

RESOLUTION NO. 15-R-18

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF TALLAHASSEE, FLORIDA, TO ADOPT AND IMPLEMENT A CAR RENTAL CUSTOMER FACILITY CHARGE (“CFC”) TO FUND THE CONSTRUCTION, MAINTENANCE AND OPERATION OF THE RENTAL CAR FACILITIES AT THE AIRPORT.

WHEREAS, the City of Tallahassee (“City”) owns and operates Tallahassee International Airport (“Airport”) and is empowered to enact resolutions for the management, governance, and use of the Airport, and its facilities; and,

WHEREAS, the Airport operates, maintains and develops the Airport with federal grant funding and user fees, in accordance with its Federal Aviation Administration (“FAA”) Grant Assurances and under the authority of certain federal laws; and,

WHEREAS, the existing rental car service facilities are in poor condition, in need of paved parking and need to be relocated to accommodate future growth; and,

WHEREAS, the impending expansion of Capital Circle in front of the Airport is anticipated to impact the existing Rental Car Companies’ (RACS) service property within the next 3 to 5 years, necessitating its relocation to a new site; and,

WHEREAS, the proposed new location for the RAC service facility is conveniently located next to the Airport, which enhances safety and streamlines operational efficiencies for the RACS’s, see Exhibit A, Proposed RAC Facilities Location; and,

WHEREAS, the pre-collection of CFC charges is a common approach for funding car rental facilities in airports; and,

WHEREAS, Airport staff conducted a review of CFC charges at other Airports, shown in Exhibit B, “Customer Facility Charge (CFC) Analysis, and Recommendations”, and recommends an initial CFC collection rate of \$4.50 per rental car Transaction Day, as more fully set forth therein; and,

WHEREAS, the receipts for the CFC charges would be collected by the RACS, turned over to the Airport and maintained in a special Airport fund, the (“CFC Fund”), to fund the financing, design, relocation and construction of new Rental Car Facilities (hereinafter, “RAC Facilities”), and all or a portion of associated operating and maintenance costs; and,

WHEREAS, the Airport has conferred with the RACS operating at the Airport regarding the need for improved facilities and services; and

WHEREAS, the Airport and the RACS collectively agree it is in the City’s best interest to impose a CFC to fund the financing, design, relocation and construction of its RAC Facilities on the Airport to be utilized by the RACS and their customers or for any other rental car program related purpose, see Exhibit C, “Letters of Support”. It is further agreed by the parties that the CFC will cover all or a portion of associated operating and maintenance costs; and,

WHEREAS, the CFC Fund shall remain intact from year to year and may be used to pay for all improvements constructed for the use and benefit of car rental customers to the extent allowable by law, as more fully set forth herein; and,

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COMMISSION OF THE CITY OF TALLAHASSEE, FLORIDA hereby adopts and implements a Customer Facility Charge under the following terms and conditions:

SECTION I. Definitions. As used in this resolution, the following definitions apply:

1.1 “Airport” shall mean the Tallahassee International Airport.

1.2 “City” shall mean the City of Tallahassee, a Florida Municipal Corporation.

1.3 “Car Rental Company” or “RAC” means a rental car company having executed a

Vehicle Rental Concession Agreement for the operation of rental car services at the Airport. Both On-airport and Off-airport car rental companies serving the Airport are equally obligated under this resolution.

- 1.4 “Charge Effective Date” shall mean the date on which the CFC is effective as provided in Section 3.1 of this resolution.
- 1.5 “Customer Facility Charge” or “CFC” shall mean the charge imposed by the City, which is collected and remitted by the RACS, upon a car rental customer arriving at the Airport and renting a vehicle. The CFC shall be collected by the RACS for the benefit of the Airport, pursuant to Section III of this resolution.
- 1.6 “CFC Fund” shall mean the special Airport fund set up to maintain CFC receipts collected by the RACS and provided to the Airport for expenditure on car rental facilities improvements.
- 1.7 “Director” shall mean the Director of Aviation for the Tallahassee International Airport.
- 1.8 “On-airport” shall mean a RAC that is located at, upon or within the Tallahassee International Airport.
- 1.9 “Off-airport” shall mean a car rental company that is not located at Tallahassee International Airport but which does business at the Airport.
- 1.10 “Rental Car Facilities” or “RAC Facilities” shall mean any facilities used by RACS and their customers together with all associated infrastructure improvements along with the operation and maintenance of such facilities or any other rental car program related purpose.
- 1.11 “Transaction Day” shall mean that period of time a car is rented for twenty-four or fewer hours plus a grace period not to exceed two hours for the initial or first Transaction Day, and any portion of one or more additional twenty-four hour

period(s) for each Transaction Day thereafter. If a RAC imposes a rental charge to the customer during the grace period, then such grace period shall be treated as an additional Transaction Day.

SECTION II. Findings and Purpose.

2.1 The City finds that:

2.1.1 The City owns and controls that certain airport and air navigation facility located in Leon County, State of Florida, and known as Tallahassee International Airport; and

2.1.2 The Airport promotes a strong economic base for the community, assists and encourages world trade opportunities and is of valid importance to the health, safety, and welfare of the State of Florida; and

2.1.3 The operation of the Airport as a public facility attracting scheduled airline passengers who use car rental facilities at the Airport imposes financial responsibility on the Airport for its facilities and operations; and

2.1.4 The Airport will require substantial expenditure for capital investment, operation, maintenance, and development of the RAC Facilities to meet the future demand of customers using the Airport and its facilities; and

2.1.5 It is in the Airport's best economic interest, and likewise in the interest of the car rental customers and RACS, that the Airport adopt a CFC program as identified in this resolution to maintain, improve and further expand the RAC Facilities of the Airport; and

2.1.6 In establishing and implementing the CFC program, the car rental customers using the Airport should contribute to a greater degree toward the development and improvement of RAC Facilities; and

2.1.7 The fees implemented by this resolution are reasonable for the use of the Airport and RAC Facilities by the general public.

2.2 The purpose of this resolution is to enact a CFC program consistent with the above findings and this resolution and the regulations published pursuant thereto shall be liberally construed to effectuate the purposes expressed.

SECTION III. Car Rental Customer Facility Charge

3.1 A CFC in the amount of \$4.50 per Transaction Day shall be imposed on each rental car transaction at the Tallahassee International Airport. The Charge Effective Date shall be established by the Director and shall not be more than forty-five (45) days following the adoption of this Resolution. Notification, in writing, regarding the Charge Effective Date shall be provided by the Director to the RACS within ten (10) days following the adoption of this Resolution.

3.2 The Director may adjust the amount of the CFC from time to time, on not less than thirty (30) days' written notice to the RACS, to pay the costs and expenses of financing, planning, designing, constructing, equipping, operating and maintaining the RAC Facilities or to pay costs and expenses associated with any other rental car related program or purpose the Director deems appropriate; provided, however, the CFC shall not, without further City Commission action, exceed the lesser of : (i) the highest CFC (expressed per Transaction Day) levied at any other similarly situated airport in the United States, or (ii) the amount of ten dollars (\$10.00) per Transaction Day, with such maximum amount to be adjusted annually, on the anniversary date of the Charge Effective Date, based on the change in the Consumer Price Index (U.S. City Average, All Urban Consumers, All Items); and provided further, the aggregate amount to be collected by way of the CFC shall not exceed the costs to finance, plan,

design, construct, equip, operate and maintain the RAC Facilities and the costs of such other rental car related program(s) and purposes the Director deems appropriate.

3.3 The CFC authorized by this resolution shall continue until terminated by separate action of the City.

3.4 The CFC fees charged by RACS shall be identified on a separate line on the car rental customer contract, before taxes, and shall be described as the “Facility and Operation Fee”. Said CFC is not included in the definition of Gross Receipts under the Vehicle Rental Concession Agreements executed by each RAC.

3.5 The City Manager is authorized to execute the necessary documents for implementation of the CFC program on behalf of the City and Airport.

SECTION IV. Eligible Projects

4.1 The CFC shall be used to pay, or reimburse the Airport, for the costs associated with the RAC Facilities, and to include all costs, fees, and expenses associated with the rental car program; with the financing, planning, designing, constructing and equipping of Car Rental Facilities; or for any other rental car program related purpose the Director deems appropriate. Eligible costs for the related facilities and equipment shall

include operating and maintenance costs in addition to the foregoing costs. Nothing herein shall be construed to make fees or costs incurred in tenant improvements for space exclusively used by a RAC ineligible.

SECTION V. Collections

5.1 All CFC’s collected by RACS are and shall be trust funds held by the RACS for the benefit of the Airport. RACS and their agents hold only a possessory interest in the

CFC's and no legal or equitable interest. All RACS shall segregate, separately account for and disclose all CFC's as trust funds in their financial statements. Failure to segregate the CFC's shall not alter or eliminate their trust fund nature. The RACS shall maintain adequate records, in full conformance with generally accepted accounting principles, which account for all CFC's charged, collected and remitted to the Airport. The City shall have the right to audit the CFC records upon reasonable notice.

- 5.2 The RACS shall be entitled to no compensation for collection of the CFC.
- 5.3 The RACS shall collect the CFC from each car rental customer at the time payment is first made under any agreement with the customer. The RACS shall collect the CFC fee for each qualifying rental car Transaction Day, as defined herein. RACS shall remit all CFC's on a monthly basis to the Airport together with the monthly statement of transactions and Transaction Days, regardless of whether or not the full amount of the CFC was actually collected from the car rental customer. The CFC's shall be remitted by the last day of the month following the month the CFC's were collected. Failure to strictly comply with this subparagraph shall be considered a material breach of the RACS's authorization to do business at the Airport.

SECTION VI. Violations.

- 6.1 In the event any RAC violates any term or condition of this resolution, the Airport may exercise any rights or remedies allowed by law or equity.

SECTION VII. Effective Date.

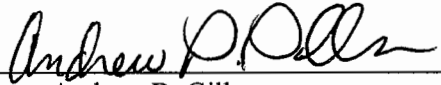
- 7.1 This Resolution shall be effective upon its adoption by the City Commission and publication once in the official paper, the Tallahassee Democrat.

SECTION VIII. Savings Clause

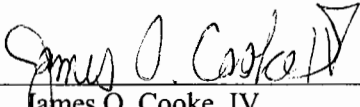
8.1 In the event any phrase, clause, sentence, paragraph, or paragraphs of this resolution is declared invalid for any reason, the remainder of this resolution shall not be invalidated, but shall remain in full force and effect, all parts of this resolution being declared separable and independent of all others. In the event that a judgment is entered, and all appeals exhausted, which judgment finds, concludes or declares this resolution is unconstitutional or is otherwise invalid, the CFC authorized by this resolution shall be suspended and terminated as of the date of declaration of unconstitutionality.

Adopted by the City Commission of the City of Tallahassee, Florida, this 8th day of July, 2015.

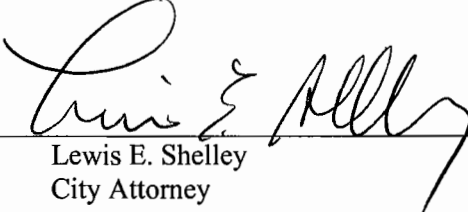
CITY OF TALLAHASSEE

By: 
Andrew D. Gillum
Mayor

ATTEST:

By: 
James O. Cooke, IV
City Treasurer-Clerk

APPROVED AS TO FORM:

By: 
Lewis E. Shelley
City Attorney