

Ordinance No. 981-2021

By Council Members J. Jones and Kelley
(by departmental request)

AN EMERGENCY ORDINANCE

To repeal Ordinance No. 129-2021, passed April 5, 2021 and Ordinance No. 682-2021, passed September 27, 2021, relating to car rental companies that operate at Cleveland Hopkins International Airport; and to authorize the Director of Port Control to enter into one or more amendments to the existing Lease by Way of Concession Agreements to amend the termination dates, to extend the contracts and leases for one year, and to update the Guaranteed Minimum Privilege Fee for some companies.

WHEREAS, under Ordinance No. 1024-97, passed June 16, 1997 and Ordinance No. 699-08, passed December 8, 2008, this Council authorized contracts and leases with several rental car companies to operate rental car concessions at Cleveland Hopkins International Airport (“Car Rental Companies”) and to lease space for vehicle service and support relating to car rentals; and

WHEREAS, under Ordinance No. 185-15, passed March 16, 2015, these contracts and leases were amended to run coterminous with one another; and

WHEREAS, under Ordinance No. 248-2020, passed March 23, 2020, these contracts and leases were extended for a term of one year, expiring on February 28, 2021; and

WHEREAS, under Ordinance No. 129-2021, passed April 5, 2021, these contracts and leases were extended for a term of one year, expiring on February 28, 2022; and

WHEREAS, under Ordinance No. 682-2021, passed September 27, 2021, the Guaranteed Minimum Privilege Fees were amended; and

WHEREAS, one or more of the Car Rental Companies have requested a change in the contract terms that will meet the need for consistency with the accounting period in use by the car rental companies and the practice followed by the Finance Department for the Department of Port Control, which is to have all leases begin on February 1st of each year; and

WHEREAS, this change affects why Ordinance No. 129-2021 and Ordinance No. 682-2021 were passed, and for that reason, they should be repealed; and

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

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BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That Ordinance No. 129-2021, passed April 5, 2021 and Ordinance No. 682-2021, passed September 27, 2021 are repealed.

Section 2. That the Director of Port Control is authorized to enter into one or more amendments to the following contracts and leases to amend the termination date to January 31, 2022 (the “Amendment”) and to further extend the contracts and leases for one additional year beginning February 1st, 2022:

<u>Name</u>	<u>Contract Number</u>
Avis Rent A Car, Inc. (Service Area)	52442
Dollar Rent A Car Systems, Inc. (Service Area)	52457
National Car Rental System, Inc. (Service Area)	52459
CLERAC, Inc. dba Enterprise Rent-A Car (Service Area)	52461
HMS Management Services, Inc. dba Thrifty Rent-A Car (Service Area)	52473
The Hertz Corporation (Service Area)	52556
Budget Rent A Car System, Inc. (Service Area)	52600
CLERAC, LLC (Lease By Way of Concession)	69919
Budget Rent A Car System, Inc. (Lease By Way of Concession)	69920
DTG Operations, Inc. (Lease By Way of Concession)	69921
Avis Rent A Car System, LLC (Lease By Way of Concession)	69922
The Hertz Corporation (Lease By Way of Concession)	69923

Section 3. That the Amendment shall also include changes to the Guaranteed Minimum Privilege Fee which shall be in effect for the following companies:

Company	Annual	Monthly		
	Feb. 1, 2021 through January 31, 2022	February 1, 2021 through July 31, 2021	August 1, 2021 through January 31, 2022	Average
Enterprise	\$2,022,000	\$134,800	\$162,718	\$148,759
Avis	743,000	49,533	59,335	54,434
Budget	607,000	40,467	49,876	45,171.50
Hertz	1,075,000	71,667	85,589	78,628
Dollar/Thrifty	455,000	30,333	36,758	33,545.50
Total	\$4,902,000	\$326,800	\$394,276	\$360,538

Current 2020 Minimum Annual Guarantee \$624,744

2021 vs. 2020 -48% -37% -42%

Section 4. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

RS:nl
11-8-2021
FOR: Director Kennedy

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REPORT
after second Reading

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READ FIRST TIME on NOVEMBER 8, 2021

and referred to DIRECTORS of Port Control, Finance, Law
COMMITTEES on Transportation, Finance

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

Recorded Vol. 108

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PASSAGE RECOMMENDED BY
COMMITTEE ON
TRANSPORTATION

FILED WITH COMMITTEE

PASSAGE RECOMMENDED BY
COMMITTEE ON
FINANCE

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