

RESOLUTION 22-13 – AUTHORIZING THE EXECUTION OF A CONCESSION AGREEMENT FOR RENTAL CAR SERVICES AT THE CAPE MAY FERRY TERMINAL

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority of the State of Delaware and the State of New Jersey that operates and maintains the Cape May-Lewes Ferry system and adjoining facilities and infrastructure at each Ferry terminal location; and

WHEREAS, the Authority desires car rental services at the Cape May-Lewes Ferry terminals to better serve its customers; and

WHEREAS, Avis Budget Car Rental, LLC, a Delaware Limited Liability Corporation, (“Avis”) desires to provide these services; and

WHEREAS, the Authority has agreed to provide Avis use of a customer service counter area in the Cape May terminal building together with thirty-five overnight parking spaces; and

WHEREAS, the term of the Concession Agreement (“Agreement”) is for Three (3) years; and

WHEREAS, Avis has agreed to pay the Authority the following:

- a. Annual Counter and Storage Space Rent in the amount of \$3,000.00; and
- b. Annual Parking Space Rent in the amount of \$6,000.00; with additional fees assessed for any additional parking spaces; and
- c. Annual Concession Fee equal to the greater of the percentage of Gross Receipts or a Guaranteed Minimum Concession Fee of \$10,200.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Concession Agreement with Avis Budget Car Rental at, with the consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

RESOLUTION 22-13 EXECUTIVE SUMMARY SHEET

Resolution: **Authorizing the Execution of the Concession Agreement for Rental Car Services at the Cape May Ferry Terminal**

Committee: Budget and Finance

Committee/Board Date: April 19, 2022

Purpose of Resolution: To authorize a Concession Agreement between the Delaware River and Bay Authority and Avis for rental car services at the Cape May Ferry Terminal.

Background for Resolution: In 2021, the Authority entered into a one-year agreement with Avis to provide rental car services at the Cape May Ferry Terminal. The parties now desire to enter into a three-year agreement. The Concession payment is made up of three components, Counter and Storage Space Rent, Parking Space Rent, and an Annual Concession Fee. The Annual Concession Fee has an annual guaranteed minimum of \$10,200. However, the Authority will receive additional payment based on a percentage of the gross receipts. The percentage of gross receipts is broken down as follows:

3% of monthly gross receipts up to \$41,666 (\$500,000 annually)

7% of monthly gross receipts from \$41,661.01 to \$66,666 (between \$500,000 and \$800,000 annually)

9% of monthly gross receipts above \$66,666 (above \$800,000 annually)