

## AGENDA



Thursday, July 29, 2010

## Aviation

Item No. 3

## RECOMMENDATION FOR COUNCIL ACTION

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**Subject:** Approve negotiation and execution of an amendment to the Austin-Bergstrom International Airport rental car service center lease with Budget Rent A Car System, Inc. and authorizing the purchase of Budget's leasehold improvements in the amount of \$312,500.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Aviation Department.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** David Petersen, General Counsel, 530-7526

**Boards and Commission Action:** Recommended by the Austin Airport Advisory Commission.

**Prior Council Action:** October 1, 2009 – Council passed a resolution directing the City Manager to develop a plan for a taxicab driver climate controlled facility at ABIA.

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When Austin-Bergstrom International Airport opened, Ryan and Davis, Inc. Budget Rent A Car System Inc.'s franchisee leased a tract of land at the Airport to design, construct, operate and maintain a facility to service Budget Rent A Car's vehicles rented at the Airport (the "Service Center Lease"). The Service Center Lease was subsequently assigned to Budget Rent A Car System Inc. For the last few years, Budget's vehicles have been primarily serviced at the airport service center operated by its sister company in the Avis Budget Group, Avis Rent A Car System, Inc. The Budget service center has been primarily used for overflow parking for Avis and Budget rental cars.

The Department of Aviation seeks to relocate its existing Airport Ground Transportation Staging Area (GTSA) to the Budget Service Center. The GTSA is where taxicabs, limousines, and other ground transportation vehicles stage before proceeding to the airport terminal. The Service Building on the Budget site would be converted into a climate controlled facility, including restrooms and a waiting room, for taxicab drivers and other ground transportation vehicle drivers.

The existing GTSA could be used either for a cell phone lot or as part of an Airport commercial retail development. A cell phone lot is a place for persons who are driving to the airport to pick up arriving passengers to wait until they receive a call from the arriving passenger saying that they are ready and come to the terminal and pick them up. A cell phone lot will enhance customer convenience, and free up space in the terminal parking garage, and reduce traffic on the terminal curb and circling on the airport roadway system.

The Aviation Department proposes to amend the Budget Service Center Lease to delete from the leased premises approximately 3 acres of land, including the service center building, and reimburse Budget for the unamortized cost of its capital expenditures to construct the improvements on the premises, including the service center facility. Budget would retain approximately 1.59 acres of the service center leasehold for overflow parking, under the amended lease.