

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** AIRPORT

**AGENDA DATE:** INTRODUCTION: December 13, 2011 PUBLIC HEARING: December 20, 2011

**CONTACT PERSON NAME AND PHONE NUMBER:** Monica Lombraña/780-4724

**DISTRICT(S) AFFECTED:** All Districts

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

This item is an Ordinance amending Title 14 (Aircraft and Airports) of the El Paso City Code, to add a new Section 14.16.161 (Customer Facility Charge) which charge will be paid by each customer renting a motor vehicle from an On-Airport Vehicle Rental Concessionaire at the El Paso International Airport.

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

The proposed Ordinance establishes a Customer Facility Charge (CFC) Ordinance of \$3.50 per day on rental car transactions at the El Paso International Airport. The CFC will be collected to fund the design, construction, operation and management of a consolidated rental car service facility. This consolidated facility will encompass an expanded, three-level ready/return parking garage as well as a common-use quick turn-around facility where the car rental concessionaires will fuel, vacuum, wash and quickly service rental vehicles. This expansion will enhance customer service related to a passenger's car rental experience, providing covered parking and expanded ready return lot facilities, while still retaining the convenience of pickup and return of vehicles directly adjacent to the terminal. Additionally, this project will address and remedy traffic congestion on Convair Road, and allow for safer transport delivery of the vehicles at an off-roadway location. Lastly, the consolidated facility will provide a more efficient operation for the car rental companies, as well as allow for higher and better land use planning and development as leasehold agreements for their current and separate maintenance facilities are terminated.

As presented as part of the Airport's five-year Capital Improvement Plan, the estimated cost of construction is approximately \$30 million for this facility, programmed to be completed in the fall of 2014. The car rental companies' current concession agreement, which was approved by council on October 25, 2011, provides for the collection of the CFC.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

October 25, 2011 – Award of Solicitation No. 2011-239R for seven Vehicle Rental Concession agreements at the El Paso International Airport effective December 1, 2011.

August 30, 2011 – Approval of the El Paso International Airport Five Year Capital Improvement Plan for FY 2012 through FY 2016.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

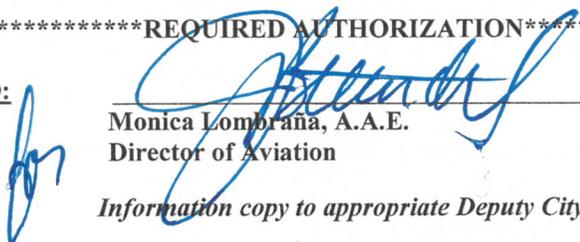
N/A – this is a revenue-generating item

**BOARD / COMMISSION ACTION:** N/A

Enter appropriate comments or N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



Monica Lombraña, A.A.E.  
Director of Aviation

*Information copy to appropriate Deputy City Manager*

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING TITLE 14 (AIRCRAFT AND AIRPORTS) OF THE EL PASO CITY CODE, TO ADD A NEW SECTION 14.16.161 (CUSTOMER FACILITY CHARGE) WHICH CHARGE WILL BE PAID BY EACH CUSTOMER RENTING A MOTOR VEHICLE FROM AN ON-AIRPORT VEHICLE RENTAL CONCESSIONAIRE.**

**WHEREAS**, the City of El Paso, Texas (“City”) owns and operates an airport known as the El Paso International Airport (the “Airport”) and may enter into leases and licenses for the use of Airport facilities, including concession agreements for the privilege of operating rental car concessions at the Airport, and may place restrictions on and establish fees and charges relating to the use of Airport facilities;

**WHEREAS**, the City approves the award of solicitations for vehicle rental concessionaires at the Airport and the Vehicle Rental Concession Agreements with the successful rental car companies (the “On-Airport Vehicle Rental Concessionaires”);

**WHEREAS**, the City intends to relocate the On-Airport Rental Car Concessionaires’ operations to a consolidated rental car facility to be constructed on City-owned land at the Airport (the “Consolidated Facility”);

**WHEREAS**, the City intends to fund all or a portion of the design, construction (including any associated demolition), operations, management and maintenance of the Consolidated Facility, including tenant improvements within the Consolidated Facility, through General Airport Revenue Bonds or other revenue debt obligations to be approved by its City Council under a separate ordinance;

**WHEREAS**, the City desires to impose a customer facility charge (“CFC”) on customers of On-Airport Vehicle Rental Concessionaires, to require the On-Airport Vehicle Rental Concessionaires to collect and remit CFCs to the City and to use the CFC revenues for payment of debt service on any debt obligations issued to finance the Consolidated Facility and for other permitted costs and purposes related to the Consolidated Facility; and

**WHEREAS**, the City’s Vehicle Rental Concession Agreements with the On-Airport Vehicle Rental Concessionaires state the terms and conditions should the City implement a CFC.

ORDINANCE NO. \_\_\_\_\_

11-1003-039/92868\_3 (12/7/11final)/Ordinance-CFC/TC

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

**Section 1.** That Chapter 14.16 (Airport Use Regulations) of the El Paso City Code is amended to include a new Section 14.16.161 Customer Facility Charge, which shall read as follows:

Section 14.16.161 Customer Facility Charge

A. Beginning February 1, 2012, the City will impose a Customer Facility Charge (CFC) in the initial amount of \$3.50 per Transaction Day on each customer renting a Motor Vehicle from an On-Airport Vehicle Rental Concessionaire. The City Manager or his/her designee shall provide thirty (30) days prior written notice to the On-Airport Vehicle Rental Concessionaires before the initial fee is imposed. The amount of the CFC may be adjusted from time to time by the City in its annual budget resolution approved by the City Council.

B. "Motor Vehicle" means a driverless automobile as that term is defined in Section 6.36.010 of the El Paso City Code.

C. "Transaction Day" means, with respect to rentals of Motor Vehicles, up to a 25-hour period or fraction thereof for the first Transaction Day and successive 24-hour periods (or fractions thereof) for each successive Transaction Day.

D. The On-Airport Vehicle Rental Concessionaires shall collect the CFC from their customers on behalf of the City. The Vehicle Rental Concession Agreement approved by the City Council will govern how the On-Airport Vehicle Rental Concessionaires identify the CFC on Contracts, and each On-Airport Vehicle Rental Concessionaire must so identify the CFC. Each On-Airport Vehicle Rental Concessionaire must charge each customer the total amount of CFCs due under the customer's contract at the time the final number of Transaction Days are determined under the contract, and must remit such total amount of the CFCs pursuant to the terms and conditions of its Vehicle Rental Concession Agreement.

**Section 2.** Except as herein amended, Title 14 of the El Paso City Code shall remain in full force and effect.

ORDINANCE NO: \_\_\_\_\_

11-1003-039/92868\_3 (12/7/11 final)/Ordinance-CFC/TC

ADOPTED THIS \_\_\_\_ day of December 2011.

**CITY OF EL PASO**

\_\_\_\_\_  
John F. Cook  
Mayor

**ATTEST:**

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Theresa Cullen  
Deputy City Attorney

**APPROVED AS TO CONTENT:**

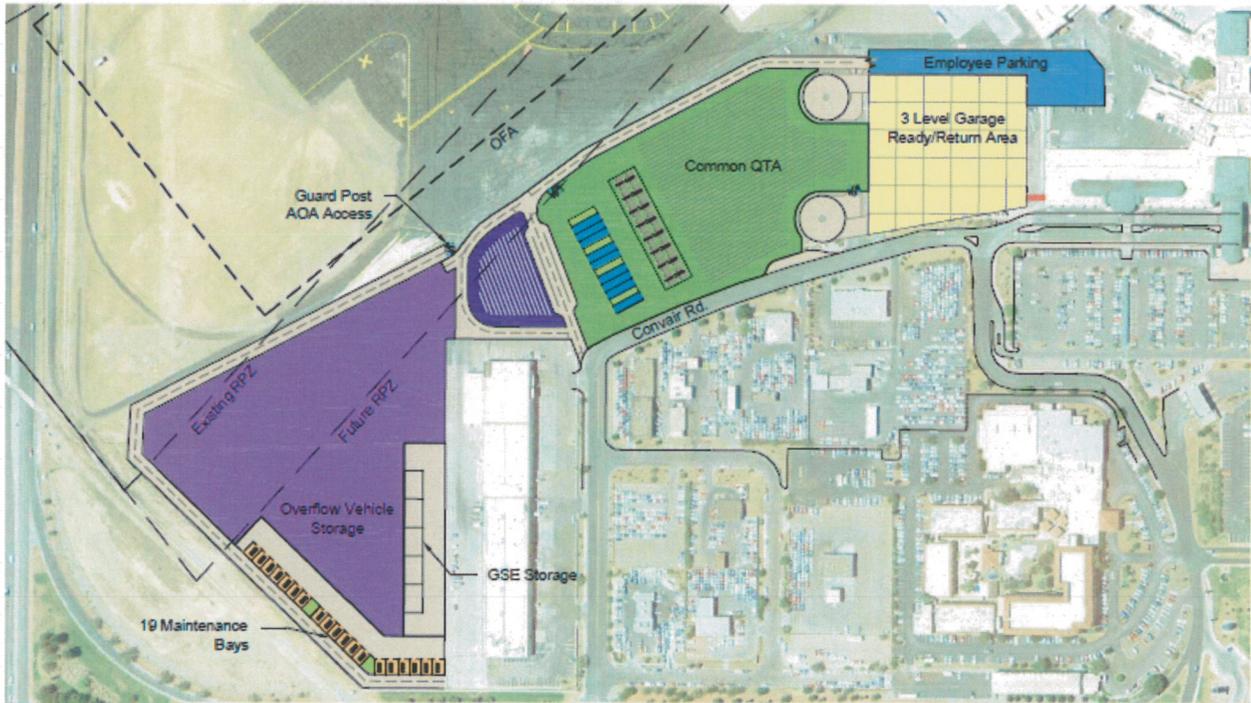
\_\_\_\_\_  
Monica Lombrana, A.A.E.  
Director of Aviation

**ORDINANCE NO:** \_\_\_\_\_

11-1003-039/92868\_3 (12/7/11 final)/Ordinance-CFC/TC

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

El Paso International Airport



Note: Areas conceptual and estimated, and subject to change in location and size.

Source: Ricondo & Associates, Inc., June 2011.  
Prepared by: Ricondo & Associates, Inc., June 2011.

Exhibit D



### Consolidated Rental Car Facility Concept Plan New Premises

Drawing Z:\ELPWAC\QTA\CAD\_040511\ACAD\05\Site\West QTA Concept 1-Dual Halls Garage\_Expanded-3.dwg, Layout: A11, Jun 01, 2011, 9:41am

Rental Car Alternatives

June 2011



## EL PASO INTERNATIONAL AIRPORT

# Customer Facility Charge (CFC) Ordinance

Public Hearing  
December 20, 2012



EL PASO INTERNATIONAL AIRPORT





# Customer Facility Charge (CFC)

- ▣ \$3.50 per transaction day
- ▣ On-Airport rental car transactions only
  - Users pay for the facility
- ▣ General Airport Revenue Bonds
- ▣ Construction estimate of \$30 million
- ▣ Analysis of rental car transactions at ELP over the past 5 years
- ▣ CFC collection is part of the current Vehicle Rental Concession Agreement





# Facility Components

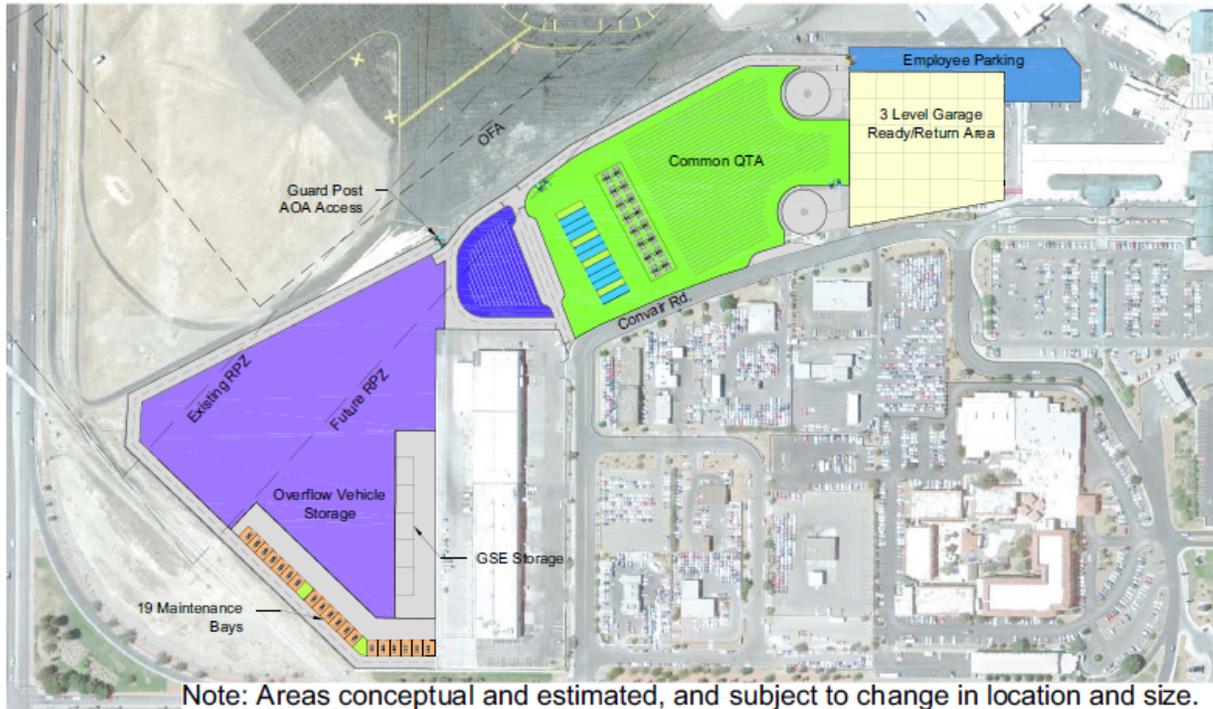
- ▣ Expanded ready/return garage
- ▣ Quick turnaround facility (QTA)
  - Car wash & vacuums
  - Fueling
  - Administrative space
- ▣ Vehicle storage and stacking
- ▣ Vehicle delivery area
- ▣ Light maintenance facility
- ▣ Overflow parking





# Consolidated Rental Car Facility Draft Concept

El Paso International Airport



Source: Ricondo & Associates, Inc., June 2011.  
Prepared by: Ricondo & Associates, Inc., June 2011.

Exhibit D



## Consolidated Rental Car Facility Concept Plan New Premises

Drawing: Z:\ELP\PRAC\QF\AICAD\_060811\ACAD\Ex-East\West QTA-Concept 1-Dual Helix Garage Expanded-3.dwg, Layout: A1 1, Jun 01, 2011, 9:41 am

Rental Car Alternatives

June 2011



EL PASO INTERNATIONAL AIRPORT





# Benefits

- ▣ Improved customer service
- ▣ Covered parking
- ▣ Short walk to rental vehicles
- ▣ Operational efficiencies for car rental concessionaires
- ▣ Safer roadways
  - Reduced traffic on Convair & Terminal Roads
  - Dedicated roadways inside facility





# CFCs at Texas Airports

Airport	Fee	Type of Facility
Austin	\$5.95/day	Current ready/return lot in parking garage adjacent to terminal; new facility next to existing garage with QTA
Corpus Christi	\$3.50/day	Ready/Return lot adjacent to terminal and remote QTA
DFW	\$4.00/day + \$2.20/day transportation fee	Remote consolidated facility
El Paso	\$3.50/day	Consolidated facility adjacent to terminal
Harlingen	\$3.75/day	Consolidated QTA
Houston (IAH)	\$3.00/day + \$4.49/transaction busing fee	Remote consolidated facility
San Antonio	Proposed fee \$4.50/day	Proposed remote consolidated facility





# QUESTIONS



El Paso INTERNATIONAL AIRPORT

