



Commission Meeting

September 5, 2023

Augusta Regional Airport

Department:	Augusta Regional Airport – Request to Amend the Customer Facility Charge (CFC) Ordinance 7449
Presenter:	Herbert Judon
Caption:	Motion to allow the Augusta Aviation Commission and its representatives to work with the Augusta Law Department on an amendment to the CFC Ordinance. (Approved by the Augusta Aviation Commission on July 27, 2023 and Public Services Committee August 29, 2023).
Background:	<p>In the past, the Aviation Commission had a clause in the On-Site Rental Car Concession agreements allowing for collection of CFC funds. In 2008, the Commission adopted an ordinance addressing collection of CFC's from off-site rental car companies providing service to customers at the Airport. The original ordinance was drafted after consultation with the rental car agencies. In 2012, the Commission entered into new concession agreements with the on-site rental car companies however, the new agreements did not address the collection of CFC's. In December 2013, the Aviation Commission voted to amend the CFC ordinance in order to address CFC collections to include the on-site rental car concessions.</p> <p>Subsequently, the Airport contracted with a consulting firm that specializes in Airport Rental Car Contracts and related issues as part of the Consolidated Rental Car project. Upon reviewing the amended ordinance, the Consultant voiced concerns on the extremely restrictive nature of the ordinance's designated uses for the CFC funds. The Consultant recommended that the ordinance be amended to allow for more flexibility in the designation of the funds. These changes would allow the Airport to utilize the CFCs in case of emergencies or catastrophic events, such as a terrorist event or an extreme downturn in the economy. This would allow the CFCs, which are paid by Airport rental car customers, to be utilized for the continued operation of the Airport or to cover Airport or bond debts. The Ordinance was amended again to reflect these new changes.</p> <p>A Consolidated Rental Car project is nearing completion on the building construction phase. Additional phases of the project are budgeted for future years. In consultation with the rental car agencies, it was determined that the best course of action would be to increase the CFC charge to cover costs of the future phases and to offset costs for the land rent. The increase in CFC Fees to \$4.50 per contract day requires another amendment to the original Ordinance.</p>

The current ordinance limits the changes in CFC fees to a January 1 start date. The amendment will remove the January 1 limitation and allow more flexibility for AGS to make adjustments as necessary.

Analysis:

The additional fee will allow for faster turnaround on the future phases of the Consolidated Rental Car project and will help to offset increased costs to the rental car agencies on land rent. The new rate fee is consistent with other airports around the southeast US. The change to the January 1 start date will allow for more flexibility for the AAC in the future. The basic language and intent of the CFC Ordinance will remain the same, providing facilities and infrastructure for rental car customers.

Financial Impact:

The increased CFC Fees will provide additional revenue to complete the future budgeted projects in a more timely fashion.

Alternatives:

To deny.

Recommendation:

Recommend Approval. Approved by the Augusta Aviation Commission on July 27, 2023.

Funds are available in the following accounts:

N/A

REVIEWED AND APPROVED BY:

N/A