



AGENDA REPORT

PROPOSED ACTION: Ordinance: Amendment and Adoption Into Chapter 5.05 and Appendix C-4 of the Port of Oakland Administrative Code Authority for the Port of Oakland to Collect Customer Facility Charges, not to Exceed \$10 Per Contract from On-Airport and \$8 Per Contract from Off-Airport Rental Car Companies, at Oakland International Airport for One Additional Year from January 1, 2024, to December 31, 2024. **(Aviation)**

Submitted By: Craig Simon, Interim Director of Aviation; Kristi McKenney, Acting Executive Director

Parties Involved:

Avis Budget Car Rental, LLC, Parsippany, NJ, Aaron Schwarzkopf, Properties Director, Western U.S.;

Enterprise Rent A Car Company of San Francisco, LLC, San Ramon, CA, Robert Hunsinger, Director of Airport Properties and Relations;

Fox Rent A Car, Inc., Los Angeles, CA, Paul Hemmert, Vice President, Business Development;

The Hertz Corporation, Estero, Florida, Connie Gurrich, Properties and Concessions Director;

Gitbin & Associates, Incorporated, D/B/A Go Rentals, Newport Beach, CA, Mike Morris, Vice President

Amount: Customer Facility Charges collections are anticipated to be more than \$4,085,000 for calendar year 2024

EXECUTIVE SUMMARY:

The Port of Oakland (Port) has collected Customer Facility Charges (CFCs) from rental car companies operating at Oakland International Airport (OAK) for many years under prior Board of Port Commissioners (Board) authorizations. The current authorization expires on December 31, 2023. Port Staff has undertaken the required processes to implement new CFCs recently enabled by State law passed this Fall and will be returning to the Board in 2024 for authorization of these new CFCs. In the meantime, Port Staff is requesting the existing CFC level of collections continue during 2024 while this process is completed.

California Government Code, Section 50474.21 allows airports to collect CFCs to finance, design and construct consolidated airport rental car facilities and to finance, design, construct and operate common e transportation systems to move passengers between airport terminals and consolidated rental car facilities (RAC). The rental car companies

collectively manage and operate the RAC at OAK, servicing customers' vehicle rental needs. The rental car companies also collectively manage and operate the common use transportation system (Bussing System), which transport customers between the RAC, located in the North Field and OAK's commercial terminals located in the South Field. The Board has previously authorized collection of CFCs. Current CFC collections OAK are \$10 per contract for on-airport rental car bookings and up to \$8 per contract for off-airport rental car bookings and are used to fund the Bussing System along with any Port-approved capital improvements to the RAC. The current Board Authorization expires on December 31, 2023 and thus needs to be extended for collections to continue. Port Staff estimate collecting approximately \$4,085,000 in Calendar Year 2024 based upon these current rates.

State law was recently changed this Fall to allow for modifications to the way CFCs can be collected, effectively allowing increased collections. Port Staff has completed the analysis and coordination steps to implement collections under the new rules and anticipates completing the final steps of external auditing review to implement in the first quarter of calendar year 2024. Port Staff will return to the Board when the process is complete and will request authorization for changes under the new rules. In the interim, Port Staff is requesting an extension of the current collection for one year ensuring a buffer if there is any unexpected delay in implementation of the new charges.

Exhibit 1 Rental Car Radius

Rental Car Radius for Off-Airport Rental Car Operators per Port Ordinance 4079



OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

Exempt from CEQA because it is not a "Project" under CEQA Guidelines Section 15061(b)(3).

Other/Notes:

BUDGET

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

Operating

Non-Operating

Capital

Analysis:

STAFFING

No Anticipated Staffing Impact.

Anticipated Change to Budgeted Headcount.

Reason:

Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:

- | | |
|--------------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Grow Net Revenues | <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure |
| <input checked="" type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence |
| <input type="checkbox"/> Strengthen Safety and Security | <input type="checkbox"/> Serve Our Community |
| <input type="checkbox"/> Care for Our Environment | |