997: Council approved the award of revenue producing agreements to Avis Rent A Car, Advantage Rent A Car, Alamo Rent A Car, Budget Rent A Car, Dollar Rent A Car, National Rent A Car, and The Hertz Corporation to conduct rental car concessions at Austin-Bergstrom International Airport (“ABIA” or “Airport”).</p> <p>August 26, 1999: Council approved negotiation and execution of a revenue producing agreement with Enterprise Rent-A-Car Company of Texas (“Enterprise”) to operate a rental car concession at ABIA.</p> <p>March 11, 2010: Council approved the negotiation and execution of an initial reimbursement agreement with rental car companies holding concession agreements at ABIA for professional services to perform a study to determine the feasibility of a new rental car facility and parking garage at the Airport in an amount not to exceed \$454,000.</p> <p>July 29, 2010: Council approved the negotiation and execution of a second reimbursable agreement with rental car companies holding concession agreements at ABIA for professional services to perform design, planning, and related services for a new rental car facility and parking garage at the Airport in an amount not to exceed \$7,000,000.</p> |
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| For More Information: | Stephanie Tucker, Airport Properties Manager, 530-7507. |
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| Boards and Commission Action: | Recommended by the Austin Airport Advisory Commission. |
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| MBE / WBE: | This contract will be awarded in compliance with 49 CFR Part 23 of the City’s ACDBE Procurement Program (Airport Concession Disadvantaged Business Enterprise Procurement Program). |
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| Related Items: | |
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Additional Backup Information

Since ABIA opened in 1999, rental car customer service counters and staff offices have been situated inside the Airport terminal. Approximately 1,200 rental car ready return and staging spaces are located on the 3rd level of the Airport parking garage. The first two levels of the garage are used for public parking. Due to increasing passenger traffic, Airport officials and the rental car companies doing business at ABIA ("RACs") have been discussing ways to address the need for additional public parking and rental car company space. As a result, in November 2011, the Department of Aviation ("City") and the RACs signed a letter of intent for the planning, design, construction, financing, and operation of a multi-level public parking garage and consolidated rental car facility ("CONRAC") at the Airport. The CONRAC is planned to be built on the surface parking Lot A located immediately behind the existing parking garage. The City will use the ground level for public parking while the RACs will occupy the upper levels of the facility.

Currently, the following rental car companies hold concession agreements at ABIA: The Hertz Corporation, Avis Rent A Car System, LLC, EAN Holdings, LLC dba Enterprise Rent-A-Car, Vanguard Car Rental USA, LLC dba Alamo/National, Budget Rent A Car System, Inc., Simply Wheelz, LLC dba Advantage Rent A Car, Clearwater Transportation, Inc. dba Thrifty Car Rental, Clearwater Transportation, Inc. dba Dollar Rent A Car, and Texas Rent A Car, LLC dba Ace Rent A Car. A new concession agreement needs to be negotiated with the RACs in order to operate their rental car concessions in the new CONRAC facility. The concession agreement will have a term of ten (10) years with two additional five (5) year renewal periods. The concession agreements will become effective on the date of beneficial occupancy of the CONRAC facility. The Department of Aviation will ensure local companies have the opportunity to bid to operate in the new CONRAC facility.

Airport concessions are subject to the federal Airport Concession Disadvantage Business Enterprise ("ACDBE") regulations (49 CFR Part 23), and the federally approved City of Austin ACDBE plan ("City ACDBE Plan"). The RACs will submit to the City an ACDBE Compliance Plan ("Compliance Plan") concerning the ACDBE firms that will participate in this concession. All rental car companies doing business at ABIA shall comply with 49 CFR Part 23, the City ACDBE Plan, and their respective Compliance Plans.