



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, October 26, 2021
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	ACTION
<b>Subject:</b>	Renew Lease Agreement with Enterprise Leasing Company at Southwest Minnesota Regional Airport.
<b>Background Information:</b>	<p>City staff has been in contact with Enterprise leasing staff for many months working toward resolution on a new lease agreement. The existing lease agreement has been expired since 2011 and needs replacement.</p> <p>To meet new company requirements, Enterprise requires an indoor vehicle detailing location for all-year vehicle cleaning and maintenance. To help accommodate this need, City staff has been allowing Enterprise to utilize the 'wash bay' space in the city maintenance building that is attached to the WPA hangar building.</p> <p>Long term, Enterprise requires this 'wash bay' area to be improved to meet company standards. This includes epoxy floor painting, mold-resistant wall board, improved lighting, and some additional outlet locations. To accommodate Enterprise's needs, the City is proposing to install these improvements with our staff if Enterprise agrees to pay for the materials. Material costs are estimated at \$1,500.</p> <p>Included in the packet is a redlined copy of the proposed lease agreement with Enterprise. The Airport Commission reviewed the agreement and recommended approval to the City Council at their October 5, 2021 meeting. The proposed agreement identifies the new wash bay space for Enterprise use, it updates parking space locations for Enterprise use, and it includes new monthly rental rates for the next five years.</p>
<b>Fiscal Impact:</b>	The rental rates for the first 3 years reflect a similar rate that was paid in the old agreement. Enterprise has cited our small market and difficult rental vehicle market in recent years as reasons for maintaining a similar rental rate. The rental rate is scheduled to increase in both 2025 and 2026.
<b>Alternative/ Variations:</b>	No alternative actions recommended.
<b>Recommendation:</b>	that the Council authorize the execution of the attached lease agreement with Enterprise Leasing Company of Eagan, Minnesota.