



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting March 19, 2024
Second Reading Ordinance for the City Council Meeting March 26, 2024

DATE: March 19, 2024
TO: Peter Zaroni, City Manager
FROM: Kevin Smith, Director of Aviation
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Ordinance authorizing a one-year lease agreement with Turo, Inc. for Peer-to-Peer Vehicle Sharing Services at Corpus Christi International Airport.

CAPTION:

Ordinance authorizing the City Manager to execute a one-year lease agreement with Turo, Inc. for peer-to-peer vehicle sharing service at Corpus Christi International Airport, with two one-year options to renew, in consideration of monthly lease payments based on 10% of gross revenue.

SUMMARY:

The operating agreement gives Turo the ability to operate in designated paid parking lots of the Corpus Christi International Airport for a percentage of gross revenue. The term of the operating agreement is for one year, with two one-year options for renewal.

BACKGROUND AND FINDINGS:

Turo is a peer-to-peer carsharing company based in San Francisco, California. The company does not own nor maintain any vehicles, but allows private vehicle owners to rent their vehicles to others via a phone app. The company launched in 2012 and its usage skyrocketed during the COVID pandemic. Since then, the company has continued to grow in communities across the country.

Turo operates in the Corpus Christi community, and many vehicle owners offer the ability to pick up their vehicle at Corpus Christi International Airport. Today, these vehicles are parked in Short Term and exchanged with renters without any revenue of this transaction being captured by the City.

Airport staff and Turo began discussions in 2023 to enter an operating agreement. The terms of the agreement include a concessionaire fee equal to ten percent of gross revenues. Turo users will be authorized to operate in the Short Term parking lot but must pay the daily rate for the parking lot. No parking spaces are expressly reserved for Turo

vehicles.

ALTERNATIVES:

Alternatives include allowing Turo to continue to operate without an operating agreement, which relieves them of remitting any revenue to the City.

FISCAL IMPACT:

The airport will receive a use fee equal to 10% of the gross revenue related to any transaction in which a shared vehicle driver selects the airport for delivery of a shared vehicle. Parking lot fees are applicable for all vehicles parked longer than 3 hours.

FUNDING DETAIL:

Fund:	4610
Organization/Activity:	35000
Department:	53
Project # (CIP Only) :	n/a
Account:	320650

RECOMMENDATION:

City staff recommends approval of this action item.
The Airport Board recommended approval of this action item at their regularly scheduled Board meeting.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Peer to Peer Car Sharing Agreement