

Chapter 12-22

CAR RENTAL CUSTOMER FACILITY CHARGE

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Section 12-22-01 DEFINITIONS

As used in this Ordinance, the following definitions apply:

- A. "Airport," "the Airport" or "Boise Airport" shall mean the approximately 4900-acre area of Boise Air Terminal, a division of the Boise City Department of Aviation and Public Transportation, which is a division of Boise City.
- B. "Charge Effective Date" shall mean the date on which the Customer Facility Charge is effective as provided in Boise City Code Section 12-22-03.
- C. "City" or "the City" shall mean the City of Boise City.
- D. "Customer Facility Charge" or "CFC" shall mean the one dollar and twenty cent (\$1.20) charge imposed by a car rental company upon a car rental customer arriving at the Airport and renting a vehicle from an on-airport or off-airport car rental company serving the Airport. The CFC shall be collected by the car rental company for the benefit of the Airport, pursuant to Boise City Code Section 12-22-03.
- E. "On-airport" shall mean a car rental company that is located at, upon, or within the Boise Airport.
- F. "Off-airport" shall mean a car rental company that is not located at the Boise Airport but which does business at the Airport.
- G. "Transaction day" shall mean that period of time a car is rented for twenty-five or fewer 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.

(6236, Added, 06/03/2003)

Section 12-22-02 FINDINGS AND PURPOSE

The City finds that:

- 1. The City owns and controls certain Airports and facilities located in Ada County, State of Idaho, and known as Boise Airport; and
- 2. The Airport promotes and supports a strong economic base for the community, assists and

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encourages world trade opportunities, and is of vital importance to the health, safety, and welfare of the State of Idaho; and

3. The operation of Boise Airport as a public facility attracting scheduled airline passengers who use car rental facilities at the Airport imposes financial responsibility on the City for car rental facilities and operations; and
4. The City will expend substantial resources for capital investment, operation, maintenance, and development of the car rental facilities to meet the future demand for customers using the Boise Airport or its facilities; and
5. It is in the City's best economic interest, and likewise in the interest of the car rental customers and car rental companies, to adopt a Customer Facility Charge (CFC) program as identified in this Ordinance to maintain, improve, and further expand the car rental facilities of the Airport; and
6. In establishing and implementing the Customer Facility Charge program, the car rental customers using the Airport should contribute to a greater degree toward the development and improvement of car rental facilities; and
7. The fees implemented by this Ordinance are reasonable for the use of the Airport and car rental facilities by the general public; and
8. The purpose of this Ordinance is to enact a Customer Facility Charge program consistent with the above findings and this Ordinance and the regulations published pursuant thereto shall be liberally construed to effectuate the purposes expressed.

(6236, Added, 06/03/2003)

Section 12-22-03 CAR RENTAL CUSTOMER FACILITY CHARGE

- A. Commencing not later than sixty days after the approval and publication of this Ordinance by the Boise City Council, or on such date thereafter as the Customer Facility Charge can be collected, as determined by the Airport Director ("Charge Effective Date"), the Airport's Customer Facility Charge program authorized by this Ordinance shall be imposed.
- B. The CFC's shall be used to pay, or reimburse the Airport, for the costs associated with the design, planning, and construction of facilities or improvements exclusively used by the rental car companies located at the Airport. Any or all of the CFC's collected may be pledged to the punctual payment of debt service on obligations issued by or on behalf of the Airport for the cost of the car rental portion of the parking garage expansion, and to create and maintain reasonable reserves. Eligible costs for the car rental facilities shall include all costs, fees, and expenses associated with the planning, design, equipping, construction, and other related costs for the development, improvement, or acquisition of car rental facilities. Eligible costs for the related transportation facilities and equipment shall include operating 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 car rental company ineligible.
- C. The CFC's shall be used to pay, or reimburse, the participating car rental companies for reasonable and necessary consulting and attorneys fees, as determined by the Airport Director which are directly related to their participation in facility projects.

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- D. The CFC fees imposed by car rental companies shall be identified on separate lines on the car rental customer contract, before taxes, and shall be described as the “Transaction Fee” or “Facility Fee.”
- E. There shall be no suspension of CFC collections unless all of the following occur:
1. All car rental companies operating at the Airport have timely and accurately remitted their CFC collections to the Airport together with the required reports of transaction day data.
 2. The City has completed all design development, architectural and engineering drawings for the facility construction or improvements.
 3. Sufficient CFC proceeds have been collected to reimburse the Airport for the costs identified in Section 12-22-03 (B) incurred through the completion of design development and to reimburse the participating car rental companies for the costs identified in Section 12-22-03 (C).
 4. The Airport has not entered into the construction phase of the project.
 5. The CFC’s have not been pledged to the payment of debt service on obligations issued by or on behalf of the Airport or Boise City.
- F. Following any suspension of CFC collections under Section 12-22-03(E), the Airport Director shall consider relevant economic factors and consult with the Airport’s on- and off- airport car rental companies regarding such factors and review the size, scope and projected costs of the car rental facilities or improvements prior to re-imposing the CFC collection requirement.
- G. The Customer Facility Charge authorized by this Ordinance shall expire on the date determined pursuant to car rental Leases, for on-airport car rental companies.
- H. The Airport Director or designee is authorized to execute the authorization of the City’s CFC Program including the assurances contained therein and other documents necessary for implementation of the CFC program on behalf of the City.

(6236, Added, 06/03/2003)

Section 12-22-04 ELIGIBLE PROJECTS

The Customer Facility Charge collected pursuant to this program shall be expended solely for rental car projects approved by the Boise Airport Commission and the Boise City Council.

(6236, Added, 06/03/2003)

Section 12-22-05 COLLECTIONS

- A. All CFC’s collected by all car rental companies are and shall be trust funds held by the car rental companies for the benefit of the Airport. Car rental companies and their agents hold only a possessory interest in the CFC’s, and no legal or equitable interest. All car rental companies shall segregate, separately account for and disclose all CFC’s as trust funds in their financial statements, and shall maintain adequate records that account for all CFC’s charged and collected. Failure to segregate the CFC’s shall not alter or eliminate their trust fund nature. The Airport

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shall have the right to audit the CFC records upon reasonable notice.

- B. All car rental companies shall remit all CFC's that were collected or should have been collected from its Airport customers on a monthly basis to the Airport together with the monthly statement of transactions and transaction days. 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 car rental company's authorization to do business at the Airport.
- C. Collection of the CFC's shall be limited to the first fourteen transaction days of any car rental customer contract, to limit the remittance by any car rental company on any car rental customer contract to fourteen times the CFC.

(6236, Added, 06/03/2003)

Section 12-22-06 VIOLATIONS

In the event any car rental company violates any term or condition of this Ordinance, the Airport or City may exercise any rights or remedies allowed by law or equity.

(6236, Added, 06/03/2003)

Section 12-22-07 SAVINGS CLAUSE

In the event any phrase, clause, sentence, paragraph, or paragraphs of this Ordinance is or are declared invalid for any reason, the remainder of this Ordinance shall not be invalidated, but shall remain in full force and effect, all parts of this Ordinance 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 Ordinance is unconstitutional or is otherwise invalid, the Customer Facility Charge authorized by this Ordinance shall be suspended and terminated as of the date such declaration.

(6236, Added, 06/03/2003)