



CAR RENTAL SHOW 2010

JEFF WEINER, PGAL, MODERATOR

Consolidated Rental Car Facilities

**OPPORTUNITIES,
OBSTACLES AND ACCESS**

What is Consolidation?

- The bringing together of Rental Car Companies operating at an Airport into a SINGLE facility connected by a COMMON mode of transportation to BETTER serve the renting customer.
- Types of Consolidated Facilities in the Market Today:
 - Full Consolidation
 - Partial Consolidation
 - Consolidation by Agreement Only
 - Back-of-House Consolidation
- Types of Common Transportation:
 - Automated People Mover
 - Bus
 - Walkways

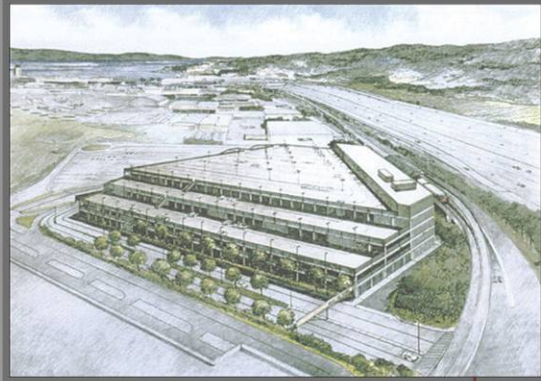
Why Consolidate at Airports?

Benefits all Stakeholders:

- **Customers:**
 - Better Service and More Convenience
 - More Choice and an Ability to Shop the Market in ONE Place
- **Airports:**
 - Allows for Airport Expansion and Modernization Programs
 - Environmentally Favorable:
 - Reduce Curbside Congestion - Common Mode of Transportation
 - Cleaner, Common Modes of Transportation
 - Organizes / Combines Ground Transportation Functions
- **Rental Car Companies:**
 - Obtain Newer and More Efficient Facilities
 - Lower Operating Costs in Most Situations
 - Allow for More Flexibility for Daily and Seasonal Operations

Consolidation - a Short History...

Consolidated Rental Car Facility...



SFO



ABQ



IAH



FLL

ONT

1998

2000

2002

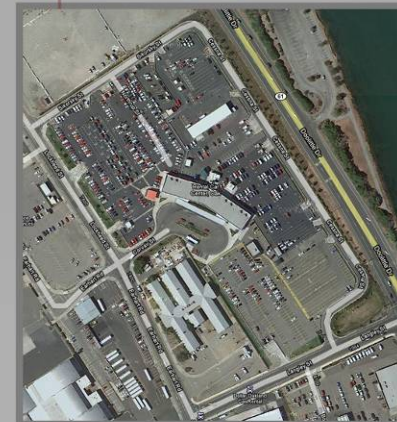
2004

DFW

BWI

OAK

CLE



P
A
S
T

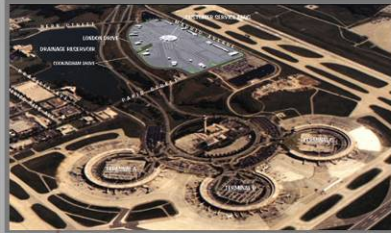
... in its Infancy at JUST 15 Years Old!!!

... "Evolution of a GREAT Idea"



PHX

2006



MCI

ANC



ATL

PVD



NAS

BOS



LAS



FAT



SJC

SEA

MIA

MSY

LAX
SAN
SAT
MDW
MEM
AUS

FUTURE

How it Happens

Where There's a WILL There's a Way!

- **A Need is Determined and Agreed Upon by all Parties**
 - MOU's are developed between an Airport and RAC Industry
- **Funding of Consolidated Development**
 - Facilities funded with Customer Facility Charges (CFC)
 - CFC Ordinance to allow collections to pay off Debt Service
 - "Almost" Like Free Money – paid for by the Customers
- **The Process is KEY!!!**
 - Get Immersed, and Become a Player
 - Negotiate or Bid for Space and Location
 - Negotiations of Lease and Concessions Agreements
 - Determine what it will take, **TIME AND MONEY**, to Participate
- **Design and Construction**
 - Individual Tenant Improvement Cost will need to be Funded
- **Operation and Maintenance**
 - Ongoing O&M Costs are also a part of being Involved

Ontario International Airport

Consolidated Rental Car Facility – Completed 1998



Cleveland Hopkins International Airport

Consolidated Rental Car Facility - Completed 1998



San Francisco International Airport

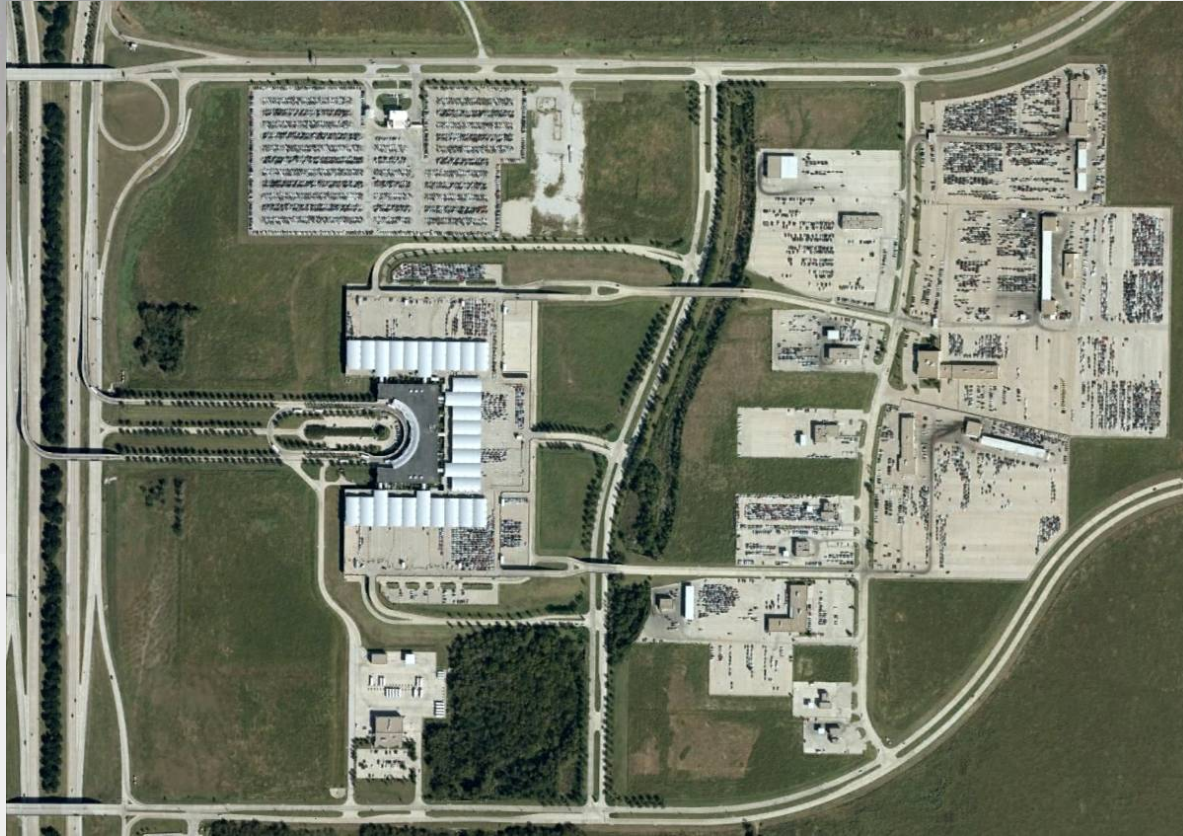
Consolidated Rental Car Facility – Completed 1998



Dallas/Fort Worth International Airport

Consolidated Rental Car Facility – Completed 2000

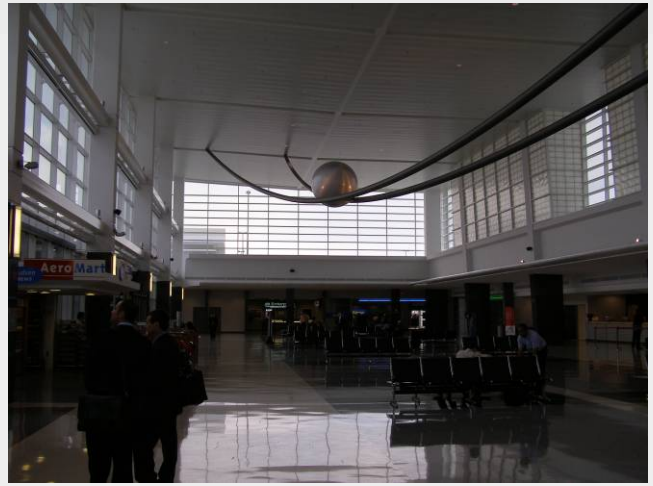
W E L C O M E



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Baltimore/Washington International Airport

Consolidated Rental Car Facility – Completed 2002



George Bush Intercontinental Airport/Houston

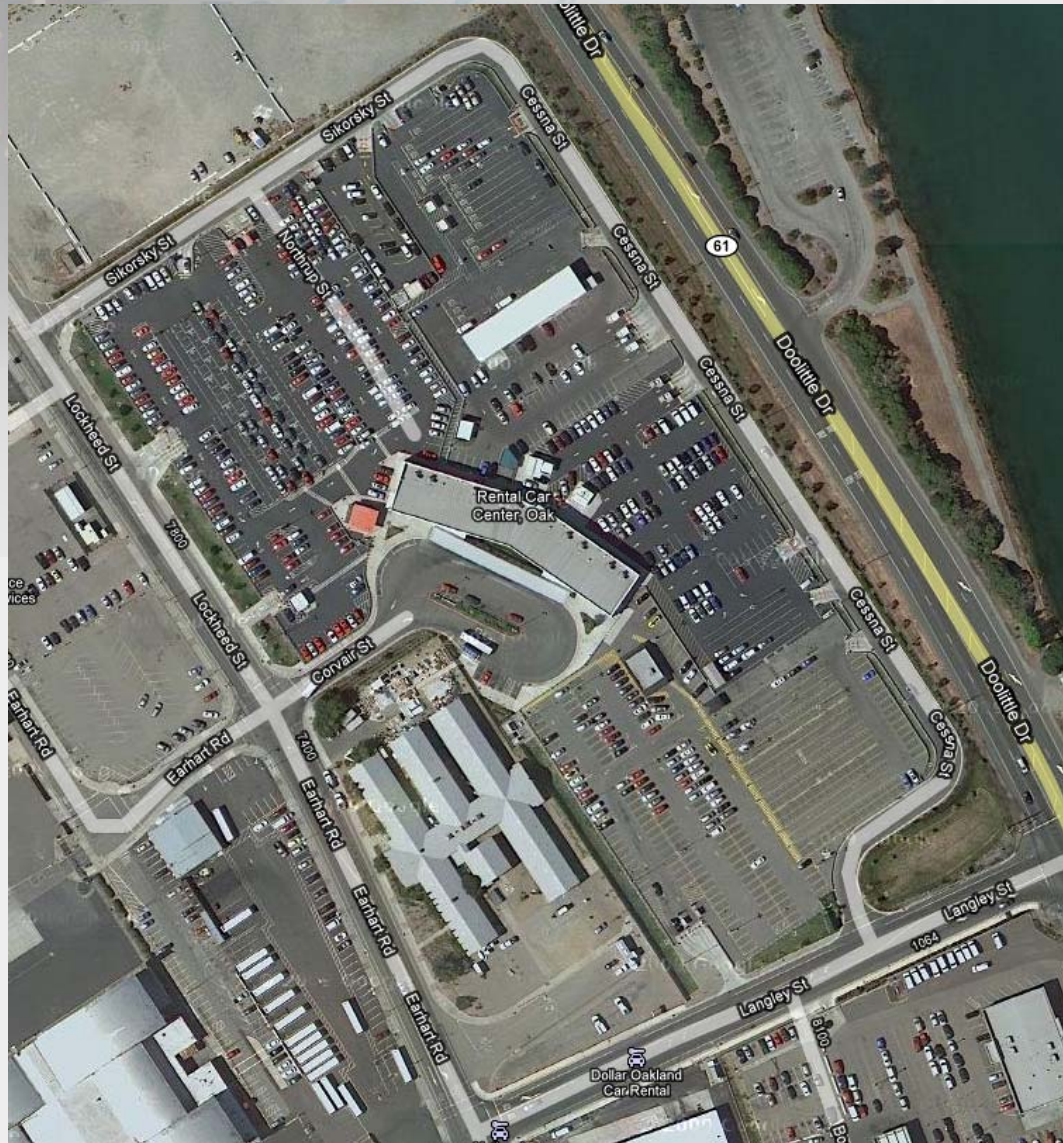
Consolidated Rental Car Facility – Completed 2003



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Oakland International Airport

Interim Consolidated Rental Car Facility – Completed 2003



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Ft. Lauderdale/Hollywood International Airport

Consolidated Rental Car Facility – Completed 2005

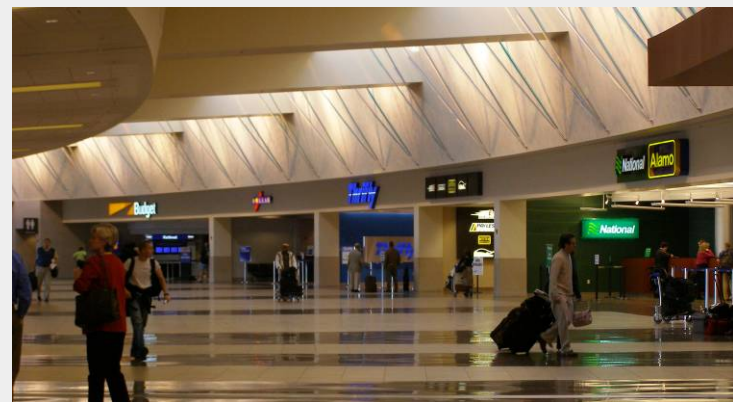


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Phoenix Sky Harbor International Airport

Consolidated Rental Car Facility – Completed 2006

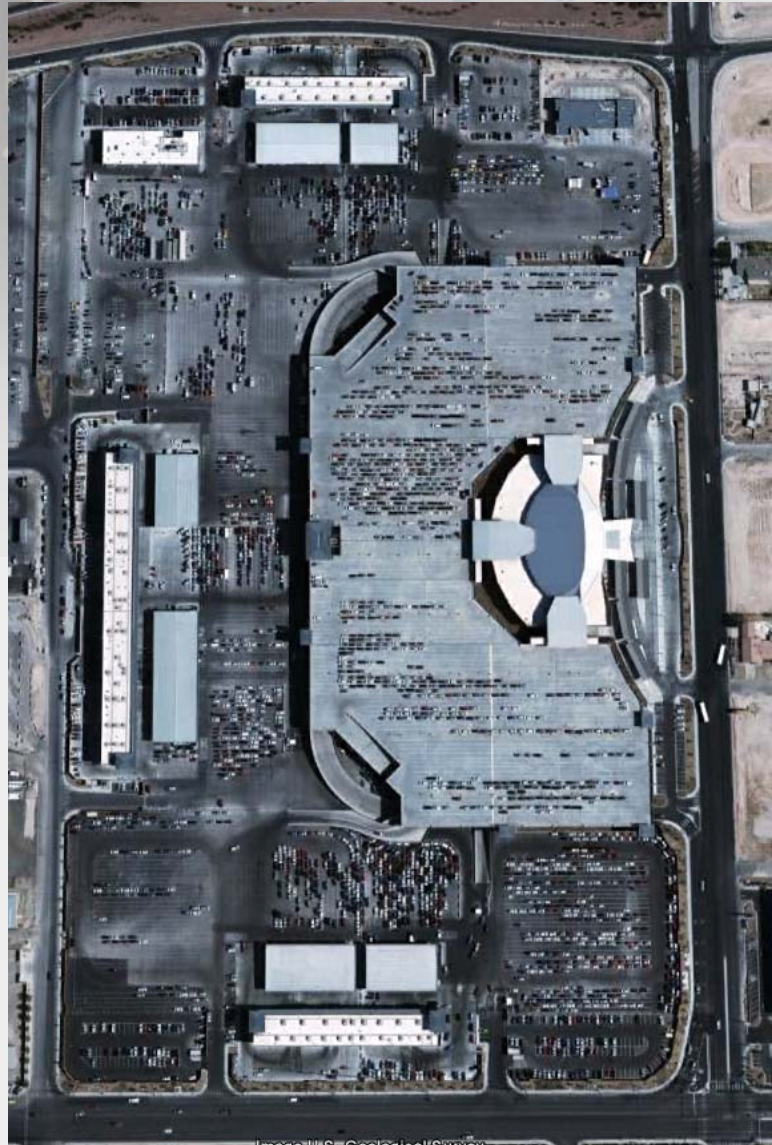
W E L C O M E



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McCarran International Airport

Consolidated Rental Car Facility – Completed 2007





Kansas City International Airport

Consolidated Rental Car Facility – Completed 2007



Fresno-Yosemite International Airport

Consolidated Rental Car Facility – Completed 2008



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Santa Barbara Airport

Consolidated Quick Turnaround Facility – Completed 2009

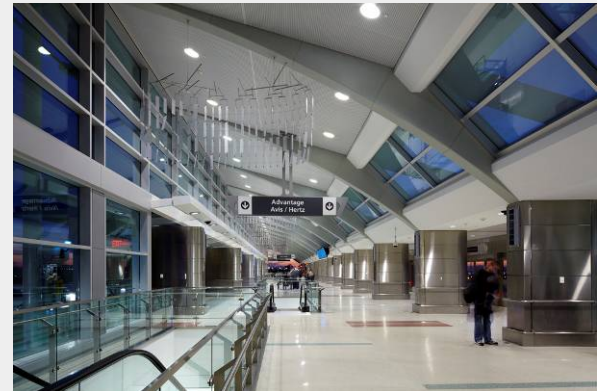


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Hartsfield Jackson Atlanta International Airport

Consolidated Rental Car Facility – Completed 2009

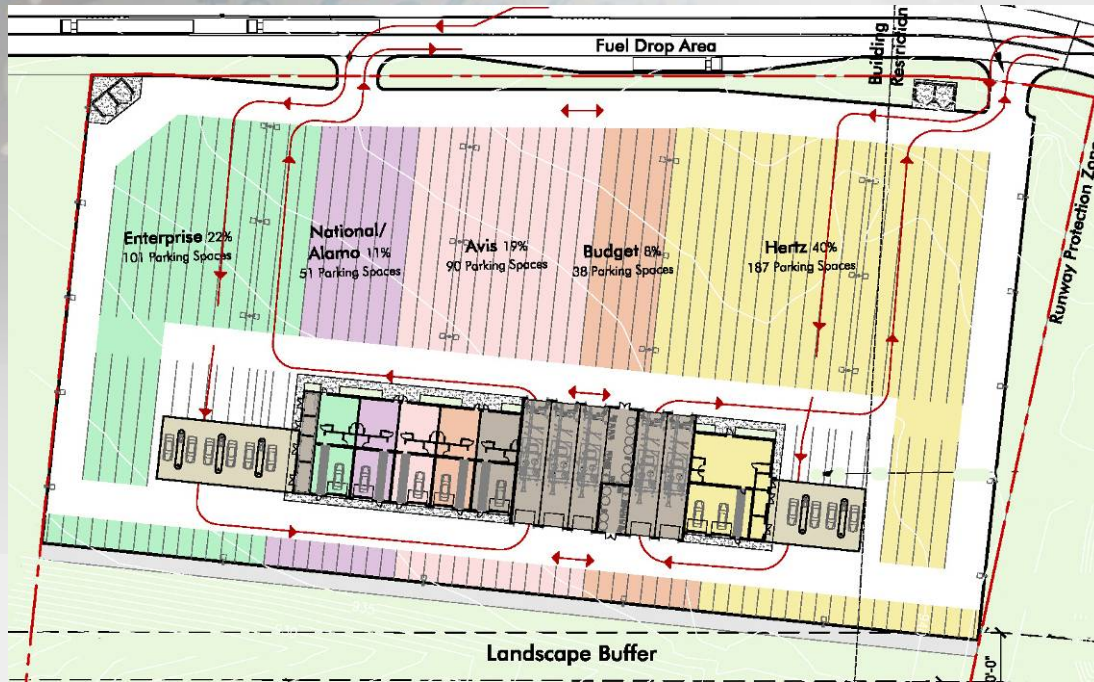
W E L C O M E



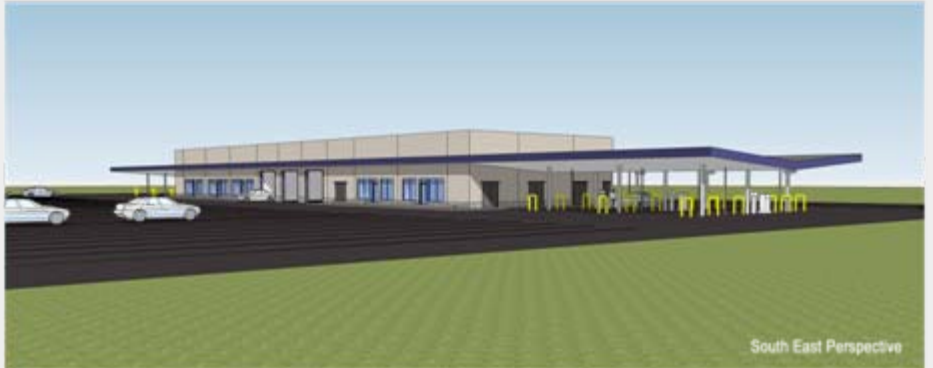
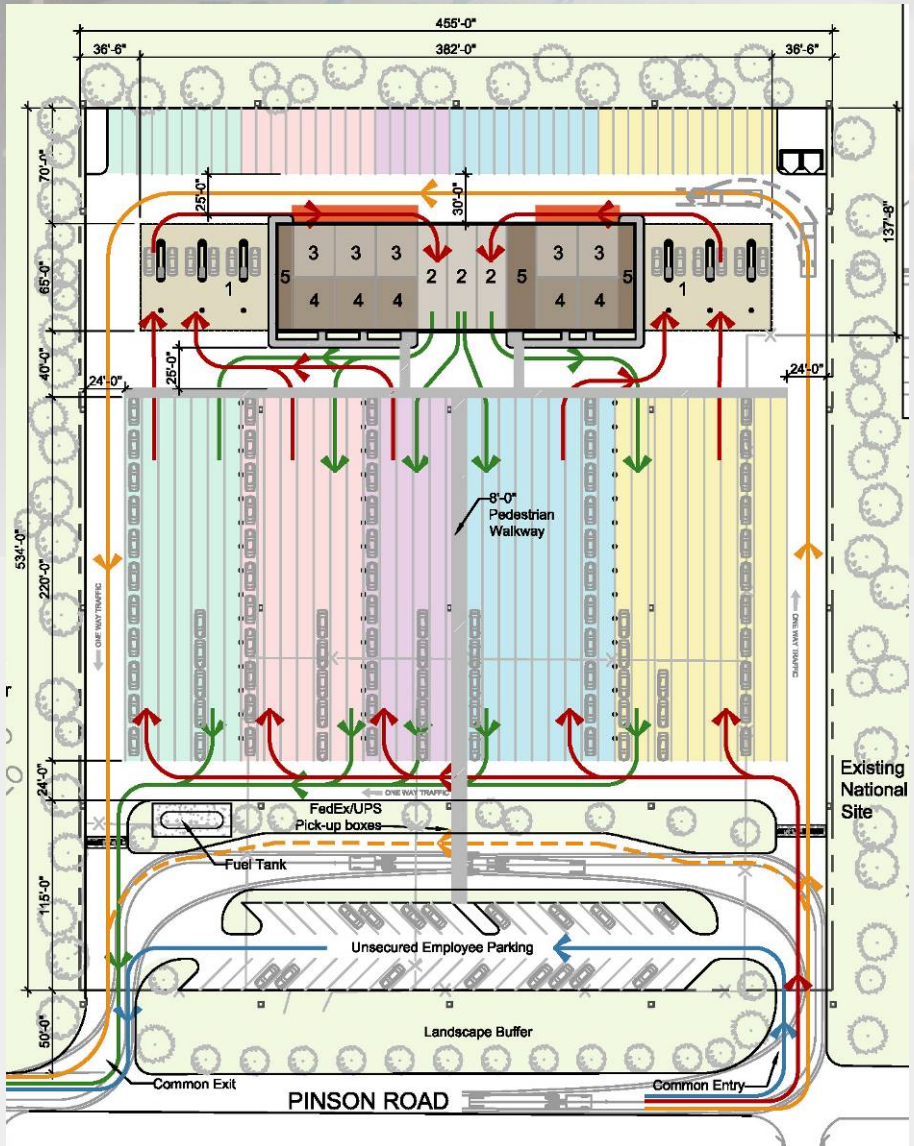
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Des Moines International Airport

Consolidated Quick Turnaround Facility – Opening 2011



Corpus Christi International Airport Consolidated Quick Turnaround Facility - Opening 2011



Boston Logan International Airport

Consolidated Rental Car Facility – Opening 2013

W E L C O M E



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One SIZE Does Not Necessarily Fit All!

- **Large RAC Company vs. Small RAC Company**
 - Key Differences in Overall Business Approach
 - Large National Companies have been through the Process
 - Small Local Companies are Fearful of the Process
 - The Process can and should Work for ALL!
- **Dependent upon Market Size / Market Share**
 - Is there REALLY an Opportunity?
 - What are the True Costs for Participation
 - Negotiations with the Airport very Important, as they could Impact your Bottom Line for years to come
- **Still a Competitive Industry**
 - Has to be Right for EVERYONE!



CAR RENTAL SHOW 2010

Bob Bouta, Avis Budget Group

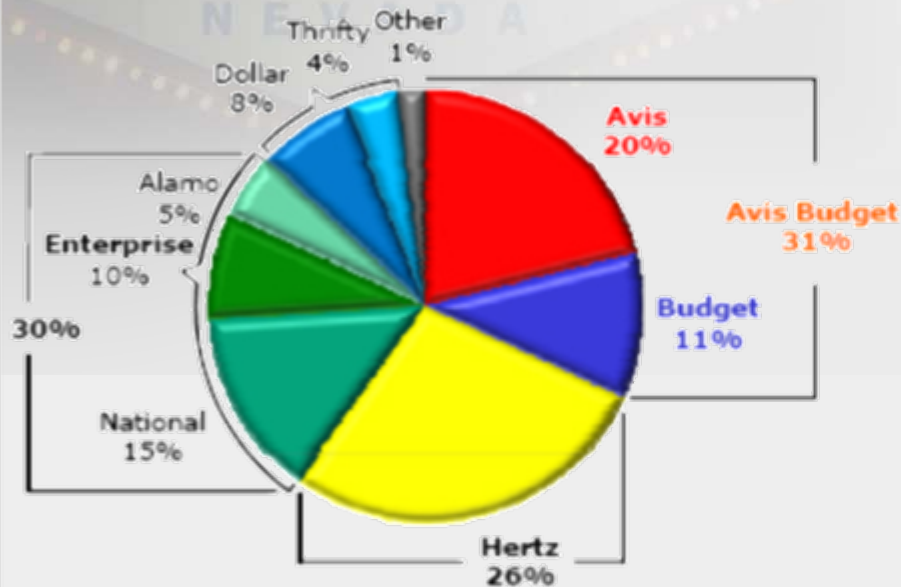
CONSOLIDATED RENTAL CAR FACILITIES ("CRACF")

**A GOOD IDEA OR A BAD ONE
INCLUDING IF/WHY/WHEN/HOW**

Rental Car Industry Overview

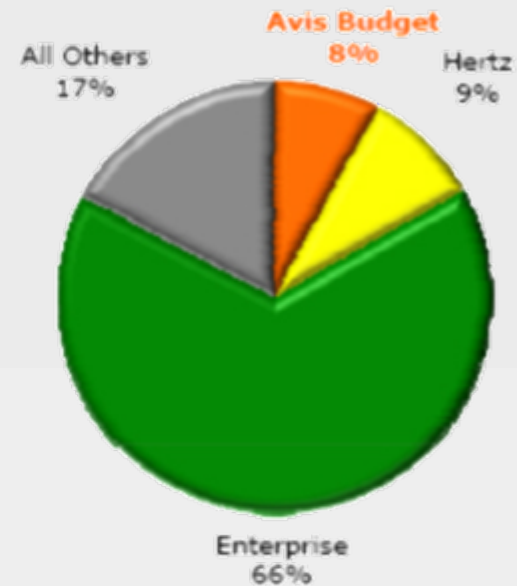
2008 Market Share

Airport Segment



Total Revenue: ~ \$11 Billion

Local Segment



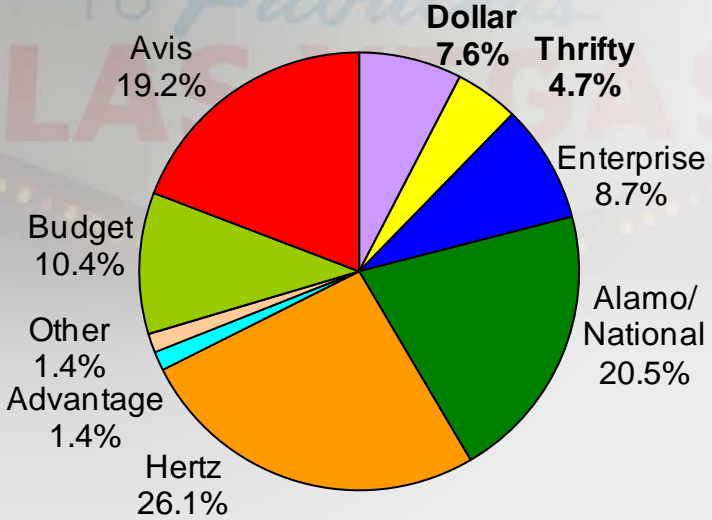
Total Revenue: ~ \$11 Billion

We generate about half our revenues from commercial rentals and half from leisure rentals

Note: Local segment share amounts are company estimates

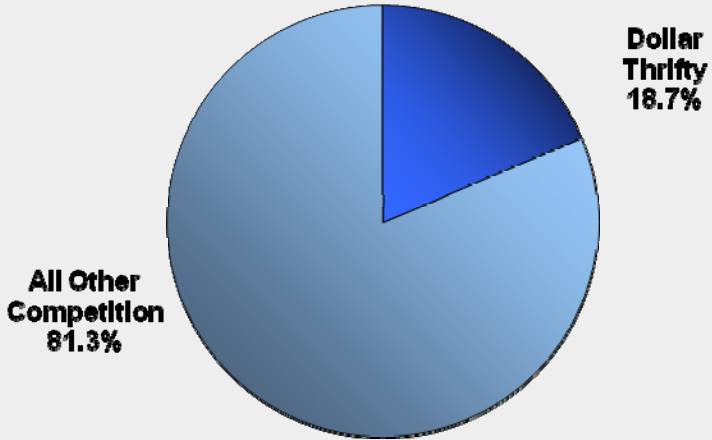
Company Overview

2008 U.S. Airport Market Revenue - \$11.3 Billion (a)

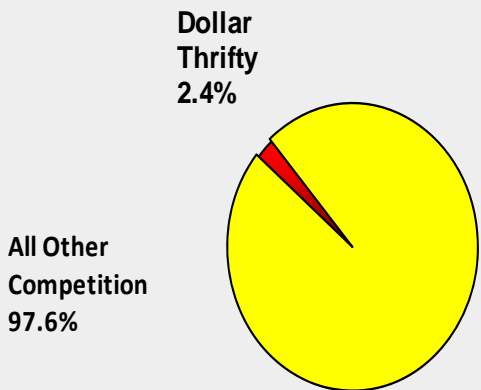


US Market	
Avis Budget	29.6%
E/A/N	29.2%
Hertz / Advantage	27.5%
Dollar Thrifty	12.3%
Other	1.4%
Total	100.0%

Leisure Revenue \$6.8B(b)



Business Revenue \$4.5B(b)



(a) Source – Monthly airport revenue concession reports obtained from the top 100 US airport authorities
 (b) Source – Northcoast Research Estimate

Domestic Airport Revenue Share

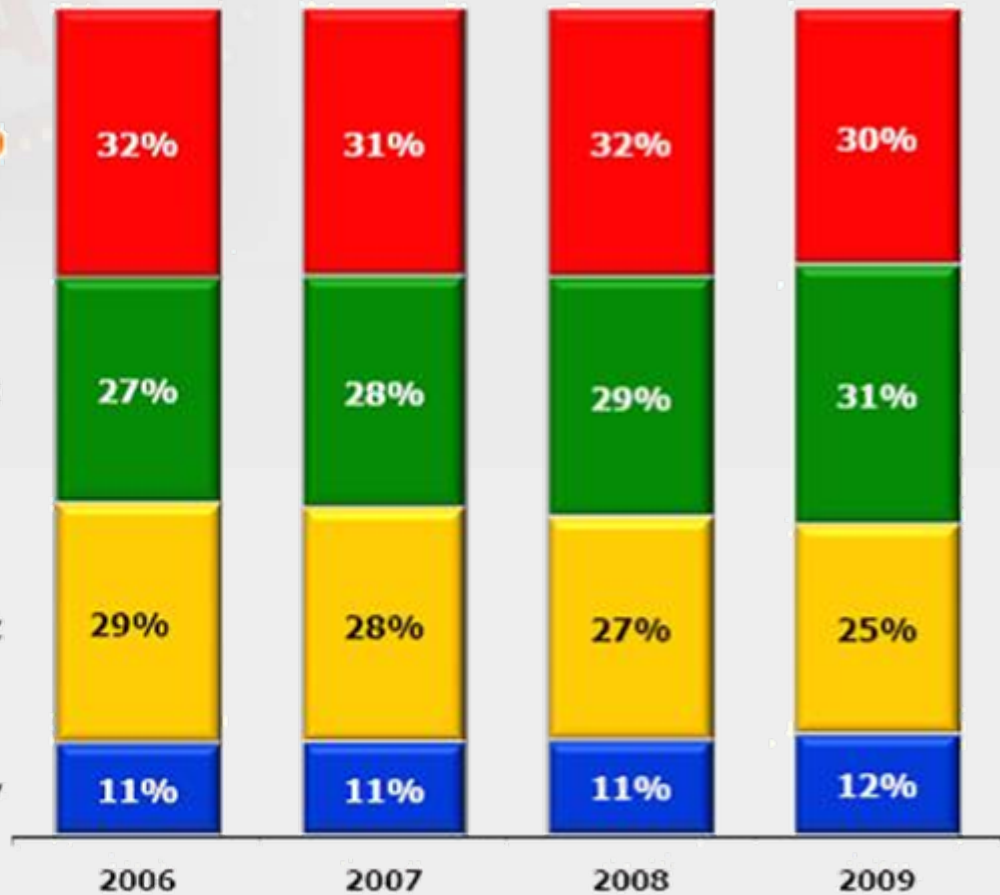
August 2009 Year-to-Date Results^(a)

avis budget group

Enterprise / Alamo / National

Hertz

Dollar Thrifty



(a) August results based on ~75% of airports reporting

avis budget group



CUSTOMER SERVICE ISSUES

COSTS BENEFITS - THOUGHTS

Ongoing O&M Costs

Dallas / Fort Worth International Airport

Budgeted Amounts for O&M Expenses for FY 2010 Monthly

RAC	Base Rent	Hazard Insurance, Utilities							O&M Contracts			Other O & Ms	Bus Facility O & Ms Contracts	O&M Monthly Totals	Total Base Rent and O&M	RAC
		Includes Bus Maintenance Utilities							Includes Bus Facility							
		Insurance	Electrical	Water	Trash	Janitorial	Building Maintenance	Window Cleaning	Grounds Keeping							
Advant.	\$ 5,185	\$ -	\$ 1,851	\$ 108	\$ 40	\$ 1,603	\$ 1,948	\$ 89	\$ 198	\$ 965	\$ 6,802	\$ 11,986.98	Advant.			
Avis	\$ 64,825	\$ -	\$ 11,087	\$ 402	\$ 159	\$ 11,343	\$ 8,066	\$ 330	\$ 1,509	\$ 10,909	\$ 43,806	\$ 108,630.88	Avis			
Budget	\$ 32,961	\$ -	\$ 6,455	\$ 319	\$ 119	\$ 7,789	\$ 5,916	\$ 262	\$ 786	\$ 4,827	\$ 26,473	\$ 59,434.23	Budget			
Dollar	\$ 12,859	\$ -	\$ 3,129	\$ 166	\$ 61	\$ 3,142	\$ 3,035	\$ 136	\$ 364	\$ 2,076	\$ 12,109	\$ 24,968.42	Dollar			
Enter.	\$ 35,281	\$ -	\$ 3,414	\$ 108	\$ 44	\$ 3,086	\$ 2,202	\$ 89	\$ 547	\$ 4,441	\$ 13,932	\$ 49,213.55	Enter.			
E-Z	\$ 5,185	\$ -	\$ 1,843	\$ 108	\$ 40	\$ 1,654	\$ 1,945	\$ 89	\$ 197	\$ 965	\$ 6,841	\$ 12,026.29	E-Z			
Hertz	\$ 96,861	\$ -	\$ 12,891	\$ 448	\$ 179	\$ 15,347	\$ 9,148	\$ 368	\$ 1,725	\$ 12,406	\$ 52,511	\$ 149,372.37	Hertz			
Vanguard	\$ 53,289	\$ -	\$ 9,508	\$ 320	\$ 129	\$ 9,228	\$ 6,573	\$ 263	\$ 1,309	\$ 9,654	\$ 36,985	\$ 90,273.14	Vanguard			
Thrifty	\$ 12,600	\$ -	\$ 3,054	\$ 166	\$ 61	\$ 2,820	\$ 3,014	\$ 136	\$ 357	\$ 2,027	\$ 11,636	\$ 24,235.70	Thrifty			
Monthly FY 2010	\$ 319,047	\$ -	\$ 53,232	\$ 2,145	\$ 833	\$ 56,011	\$ 41,848	\$ 1,761	\$ 6,993	\$ 48,272	\$ 211,094	\$ 530,142	Monthly FY 2010			

Tenant Site	Tenant Name	Actual Rental Car Ground Rent Exclusive Sites	Actual Rental Car Ground Rent Common Area	Actual Sky Harbor Center Exclusive Common Area Maintenance	Actual Sky Harbor Center Common Common Area Maintenance	Actual O&M Recovery ⁽¹⁾	Total 7/1/08 - 6/30/09
Parcel 1.1	Avis	\$ 418,718	\$ 344,023	\$ 5,872	\$ 4,826	\$ 1,271,243	\$ 2,044,682
Parcel 1.2	Small Operators	47,307	28,669	663	402	105,539	182,580
Parcel 1.3	Budget	251,796	178,351	3,532	2,502	659,272	1,095,453
Parcel 2.1	Enterprise	77,448	80,785	1,086	1,133	298,659	459,112
Parcel 2.2	Advantage BK	21,671	20,228	315	284	74,260	116,757
	Advantage	17,527	15,460	241	217	58,082	91,527
	Simply Wheelz	12,026	10,477	163	147	39,604	62,417
Parcel 2.3	Thrifty	74,580	70,469	1,046	989	263,299	410,383
Parcel 2.4	Alamo/National	397,680	304,307	5,577	4,269	1,124,806	1,836,639
Parcel 3.1	Hertz	463,692	346,052	6,503	4,854	1,280,541	2,101,642
Parcel 3.2	Dollar	136,466	94,890	1,914	1,331	357,489	592,090
Total		\$ 1,918,911	\$ 1,493,711	\$ 26,912	\$ 20,954	\$ 5,532,795	\$ 8,993,283

Note:
⁽¹⁾ O&M Recovery includes the net cost for CY O&M (Sch 7) and PY Settlement (Sch 9)



LEVEL PLAYING FIELD

SPACE CONSTRAINT ISSUES

ECONOMIC REALITIES

Commoditization Consolidated RAC Projects

Complete	Under Construction	Planning Stage	Evaluation Stage
Albuquerque (3/01)	Miami	Chicago Midway	Chicago O'Hare
Anchorage (7/07)	Providence	Burbank	Hartford
Baltimore/Washington (12/03)	San Jose	Charlotte	Los Angeles
Cleveland (6/98)	Seattle	Memphis	Manchester
Dallas/Ft. Worth (3/00)		New Orleans	Philadelphia
Fresno (3/09)		Nashville	San Diego
Ft. Lauderdale (1/05)		Boston	Washington Dulles
Ft. Myers (9/05)		Oklahoma City	Wichita
Houston (IAH) (8/03)		Columbus (on hold - 2016)	San Antonio
Indianapolis (10/08)		Honolulu	Tulsa - Updated Facility
Kansas City (5/07)			Louisville
Las Vegas (4/07)			Austin
Minneapolis (5/00)			Outer Hawaiian Islands
Oakland (8/03)			
Ontario (1/99)			
Phoenix (1/06)			
Sacramento (9/94)			
San Francisco (1/99)			
Springfield, MO (2009)			
Spokane (11/08)			
Tucson (8/02)			
Tulsa (11/01)			
Washington National (4/96)			
Atlanta - 2009			
25% Grand Rapids - 2009	4%	10%	13%

Consolidated RAC Facility Projects – 52% of Top 100 Airports Revenues

Airports Funding / Contemplating Funding O&M Expense

The following airports currently fund or have committed to fund rental car common shuttle bus or other common modes of transportation (monorails/people movers, etc.) operating and maintenance expenses either wholly or partially with CFC's:

- Albuquerque – Common bussing cost included in CFC
- Atlanta Hartsfield-Jackson – RAC portion of people mover funded by CFC
- Cleveland Hopkins – Transportation fee (TFC) cover common busing
- Dayton (Ohio) – CFC pays for interim busing operation
- Fort Lauderdale-Hollywood – CFC covers common shuttle bus
- Houston Intercontinental – CTC covers bussing operation, including O&M
- Kansas City – Transportation fee (TFC) covers common bussing
- John F. Kennedy – People mover provided by Airport; considering TFC for O&M
- Las Vegas – CFC will cover O&M for common bussing
- Miami – Portion of CFC will be used for common bussing, and future APM
- Baltimore/Washington – TFC going into effect May 1, 2010

Airports Funding / Contemplating Funding O&M Expense

(continued)

- Newark Liberty – Transportation fee (TFC) covers O&M of AirTrain
- Oakland – Transportation fee (TFC) covers O&M on common bussing
- Ontario (CA) – Transportation fee (TFC) covers O&M on common bussing
- Phoenix Sky Harbor – CFC covers common bussing O&M
- Providence, RI – No common bussing, CFCs cover O&M on moving walks
- San Francisco – Transportation fee (TFC) covers O&M expense of AirTrain
- San Jose – Transportation fee (TFC) covers O&M, limited common bussing
- Seattle – TFC will cover O&M for common bussing
- Dallas/Fort Worth – CTC (TFC equivalent) implemented to cover bussing
- Honolulu – CFC covers limited common bussing

CAR RENTAL SHOW 2010

Joe Knight, Fox Rent A Car

CONRAC FACILITIES OPPORTUNITIES, OBSTACLES AND ACCESS



A Small Company's Perspective

1. OPPORTUNITIES
2. STRATEGIES
3. MARKET SHARE



Opportunities

"FOX is the smallest of the large companies and biggest of the small companies"

THERE ARE OPPORTUNITIES BUT YOU MUST SEARCH FOR THEM

Investigate an opportunity and do the following:

1. Plan
2. Performance
3. Politics
4. Patience
5. Finance

**FINANCIAL REALITY = IS THE PROJECT
COST WORTH THE RETURN...**



Accomplishments Since 2001:

- FOX is on airport in 5 airports.
 - FOX is involved in CONRAC projects in 4 other airports
1. Every project is different
 2. Space is always a premium
 3. Create market share first
 4. Generate private meetings
 5. Hire consultant firm
 6. You need an attorney

**OUR METHOD:
IT IS NOT ABOUT THE ACTUAL PROJECT.
IT IS ABOUT BUILDING RELATIONSHIPS,
NEGOTIATING A WAY THROUGH, AND
ALWAYS KNOWING WHERE YOU ARE
WITHIN A PROJECT.**



Market Share

LAX

- 1998 – 2004 OFF Airport
- 2004 – 2010 On Airport
- 4.10% Market share



LAS

- Since 2008 OFF Airport
- Double bus method
- 3.95% Market share



SFO

- 1996 - 2009 OFF Airport
- 2009 On Airport
- 3.70% Market share



SNA

- Since 2000 OFF Airport
- Market too small
- 2.27% Market share



PHX

- Since 2003 ON Airport
- Small operators parcel
- 3.69% Market share



OAK

- Since 2002 ON Airport
- 5.08% Market share



Conclusions

**OPPORTUNITIES ARE AVAILABLE BUT YOU HAVE TO
SEARCH FOR THEM,**

**OBSTACLES ARE MANY BUT CAN BE OVERCOME ONE
AT A TIME,**

ACCESS – AIRPORT CONTROLS IT ALL



Why Not?

The Airport PIE is Worth it.....\$11.3B Industry

- Ample Opportunities in the Marketplace
 - Large, Medium and Small Airports
 - Licensees may already be operating at these Airports
 - Numerous Small Business and DBE / MBE / WBE Opportunities
- These Efforts take TIME and MONEY!
 - The Process can be LONG, but you have to stay with it!
- Why.....because it is WORTH it!!!!