Office of the Chicago City Clerk

O2012-68

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City Council Document Tracking Sheet

Meeting Date:	1/18/2012
Sponsor(s):	Zalewski, Michael R. (23)
Type:	Ordinance
Title:	Authorization to amend Chicago O'Hare International Airport Rental/Car Concession License Agreement Terms
Committee(s) Assignment:	Committee on Aviation

AVIATION

WHEREAS, the City of Chicago ("City") owns and operates an airport known as Chicago O'Hare International Airport ("Airport"); and

WHEREAS, the City may enter into leases and licenses for the use of Airport facilities, including licenses for the privilege of operating rental car concessions at the Airport; and

WHEREAS, the City may place restrictions on and establish fees and charges for the use of Airport facilities; and

WHEREAS, pursuant to this authority, the City has entered into concession license agreements with car rental companies identified in Exhibit A ("Licensees") to the ordinance passed by the City Council on December 12, 2007 entitled "AUTHORIZATION FOR EXECUTION OF RENTAL CAR CONCESSION LICENSE AGREEMENTS WITH VARIOUS ENTITIES AT CHICAGO O'HARE INTERNATIONAL AIRPORT"; and

WHEREAS, the concession license agreements permit the Licensees to impose and collect a Concession Recovery Fee; and

WHEREAS, when the December 12, 2007 ordinance was passed by the City Council, State of Illinois law specifically prohibited Licensees from charging a Concession Recovery Fee to anyone other than "Business renters" or "Business program sponsors"; and

WHEREAS, State of Illinois law has recently been amended to permit Licensees to charge a Concession Recovery Fee to all customers; and

WHEREAS, in order for Licensees to charge a Concession Recovery Fee to all of its customers, not just "Business renters" or "Business program sponsors", Exhibit B to the ordinance passed by the City Council on December 12, 2007 shall be amended as follows; and

WHEREAS, this City Council desires to authorize the Commissioner to negotiate and execute certain amendments to the Current License Agreements; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

Exhibit "B".

Chicago O'Hare International Airport Rental

Car Concession License Agreement Terms.

Term. Five (5) years, subject to early termination by the City in the event of implementation of a consolidated rental car facility.

Minimum Annual Guarantee ("M.A.G."). The M.A.G. proposal amount is the first year M.A.G.. Second and subsequent years' M.A.G. is eighty-five percent (85%) of the previous

year's concession fees payable to the City, but in no event less than the M.A.G. proposal for the first year.

Concession Fee. Ten percent (10%) of Gross Revenues.

Concession Recovery Fee. Permitted to the extent authorized by state law. Amount of fee charged by concessionaire to its customers cannot exceed an amount equivalent to eleven and one-tenth percent (11.1%) of Gross Revenues.

Definition of Gross Revenues. "Gross Revenues" means all revenues paid or due to the Licensee arising out of or in connection with Licensee's operation at the Airport, including without limitation: all time and mileage revenues and all revenues from the sale of personal accident insurance, or any insurance of a similar nature, all Concession Recovery Fees, and all other revenues paid or due to Licensee arising out of or in connection with its operation at the Airport. Gross Revenues shall not include; amounts of any federal, state or municipal taxes; C.F.C.s collected by the Licensee; sums received by the Licensee for damage to Automobiles or the Licensee's property or premises, or from loss, conversion, or abandonment of Automobiles; amounts for credits and refunds to customers for transactions made at the Airport; sums received by reason of Licensee's disposal of personal property (capital assets). The retroactive adjustment by Licensee of Gross Revenues designated as volume discounts or rebates, corporate discounts or rebates, or any other designation of any nature, or for any purpose, is prohibited.

ACDBE Compliance. Must comply with applicable federal ACDBE regulations. Incumbents must be current in all ACDBE reporting to the City.

Bus Operating Standards. During the term, the City intends to implement additional operating standards for the buses operated by the rental car companies at the Airport, in order to regulate the frequency of courtesy bus trips on airport and terminal roadways. When implemented, the companies agree to abide by these standards.

Customer Facility Charge. ("C.F.C."). City Council has enacted a C.F.C. on rental car transactions at the Airport. Licensee agrees to collect and remit C.F.C. revenues to the City. Licensee agrees it will cooperate with the City in pursuing implementation of a C.F.C., and development of a consolidated rental car facility at the Airport. Failure to cooperate will be an event of default under the concession license agreement.

Performance Guarantee/Security Deposit. Licensee will be required to furnish the City with an irrevocable letter of credit drawn on a local bank in the amount equal to the total of three (3) months of the Minimum Annual Guarantee. The amount of the performance guarantee will be adjusted annually consistent with changes to Licensee's Minimum Annual Guarantee.

Michael R. Zalewski

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23rd Ward