



AGENDA MEMORANDUM
for the City Council Meeting of May 29, 2012

DATE: May 4, 2012
TO: Ronald L. Olson, City Manager
FROM: Fred A. Segundo, Director of Aviation
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APPROPRIATING \$629,027 IN REVENUE FROM CUSTOMER FACILITY CHARGES TO FUND DESIGN, CONSTRUCTION AND DEBT SERVICE ASSOCIATED WITH THE QUICK TURN AROUND FACILITY FOR RENTAL CAR OPERATIONS AT CORPUS CHRISTI INTERNATIONAL AIRPORT;

CAPTION:

An ordinance appropriating \$629,027 in revenue from Customer Facility Charges in the No. 4632 Airport Customer Facility Charge Fund to fund design, construction and debt service associated with the Quick Turn Around Facility for rental car operations at Corpus Christi International Airport and transferring \$483,675 into the Airport CFC Debt Service Fund No. 4643; amending the FY2011-12 Capital Budget adopted by Ordinance no. 029135 to increase appropriations by \$629,027.

PURPOSE:

Design and construction of Corpus Christi International Airport's Rent A Car (RAC's) Quick Turn Around Facility is funded from a \$3.50 Customer Facility Charge (CFC) on vehicles rented at the Airport. The fee is paid on each transaction day up to maximum number of days. The CFC was authorized to fund the design, construction, debt service, renovation, repair, operating, and maintenance costs of existing and future facilities that are allocable or attributable to the operations of the rental car concessions at the Airport. The CFC revenue must be appropriated annually to fund project costs.

BACKGROUND AND FINDINGS:

The On- Airport Rental Car Concession and Lease Agreements executed between the City and Rent-A-Car (RAC) Companies on November 1, 2009 included provisions for the collection and remittance of a Customer Facility Charge (CFC) to the City. The CFC is a fee collected by the RACs from customers that rent a car at the Airport only. Industry data reflects that approximately 98% of vehicles rented at the Airport are by customers from outside of Corpus Christi. The CFC collected by the RAC funds the design, construction, repair, operations and maintenance of the new QTA Maintenance Facility. Based on current projection, the Airport should receive approximately \$800,000 annually in CFC receipts.

On May 18, 2010, the City Council authorized the issuance of \$5.5 million in Certificates of Obligation (COs) to fund the construction of the QTA. Debt Service on the COs will be approximately \$485,000 annually. A contract was awarded to Bar-Com for construction of the QTA and work was initiated in January of 2011 with completion anticipated in February 2012. When completed, the proposed facility would be the first Leadership in Energy and Environmental Design (LEED) Certified city building.

On June 28, 2011, the City Council authorized the appropriation of \$759,163 in revenue from customer facility charges to fund design, construction and debt service associated with the quick turnaround facility for rental car operations at Corpus Christi International Airport.

ALTERNATIVES:

No viable alternatives exist as the Customer Facility Charge is the only contractual funding source for the Quick Turnaround Facility and appropriation is required.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

The project is consistent with Airport Master Plan.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance
Management and Budget

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget	\$3,276,400	\$3,,234,100	\$0	\$6,510,500
Encumbered / Expended Amount	\$3,276,400	\$679,556		\$3,955,956
This item	n/a	145,352	n/a	\$145,352
BALANCE	0	\$2,699,896		\$2,699,896

Fund(s): Airport CFC Fund, Certificates of Obligation

Comments: n/a

RECOMMENDATION:

Staff recommends approval of the Ordinance

LIST OF SUPPORTING DOCUMENTS:

Ordinance

Approvals: Charlotte Yochem, Assistant City Attorney
Constance P. Sanchez, Interim Director of Financial Services
Eddie Houlihan, Assistant Director of Management and Budget
Toby Futrell, Interim Assistant City Manager- Business Development