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OAKLAND

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Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

INTRODUCED BY COUNCIL PRESIDENT REID

**RESOLUTION IN SUPPORT OF ASSEMBLY BILL 218 (BONTA) TO CONTINUE
TO ALLOW THE OAKLAND INTERNATIONAL AIRPORT TO COLLECT A
CUSTOMER FACILITY CHARGE FOR CAR RENTAL TRANSACTIONS BY
REMOVING INDEBTEDNESS AS A REQUIREMENT FOR COLLECTION**

WHEREAS, under current law, California airports may collect Customer Facility Charges (CFCs) for car rental transactions that can be used for improvements to rental car facilities; and

WHEREAS, in general, airports can collect CFCs only when the airport has incurred bond debt and remains in debt; and

WHEREAS, Assembly Bill 2142 (Swanson), signed into law in 2008, eliminated such bond indebtedness as a requirement to collect CFCs for a period of 10 years for the Oakland International Airport; and

WHEREAS, the requirement that airports incur debt in order to pay for improvements at rental car facilities through CFCs adds an unnecessary and significant cost to finance the bond issuance and amortize the debt; and

WHEREAS, customers and the rental car companies do not receive any benefits from the use of the CFC payments for debt retirement; and

WHEREAS, the requirement that airports incur debt in order to pay for improvements through CFCs diverts funds and resources that would be better spent directly benefiting the customers that use rental car facilities at the airport; and

WHEREAS, in order for Oakland International Airport to construct its projects, the Airport needs the flexibility to pay for such projects through a financial instrument of its own choosing, and reimburse itself using CFCs; and

WHEREAS, Oakland International Airport intends to use the CFCs for the continued improvement of rental car facilities, including adding green shuttle buses and supporting infrastructure related to rental car facilities; and

WHEREAS, Assembly Bill 218, sponsored by Assemblymember Bonta, would remove indebtedness as a requirement for California airports to collect CFCs and allow airports to use CFCs to pay for improvements financed through broader means; and

WHEREAS, under Assembly Bill 218, airports would still be required to justify their use of CFCs and ensure that they do not exceed the reasonable costs of constructing and maintaining

such facilities; and

WHEREAS, under Assembly Bill 218, reimbursement of airport projects through CFCs would still require an independent audit submitted to the Legislature, as required by state law; now, therefore, be it

RESOLVED: That the Oakland City Council hereby endorses Assembly Bill 218 and urges the California State Legislature and Governor Jerry Brown to support its enactment into law.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2017.

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California