



**FORMAL AGENDA ITEM**

**COUNCIL MEETING DATE:** October 27, 2009

**TO:** Honorable Mayor and Members of City Council

**VIA:** Penelope Culbreth-Graft, DPA - City Manager

**FROM:** Mark Earle, Director of Aviation

**Subject:** AN ORDINANCE AMENDING ORDINANCE NO. 08-213 (2009 APPROPRIATION ORDINANCE) IN THE AMOUNT OF \$250,000 FOR THE RELOCATION OF RENTAL CAR COMPANY TERMINAL SPACE AND READY RETURN SPACE AT THE COLORADO SPRINGS AIRPORT

**Strategic Goal:**



**SUMMARY:**

Attached is an ordinance to establish appropriations and funding sources in the amount of \$250,000 for the relocation of rental car company terminal space and ready return space at the Colorado Springs Airport.

**PREVIOUS COUNCIL ACTION:**

None.

**BACKGROUND:**

In 2004, the Airport received proposals from several rental car companies to offer on-airport rental car concessions. From these proposals, a five-year concession agreement was established effective January 1, 2005. This agreement governs the operations of the rental car concession activity and is due to expire on December 31, 2009.

Due to the recession, many Airports that have had to issue RFPs for rental car concessions over the past year have lost significant ground on concession fees. Economic uncertainty has also created difficulty for the rental car companies in their efforts to obtain accurate information to develop proposals. This has led to a growing trend of airports extending their existing agreements for a period of one to two years so that new proposals can be developed in a more stable economic climate.

Following this trend, the Colorado Springs Airport and its incumbent rental car companies are negotiating a two-year extension of the existing rental car concession agreement at the Airport that will be beneficial for all parties. Over the past several years; however, several of the rental car companies at the Airport have merged, and while they have retained separate brands, they have begun sharing facilities and personnel resources to increase efficiencies and reduce costs. To facilitate these changes, the rental car companies have asked the Airport to reconfigure their leased office, ticket counter and parking facilities as a part of the two-year extension.

This agenda item is to establish appropriations and funding sources in an amount not to exceed \$250,000 to complete the requested changes in conjunction with the extension of the rental car concession agreement at the Colorado Springs Airport.

**FINANCIAL IMPLICATIONS:**

In March 2004, City Council approved a Customer Facility Charge (CFC) Ordinance allowing the Airport to continue collecting a \$1.50 per day fee on each rental car transaction. Funds collected under this ordinance can be used to fund projects specifically related to rental car operations at the Airport. The rental car companies have requested that CFCs be used to fully fund the cost of this project.

The Airport will contract for design services and will utilize in-house labor for construction of this project. The Airport will then reimburse itself from the CFC reserve balance for all costs incurred on the project. The final amount of the reimbursement will be negotiated with the rental car companies prior to initiation of design and construction.

**BOARD/COMMISSION RECOMMENDATION:**

Capital improvement projects are presented to the Airport Advisory Commission and ongoing status reports are provided.

**STAKEHOLDER PROCESS:**

The Airport is an enterprise fund that obtains capital funding from FAA grants, State grants, Passenger Facility Charges, Customer Facility Charges, and the Airport Capital Improvement Fund. While no stakeholder process is required for the approval of capital projects under these programs, the Airport seeks public input through the Airport Advisory Commission process. In addition, the Airport coordinates PFC funded projects with the airlines that provide service to Colorado Springs.

**ALTERNATIVES:**

Without this ordinance, the Airport will not be able to accommodate the rental car companies' request to be relocated for more efficient operations.

**RECOMMENDATION:**

Airport staff recommends approval of this ordinance.

**PROPOSED MOTION:**

Move to amend appropriation Ordinance No. 08-213 (2009 appropriation ordinance) in the amount of \$250,000 for the relocation of rental car company terminal space and ready return space at the Colorado Springs Airport.

c: Michael L. Anderson, Assistant City Manager  
Terri Velasquez, Chief Financial Officer  
Gisela Shanahan, Assistant Director of Aviation  
Public Communications

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING ORDINANCE NO. 08-213 (2009 APPROPRIATION ORDINANCE) IN THE AMOUNT OF \$250,000 FOR THE RELOCATION OF RENTAL CAR COMPANY TERMINAL SPACE AND READY RETURN SPACE AT THE COLORADO SPRINGS AIRPORT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Ordinance No. 08-213 is hereby amended by increasing revenue and expenditures in the amount of \$250,000 for the following project at the Colorado Springs Airport:

- Relocation of Rental Car Company Terminal Space and Ready Return Space

Section 2. This ordinance shall be in full force and effect from and after its passage and publication as provided by the Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance shall be available for inspection and acquisition in the Office of the City Clerk and at the Colorado Springs Municipal Airport.

Introduced, read, passed on first reading and ordered published this 27th day of October, 2009.

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Mayor

ATTEST:

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City Clerk