

Memorandum



CITY OF DALLAS

DATE August 21, 2017

The Honorable Members of the Mobility Solutions, Infrastructure and Sustainability

TO Committee: Lee M. Kleinman (Chair), Rickey D. Callahan (Vice-Chair), Sandy Greyson, Adam Medrano, Casey Thomas, II and Tennell Atkins

SUBJECT **Love Field Customer Facility Charge Ordinance**

On Monday, August 28, 2017, you will be briefed on the Love Field Customer Facility Charge Ordinance. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

A handwritten signature in black ink, appearing to read 'Jo M. Puckett', with a horizontal line extending to the right.

Jo M. (Jody) Puckett
Assistant City Manager (I)

C: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Love Field Customer Facility Charge Ordinance

Mobility Solutions,
Infrastructure &
Sustainability Committee
August 28, 2017

Mark Duebner, Director
Department of Aviation



City of Dallas

Overview

- Provide overview of Dallas Love Field (DAL) Rental Car Operations and challenges
- Review plans to implement CFC collection for study of new Consolidated Rental Car Facility(ConRAC)
- Review Next Steps

Dallas Rental Car Operations

- Current location of Rental Car companies on airport - additional property has been leased for vehicle storage



DAL Rental Car Challenges

- Nine rental car brands operate on-airport on approximately 20 acres
 - Shuttle buses and customers returning vehicles to on-site location contributes to roadway congestion
 - No adequate space for rental car vehicle storage to meet demand
- Possible solution to issue would be construction of Consolidated Rental Car Facility (ConRAC)

Consolidated Rental Car Facility

- A facility that combines all rental car operations, including vehicle pick up and drop off, car storage, cleaning and fueling into a single facility
- Functional Components of a ConRAC include:
 - Customer service area
 - Ready/return area
 - Overflow Vehicle Storage
 - Vehicle Service Area/Quick Turnaround (QTA)

Consolidate Rental Car Facility

Objectives

- Sufficient land to accommodate space requirements through the planning horizon and to permit future expansion of facilities
- Provide easy customer access/egress to the airport area's major roadway system
- Maintain reasonable RAC customer consolidated shuttle bus driving time between the terminal and the ConRAC – 15 minute maximum with the objective being under 10 minutes
- Create stable rental car operating and facility environment while maintaining/enhancing customer service

Consolidated Rental Car Facility (ConRAC)

- Met with DAL Rental Car Companies to
 - Determine their interest level in new ConRAC
 - Receive input on location preferences
 - Identify facility space requirements necessary for the rental car companies to operate efficiently and effectively

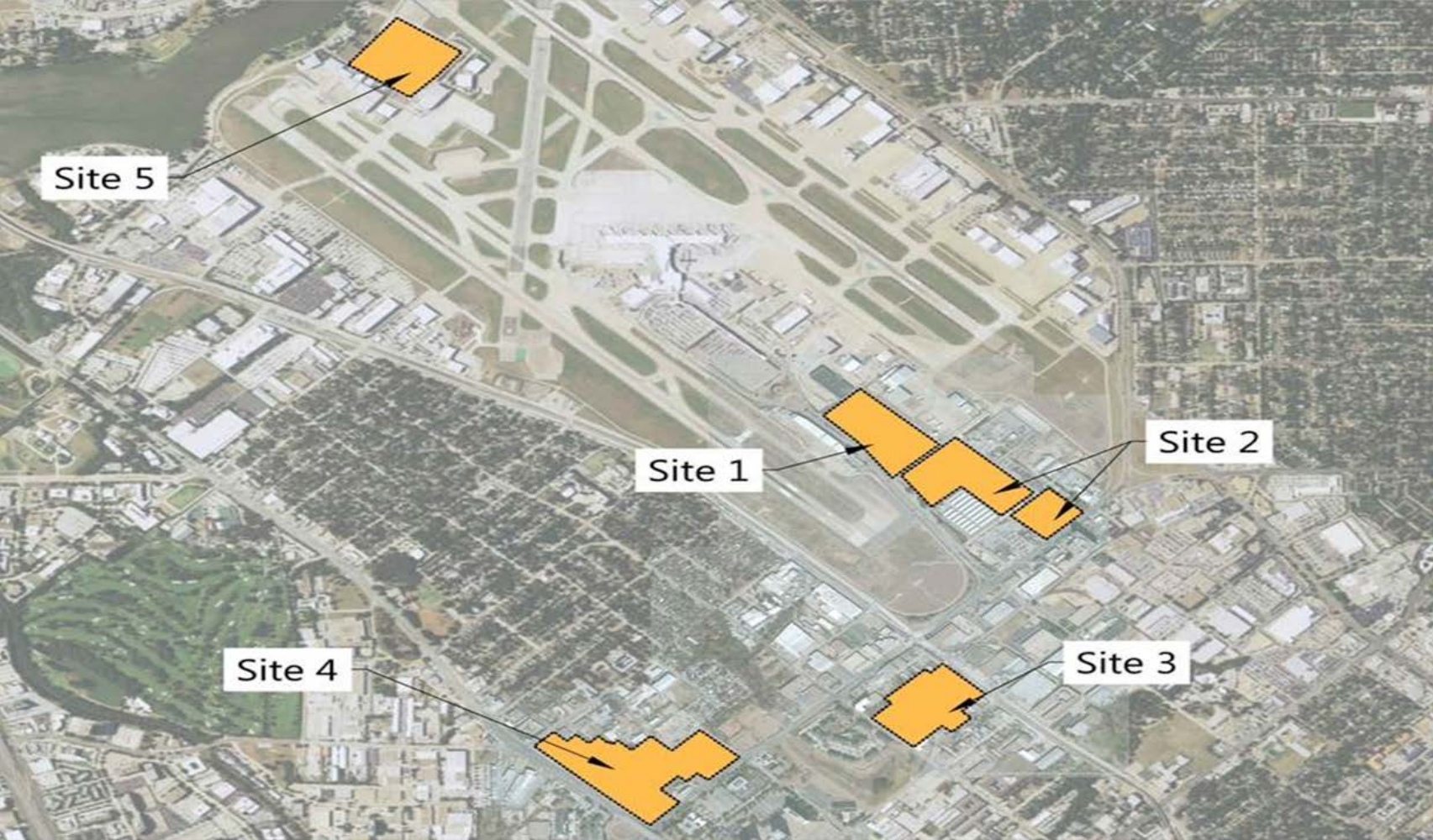
Primary Site Concept Analysis Overview

- Facility “massing” layouts were developed to determine each site’s ability to accommodate the 2032 baseline facility requirements
- Car rental companies provide space requirements and projected activity to consultant who aggregated the demand and developed total requirement
- Based on space requirements, five potential sites for a ConRAC have been identified
- Key pros and cons of each site have been identified
- Each site will be evaluated further based upon the site’s ability to meet an established set of evaluation criteria

Primary Space Requirements Results Summary

	2015 SPACE PROGRAM			2024 SPACE PROGRAM			2032 SPACE PROGRAM		
	Low Quantity	Baseline Quantity	High Quantity	Low Quantity	Baseline Quantity	High Quantity	Low Quantity	Baseline Quantity	High Quantity
<u>Customer Service Area</u>									
Regular Counter Positions	49	49	49	58	59	64	59	60	66
Subtotal Customer Service Area	49	49	49	58	59	64	59	60	66
<u>Ready/Return/Storage Areas</u>									
Ready Spaces	1,101	1,101	1,101	1,295	1,306	1,417	1,311	1,306	1,460
Return Spaces	478	478	478	562	567	615	569	582	634
Subtotal area Ready/Return	1,579	1,579	1,579	1,857	1,873	2,032	1,881	1,888	2,095
Storage Spaces	1,169	1,169	1,169	1,374	1,386	1,504	1,392	1,424	1,550
Subtotal Storage Area	1,169	1,169	1,169	1,374	1,386	1,504	1,392	1,424	1,550
Exit Booths	12	12	12	14	15	16	15	15	16
Subtotal Exit Booths	12	12	12	14	15	16	15	15	16
<u>QTA/Service Site</u>									
Fueling Positions	48	48	48	56	57	62	57	58	63
Wash Bays	8	8	8	9	9	10	9	10	11
Stacking and Staging Spaces	288	288	288	336	342	372	342	348	378
Maintenance Bays	39	39	39	45	46	50	46	47	51
Administrative Area	8,824	8,824	8,824	10,376	10,465	11,355	10,511	10,748	11,705
Employee Parking	481	481	481	566	571	619	573	586	638
Subtotal QTA/Service Site	9,688	9,688	9,688	11,389	11,489	12,468	11,539	11,797	12,846
TOTAL REQUIREMENT - SQUARE FEET	919,924	919,924	919,924	1,081,276	1,091,065	1,184,155	1,095,711	1,109,448	1,219,305
TOTAL REQUIREMENT - ACRES	21	21	21	25	25	27	25	25	28

ConRAC Site Location Option



Consolidated Rental Car Facility Charge (CFC)

- A CFC is a charge to customers that rent vehicle at airport
- Charges can only be used for construction, financing, operations, and maintenance of car rental facilities
- Requires new City ordinance to collect
- Car rental companies collect the funds and deposit in City fund specifically for this purpose

Customer Facility Charge (CFC)

- CFC is a user fee; Not a tax or surcharge
- In effect at over 130 airports
- Industry: ranges from \$1.00 to \$9.00 per transaction day; or \$3.00 to \$10.00 per transaction
- CFC revenue stream pledged to pay debt service on financing instrument used to fund development of rental car facilities
- CFCs are collected in advance of specific project definition
- To fund planning, design and future construction of ConRAC, staff recommends collecting a CFC at DAL

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Next Steps

- Seek City Council approval of ordinance to impose \$3 per transaction day CFC
- Complete studies of site location options and feasibility and recommend project implementation pending results

Dallas Love Field Customer Facility Charge

Mobility Solutions,
Infrastructure &
Sustainability Committee
August 28, 2017

Mark Duebner, Director
Department of Aviation



City of Dallas

8/17/17

ORDINANCE NO. _____

An ordinance amending Chapter 5, "Aircraft and Airports," of the Dallas City Code by adding a new Section 5-64; providing for the creation of a customer facility charge ("CFC"); providing for the administration and use of the CFC; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date and an expiration date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Article II, "Ground Transportation Services at Love Field Airport," of Chapter 5, "Aircraft and Airports," of the Dallas City Code is amended by adding a new Section 5-64, "Customer Facility Charge," to read as follows:

"SEC. 5-64. CUSTOMER FACILITY CHARGE.

(a) Definitions. In this section:

(1) AIRPORT RENTAL CAR COMPANY means an entity that provides rental car services at Love Field, regardless of whether the entity has an on-airport concession agreement with the city.

(2) ConRAC means a Consolidated Rental Car Facility.

(3) CFC means customer facility charge. The CFC does not constitute income, revenue, or an asset of the airport rental car company, and is, at all times, city property.

(4) TRANSACTION DAY means a 24-hour period, or fraction thereof, that is subject to an airport rental car company contract for the rental of a motor vehicle.

(b) A person renting a motor vehicle from an airport rental car company shall pay a CFC of \$3.00 per transaction day.

(c) Director's power and duties.

(1) The director is authorized to implement and administer the CFC and any related programs.

(2) The director is authorized to negotiate an amendment to each existing airport rental car company's on-airport rental car concession agreement to incorporate the airport rental car company's obligations with respect to its duties under this section. The amendment shall be executed according to applicable provisions in the city's charter and in this code. The director

DRAFT/ FOR DISCUSSION PURPOSES ONLY

may deem an airport rental car company that fails to comply with this section to be in default of its on-airport rental car concession agreement, and in addition to any other remedies set forth in the agreement, the director may recommend that the city council terminate the on-airport rental car concession agreement.

(d) The airport rental car company shall:

(1) charge and collect from each customer the total amount of CFCs due under the airport rental car company contract at the time the final number of transaction days are determined;

(2) remit the total amount of the CFCs along with supporting documentation in a format acceptable to the director by the following deadlines:

(A) for an airport rental car company with an on-airport rental car concession agreement, the CFCs shall be remitted pursuant to the terms of its on-airport rental car concession agreement;

(B) for an airport rental car company that does not have an on-airport concession, the CFCs shall be remitted directly to the city on a monthly basis, and not later than the 15th day of the month following the month in which the CFCs were collected; and

(3) maintain adequate records that account for all CFCs charged to its customers and collected for the city, in accordance with generally accepted accounting principles, and make the records available to the city upon request of the director.

(e) The city may use the CFCs to pay costs associated with studying, planning, designing, and managing projects to develop rental car facilities for airport rental car companies. The CFCs may also be used to analyze the operational, physical, and financial feasibility of developing rental car facilities for airport rental car companies.

(f) This section expires 24 months after the effective date of this ordinance unless extended upon the recommendation of the director, in consultation with the airport rental car companies, and approved by the city council.”

SECTION 2. That, unless specifically provided otherwise by this ordinance or by state law, a person violating a provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.

SECTION 3. That Chapter 5 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

DRAFT/ FOR DISCUSSION PURPOSES ONLY

SECTION 4. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 5. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 6. That this ordinance shall take effect on **XXXX**, and it is accordingly so ordained.

APPROVED AS TO FORM:

LARRY E. CASTO, City Attorney

By _____
Assistant City Attorney

Passed _____