



April 8, 2019

The Honorable Mark Stone  
Chair – Assembly Judiciary Committee  
Room 104  
1020 N Street  
Sacramento, CA 95814-4900

Dear Chairman Stone:

As required under California Government Code Sections 50474.1-50474.3 related to vehicle rental agreements, in December 2011 Mineta San José International Airport completed the process to implement the collection of per day customer facility charges to pay the costs to design, finance, and construct a rental car facility. California Government Code Section 50474.21 requires that airports collecting the per day customer facility charges must provide reports of required information on an annual basis to the Senate and Assembly Judiciary Committees. The purpose of this correspondence is to provide the required information for the fiscal year ending on June 30, 2018. The Airport is submitting the information required by Section 50474.21 as follows:

*(I) The total amount of the customer facility charge collected.*

In fiscal year 2017-2018, the Airport realized a total of \$21,069,841 related to customer facility charge (CFC) revenues. Of this amount, \$20,881,815 were attributed to CFC collected, \$75,819 to interest earnings, and \$112,207 contributions from rental car companies. Pursuant to Section 50474.3, the City increased the CFC to \$6.00 per contract day, to a maximum of five days, on each rental effective December 1, 2011, and further increased the per contract day CFC to \$7.50 per contract day, to a maximum of five days, on each rental, commencing January 1, 2014.

The collected revenues have been verified as part of the City of San José's annual audit for the fiscal year 2017-2018. The Schedule of Customer Facility Charge Revenues and Expenditures was completed on February 20, 2019. The audit was completed by the auditing firm of Macias Gini & O'Connell LLP.

*(II) How the funds are being spent.*

Of the \$20,881,815 collected in CFCs in fiscal year 2017-2018, \$18,363,648 paid for debt service expenditures and \$2,518,167 paid for transportation costs.

*(III) The amount of and reason for any changes in the airport's budget or financial needs for the facility or common-use transportation system.*

There were no changes in the Airport's budget or financial needs for the facility.

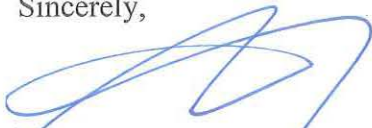
Effective July 1, 2016, the Airport started using a portion of the CFC revenue to pay for transportation costs.

*(IV) Whether airport concession fees authorized by Section 50474.3 have increased since the prior report, if any.*

The airport concession fees imposed on the rental car companies referenced in Section 50474.3 did not increase during fiscal year 2017-2018.

If the Committee has any questions on the aforementioned information, please feel free to contact Manager of Strategy and Policy, Matthew Kazmierczak. Mr. Kazmierczak can be reached at (408) 392-3640 or at [Matthew.Kazmierczak@sanjoseca.gov](mailto:Matthew.Kazmierczak@sanjoseca.gov).

Sincerely,



John Aitken, A.A.E.  
Director of Aviation

cc: Kim Hawk – Deputy Director of Finance and Administration  
Joe Rois – Acting City Auditor  
Bena Chang – Director of Intergovernmental Relations  
Julia Cooper – Director of Finance  
Matthew Kazmierczak – Manager of Strategy and Policy