



City of Killeen

Legislation Text

File #: RS-16-113, Version: 1

Consider a memorandum/resolution approving Killeen-Fort Hood Regional Airport rental car lease agreement renewals.

AGENDA ITEM

Killeen-Fort Hood Regional Airport Rental Car Lease Agreement Renewals

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

The Killeen-Fort Hood Regional Airport leases retail facilities in the terminal building to various businesses to provide appropriate services to the public as well as to provide revenue sources for the airport enterprise fund. Rental car company tenants were last selected as a result of Bid #11-28. On August 9, 2011, Council approved rental car concession lease agreements with Checker Leasing, Inc., Clearwater Transportation, Ltd., EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car Company, EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, and The Hertz Corporation. The initial agreements were for a period of five years and are set to expire on September 30, 2016.

DISCUSSION/CONCLUSION

Provisions in the initial lease agreements include an option for the tenants to extend the term of the lease agreements for an additional two years with the approval of the City Council. Staff has coordinated with each of the incumbent rental car company tenants and proposes to extend the terms of each of the tenants by two years at the current rate structure.

FISCAL IMPACT

Total annual revenue to the Killeen-Fort Hood Regional Airport Enterprise Fund represented by these lease agreements is estimated at approximately \$722,827 in account number 525-0000-324.05-00 AIRPORT RENT & CONCESSION, and \$252,000 in account number 526-0000-324.52-00 CUSTOMER FACILITY CHARGES.

RECOMMENDATION

City Council approve Addendum No. 1 to Checker Leasing, Inc., Addendum No. 1 to Clearwater Transportation, Ltd., Addendum No. 1 to EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car Company, Addendum No. 1 to EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, and Addendum No. 1 to The Hertz Corporation Rental Car Company Lease Agreements, extending the term for a period of two years beginning October 1, 2016, and ending September 30, 2018, and to authorize the City Manager to execute same.