

CITY OF LONG BEACH

LONG BEACH AIRPORT

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March 3, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to reimburse Million Air North, Inc., for expenses related to a Temporary Quick Turnaround facility for rental cars located at the Long Beach Airport. (District 5)

DISCUSSION

City Council authorization is requested to reimburse Million Air North, Inc. (MANI), for costs related to the planning, programming and preliminary design of a Quick Turnaround facility (QTA) for rental cars located on Airport property in the amount of \$126,850.

Due to space constraints, the rental car agencies (RAC) do not have an on-site consolidated location that provides the full accompaniment of individual fuel, wash and vehicle storage facilities to meet their operating needs. Currently, MANI provides limited support facilities with subleased space to most of the RAC. The temporary QTA was a project designated to provide a short-term solution for the RAC until a permanent QTA could be built.

MANI is the prime tenant on Parcel A-1, which was determined to be an appropriate area for construction of the temporary QTA. In early 2012, discussions were initiated between Airport staff, MANI, and the RAC to develop the temporary QTA. MANI engaged planning and design firms on behalf of the Airport to work on the overall planning and financial aspects of the project and produce preliminary program requirements. Concurrently, as part of the Phase II improvements to the Terminal Area (Phase II), Airport staff continued to work to identify a location for a permanent QTA.

In 2013, a location for permanent QTA was identified and MANI and the RAC were notified that efforts for the temporary QTA should stop. Subsequently, in December 2014, MANI submitted a request to the Airport for payment of the costs incurred to date for the temporary QTA. Airport engineering staff reviewed the charges and preliminary program requirements submitted by MANI and have agreed that the work product has value for the design-build of the permanent QTA.

The work product provided by MANI has been incorporated into the design-build documents for Phase II and will be included in the RFP to be released in the spring of 2015. Therefore, it is necessary to provide direct reimbursement to MANI in the amount of \$126,850 for costs incurred for development of a temporary QTA.

HONORABLE MAYOR AND CITY COUNCIL

March 3, 2015

Page 2

This matter was reviewed by Deputy City Attorney Richard Anthony on February 5, 2015 and by Budget Management Officer Victoria Bell on February 9, 2015.

TIMING CONSIDERATIONS

City Council action on this matter is requested on March 3, 2015, in order to expedite payment to MANI.

FISCAL IMPACT

On January 17, 2012, the City Council authorized the collection of a Customer Facility Charge (CFC) at a rate of \$10 per car rental transaction, to fund the development of consolidated rental car facilities and consolidated ground transportation systems. Through the end of FY 2014, \$4,243,611 was collected in the Airport Fund (EF 320). CFC funds will be utilized to make the \$126,850 payment to MANI. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



BRYANT L. FRANCIS
DIRECTOR, LONG BEACH AIRPORT

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APPROVED:



PATRICK H. WEST
CITY MANAGER