



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting November 19, 2019
Second Reading Ordinance for the City Council Meeting December 10, 2019

DATE: October 22, 2019
TO: Peter Zaroni, City Manager
FROM: Fred Segundo, Director of Aviation
FredS@cctexas.com
(361) 289-0171

Assignment and Assumption of On-Airport Rental Car Concession and Lease Agreement

CAPTION:

Ordinance consenting to and ratifying an assignment of the On-Airport Rental Car Concession and Lease Agreement ("Agreement") from Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car), and South Texas Auto Rental Services, LLC (dba Budget Rent A Car), to Avis Budget Car Rental, LLC.

SUMMARY:

Avis Budget Group has been acquiring its third party franchisees. In the Coastal Bend these include Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car) and South Texas Auto Rental Services, LLC (dba Budget Rent A Car). As such Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car) and South Texas Auto Rental Services, LLC (dba Budget Rent A Car) have assigned to Avis Budget Car Rental, LLC all of its rights and interest in and to the On-Airport Rental Car Concession and Lease Agreement to Avis Budget Car Rental, LLC.

BACKGROUND AND FINDINGS:

The City, Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car), and South Texas Auto Rental Services, LLC (dba Budget Rent A Car), previously executed an On-Airport Rental Car Concession and Lease Agreement dated September 25, 2019. Avis Rent A Car and Budget Rent A Car have assigned all of its rights and interest in the Agreement to Avis Budget Car Rental, LLC effective October 3, 2019. Therefore, the City, Avis Rent A Car, and Budget Rent A Car desire to enter into an assignment and assumption to the On-Airport Rental Car Concession and Lease Agreement to formally agree that Avis Budget Car Rental, LLC will assume the lease agreement. Avis Budget Group will continue to provide Avis and Budget rental options so this assignment will not affect the number of rental car options available to the customers of the Corpus Christi International Airport.

ALTERNATIVES:

No viable alternative exists.

FISCAL IMPACT:

This is a revenue neutral assignment. Avis Budget Group will lease the counter/office space, ready/return lot parking spaces, QTA office spaces, shop/maintenance spaces, QTA parking spaces, and common space that were leased by Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car) and South Texas Auto Rental Services, LLC (dba Budget Rent A Car). Avis Budget Group will also assume the minimum annual guarantees of both companies. The Avis Budget Group will pay the airport \$313,014.19 annually based on the space they are leasing and the Minimum Annual Guarantee in the bids for the Concession.

Funding Detail:

Fund:	4610 Airport Fund
Organization/Activity:	35000 Airport Administration
Mission Element:	888
Project # (CIP Only):	N/A
Account:	320310 Auto Rental Concession

RECOMMENDATION:

Staff recommends approval of this ordinance consenting to and ratifying an assignment on the On-Airport Rental Car Concession and Lease Agreement with Coastal Bend Rent-A-Car, Inc. (dba Avis Rent A Car) and South Texas Auto Rental Services, LLC (dba Budget Rent A Car) to Avis Budget Car Rental, LLC for the operation of a car rental concession and lease at the Corpus Christi International Airport as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Assignment of Automobile Rental Concession and Lease