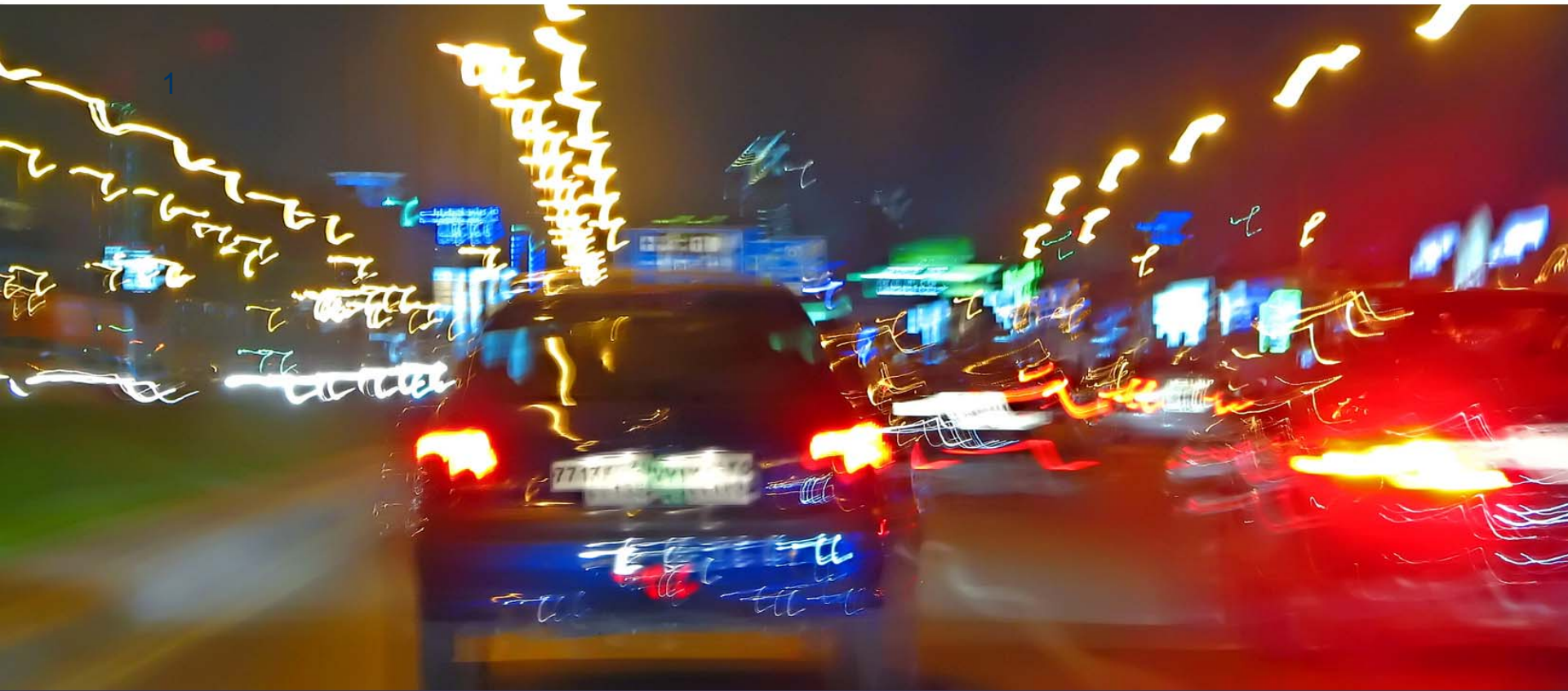


CUSTOMER FACILITY CHARGES AND RENTAL CAR FACILITIES

May 22, 2007



2007 ACI-NA Economics and Finance Conference

Phoenix, Arizona

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LIFE BEFORE CFCS

Customer Facility Charges and Rental Car Facilities

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- Rental car facility projects were funded by:
 - Capital provided by airport sponsor with RACS paying facility rent to airport
 - Individual rental car companies
 - Long term ground leases with airport sponsor
 - No facility rent
 - Airport obligation to “buy out” unamortized improvement value if lease terminates early

The First CFCS

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■ DIA

- For exclusive use facilities and common use infrastructure improvements
- Bus purchases, but not busing O&M

■ DFW

- Consolidated facility, bus maintenance facility, exclusive use service facilities, off-site infrastructure
- Not for common busing O&M
- Not for facility O&M

Common Characteristics

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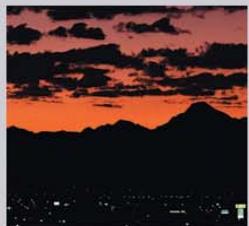


- No federal regulation
- No state regulation; California, Illinois and New York are exceptions (governed by state statute)
- Enacted by local airport sponsor by ordinance/resolution
- Imposed on the rental car customer
- Collected by rental car company and remitted to airport sponsor
- Used by airport sponsor for rental car facilities (common use and exclusive use); transportation related capital projects and O&M costs

Legal Challenges

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- DIA
- Ordinance enacted by City and County of Denver
- Implemented at DEN 2 years prior to opening of DIA
- US Court of Appeals ruled on constitutionality
 - Key findings in upholding CFC concept
 - Imposed by governmental entity
 - Imposed on customer; collected by RACS
 - Not a tax; imposed on users
 - Reasonably related to use
- State court challenges—unsuccessful so far

California

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- \$10 per transaction
- Must be used to “to finance, design, and construct consolidated airport car rental facilities; to finance, design, construct, and provide common use transportation systems that move passengers between airport terminals and those consolidated car rental facilities. The aggregate amount to be collected may not exceed the reasonable costs.”
- Each airport sponsor must enact
- Facility O&M not eligible
- Exceptions

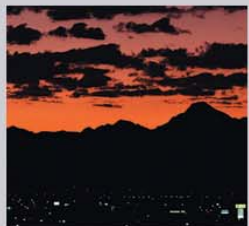
SFO, SJC, SAN

Illinois

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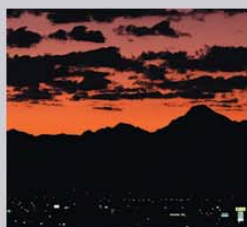
- Each airport sponsor must enact
- Must be charged on “per day” basis; can not exceed reasonable costs
- Must be used for “financing, designing, constructing, operating, and maintaining consolidated car rental facilities and common use transportation equipment and facilities, which are used to transport the customer, connecting consolidated car rental facilities with other airport facilities”.

New York

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- Effective September 2006
- Each airport sponsor must enact
- Rate not regulated. “The aggregate amount to be collected shall not exceed the reasonable costs, as determined annually by an independent audit paid for by the airport operator.”
- Must be used for “the finance, design, construction and operation of consolidated airport facilities and or the finance, design, construction and operation of common use transportation systems that move passengers between airport terminals and those consolidated airport car rental facilities.”

CFCS TODAY

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- Over 70 airports
- No major rental car facility has been developed since early 1990s without use of CFC revenues
- \$1.00 per transaction to \$4.50 per day
- Types
 - Per transaction day
 - Per transaction
 - Common transportation only

CFCS Today (continued)

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■ Uses

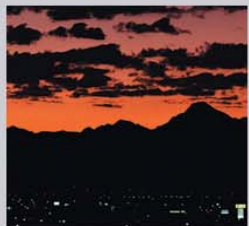
- Debt service (for both consolidated and exclusive use facilities and infrastructure)
- Common use transportation (busing and people mover) capital and O&M
- Purchase of buses for individual busing
- Off-site infrastructure, ground transportation facilities
- Facility O&M

CFCS as support for project funding

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- Taxable airport revenue bonds
- Special facilities revenue bonds
- Commercial paper
- Subordinated debt
- Third party development

On the Horizon

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- Pressure on top rate to exceed \$4.50 per day
 - Facility development costs rising
 - RAC O&M costs rising
 - Affordability—a specific airport rental car market doesn't support facility debt service
 - CFC revenue combined with other revenue sources
 - Maximum per day CFC rate seems to track maximum PFC rate
- California
 - Expand CFC eligible cost categories
 - Increase \$10 per transaction cap
 - Allow per-transaction-day CFC