



City of San Antonio

Agenda Memorandum

File Number: 15-4009

Agenda Item Number: 18.

Agenda Date: 8/6/2015

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to Concession Agreement for Luggage Carts at San Antonio International Airport

SUMMARY:

This Ordinance authorizes an amendment to the concession agreement with Smarte Carte, Inc. (Smarte Carte) at the San Antonio International Airport. Smarte Carte provides self-serve luggage carts for passengers to rent at the airport. This amendment will extend their current agreement for an additional five years with the option of three one-year renewals. The Minimum Annual Guarantee (MAG) is \$25,000.00.

BACKGROUND INFORMATION:

In October 2003, the City Council authorized a concession agreement with Smarte Carte for self-serve luggage carts at the San Antonio International Airport through Ordinance 98373. The City would like to extend the agreement for an additional five years with the option of three one-year renewals. Smarte Carte is the sole operator of this type of service in the United States.

The amendment will also authorize the following modifications to the agreement:

- Terminate the month-to-month tenancy established by the previous amendment.
- Define the Effective Date of this amendment and establish the amendment term to commence on that date.
- Require Smarte Carte to replace and install new luggage carts and storage racks, define the location of racks, and set forth street pricing policy and requirements.
- Increase the charge for the use of luggage carts from \$4.00 to \$5.00.

ISSUE:

City Staff is requesting that City Council authorize an amendment to the concession agreement for self-serve luggage carts at the San Antonio International Airport.

ALTERNATIVES:

City Council could elect to not authorize this amendment. However, this service is popular with passengers and Smarte Carte is the sole vendor of these services.

FISCAL IMPACT:

The Minimum Annual Guarantee (MAG) will be \$25,000.00. For each subsequent lease year, the MAG will be set at 85% of the rent payables during the previous year; but not less than \$25,000.00.

RECOMMENDATION:

Staff recommends the authorization of the amendment to the concession agreement with Smarte Carte, Inc. for the San Antonio International Airport.