



Ocala

110 SE Watula Avenue
Ocala, FL 34471

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Item Details

File Number: 2023-0148

ID #: 2023-0148	Type: Agenda Item	Status: Passed
Version: 1	Placement: 8	In Control: City Council
Presented By: :		File Created: 11/01/2022
		Final Action: 11/15/2022

Item Title: Approve first amendment to Rental Car Concession Agreement and Lease with Enterprise Leasing Company of Florida, LLC

Internal Notes:

Target Meeting: 11/15/2022

Sponsors:

Enactment Date:

Attachments: FOR COUNCIL - First Amendment - Rental Car Concession Agreement and Lease - Enterprise Leasing Company of Florida LLC (AIR-190688), Fully Executed - Enterprise Leasing Company of Florida (AIR-190688)

Enactment Number:

Recommendation:

Hearing Date:

Entered by: mgrow@ocalafl.org

Effective Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	11/15/2022	Approved				Pass
	Action Text:						
	Notes:	There being no discussion the motion carried by roll call vote.					
	Aye:	5 Pro Tem Hilty Sr, Pro Tem Dreyer, Council Member Mansfield, Council Member Musleh, and Council President Bethea Sr					

Text of Legislative File 2023-0148

Submitted By: Matthew Grow, Airport Director
Presentation By: Matthew Grow
Department: Aviation

STAFF RECOMMENDATION (Motion Ready):

Approve first amendment to Rental Car Concession Agreement and Lease with Enterprise Leasing Company of Florida, LLC

OCALA’S RELEVANT STRATEGIC GOALS:

Operational Excellence.

PROOF OF PUBLICATION:

N/A

BACKGROUND:

Enterprise Leasing Company of Florida, LLC, d/b/a Enterprise Rental Car (“ERC”) reports that post-COVID, the business environment has changed, resulting in a reduction in retail business in markets like Ocala. This market shift resulted in their vehicle replacement business (“Car Insurance-Related Business”) being a larger part of their overall business than was previously anticipated. The car insurance-related business is approximately 44% of total sales when it was previously around 36%.

As part of ERC’s rent in the original lease agreement, they pay a 10% commission on their gross receipts to the City. Excluded from that 10% is their car insurance-related business, capped at 35% of their gross reported sales. This amendment retains that 35% exclusion but reduces the remaining amount from 10% to 3%. ERC continues to pay 10% on all other business activities.

FINDINGS AND CONCLUSIONS:

ERC requested this change in January 2022, and it is effective retroactively on June 1, 2022.

The proposed amendment was circulated throughout the City departments including City Auditor and Assistant Finance Director.

The Airport Advisory Board supports the amendment, reviewing the amendment at its May 26, 2022 meeting.

FISCAL IMPACT:

FY21/22 concession fees paid by ERC were \$202,850 and the adjustment for the insurance-related portion is \$6,405. This amount will be credited to ERC’s first commission payment for FY22/23.

Overall, the amendment will reduce revenues by approximately 10%-12%, based on current ERC business activities (ratio between retail rentals and insurance rentals).

PROCUREMENT REVIEW:

These services were procured in compliance with the City’s Procurement Policy.

LEGAL REVIEW:

This Amendment will be reviewed and approved for form and legality by City Attorney, William E. Sexton.

ALTERNATIVE:

- Approve
- Approve with Changes
- Table
- Deny

