



# CAR SHARE OPERATOR AGREEMENTS TURO & AVAIL

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DENVER INTERNATIONAL AIRPORT

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## 100 MILLION ANNUAL PASSENGERS

- SUSTAINABILITY & RESILIENCY • EQUITY, DIVERSITY & INCLUSION
- CONTINUOUS STAKEHOLDER INPUT/FEEDBACK • ENHANCING THE CUSTOMER EXPERIENCE

### PILLAR 1



**POWERING  
OUR PEOPLE**

### PILLAR 2



**GROWING OUR  
INFRASTRUCTURE**

### PILLAR 3



**MAINTAINING  
WHAT WE HAVE**

### PILLAR 4



**EXPANDING OUR  
GLOBAL CONNECTIONS**

- Requested council action
- Car share operator agreements
  - Quick history
  - Pilot agreement results
  - New agreements

- Approve the new car share agreements with Avail and Turo
  - Allow for peer-to-peer car-sharing to connect airport customers with individual owners engaged in a car-sharing operation
  - The permit is for 10% of gross revenues
  - Term of agreement is 3 years from the date of execution

# WHAT IS CAR SHARE?

- Peer-to-peer sharing of cars
  - Defined in SB 19-090
  - Authorized use of car by persons other than owner facilitated by a car sharing program
- Differentiation from traditional rental car company
  - Transactions via marketplace
  - Pre-bookings only
  - No fleets
  - No dedicated leased buildings



# CAR SHARE QUICK HISTORY

- Peer-to-Peer Motor Vehicle Sharing Program Bill signed in 2019
- Required any car share operator to enter into concession agreement with airport
- This enabled DEN to be the first major airport to enter into an agreement vs litigation



# CAR SHARE PILOT AGREEMENT



- Entered into pilot agreement in 2020
  - Allowed airport to collect 5% of gross revenues
  - Dedicated parking spaces for both car share operators
  - Indemnification and insurance requirements
  - Intended to test the market for long-term feasibility
- Airport revenue results:
  - 2020 - \$342,558
  - 2021 - \$1,292,191
  - 1Q22 - \$580,281

• In 2021, car share had strongest commercial transportation growth at DEN

- Moving away from pilot agreements to a longer-term agreements
- New agreement changes include:
  - Increase of gross revenue share from 5% to 10%
  - Elimination of dedicated parking spaces
    - Car share operators will have access to any parking area excluding short-term parking
    - Operators are responsible for paying any accrued parking fees
  - Increased performance surety to 3 months of revenue
  - Prohibits commercial hosts from operating at airport
  - 3-year term



- Anticipated revenues with new agreement
  - First year - \$3.4M
  - Second year - \$4.3M
  - Third year - \$5.4M
- What could impact revenue projections
  - Companies are building a new customer base and market
  - Companies are currently in hypergrowth mode
  - Growth rates could significantly change without warning
    - Transportation Network Companies (TNC's) such as Uber and Lyft are the most recent example
  - Companies are building a new customer base and market
  - New competitors entering the local market

# Q&A

