

January 20, 2021

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. The purpose of this correspondence is to provide the required information for the fiscal year ending on June 30, 2020. The Airport is submitting the information required by Section 50474.3 as follows:

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

In fiscal year 2019-2020, the Airport realized a total of \$16,958,807 related to customer facility charge (CFC) revenues. Of this amount, \$15,393,630 were attributed to CFC collected, \$325,970 to interest earnings, and \$1,239,207 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 2019-2020. The Schedule of Customer Facility Charge Revenues and Expenditures was completed on December 21, 2020. The audit was completed by the auditing firm of Macias Gini & O'Connell LLP.

(II) How the funds are being spent.

Of the \$15,393,630 collected in CFCs in fiscal year 2019-2020, \$15,393,630 paid for debt service expenditures. The transportation costs were partially funded by the rental car companies in the amount of \$1,127,000, and the remainder was funded by available CFC funds.

(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.

The Airport modified its budget in fiscal year 2019-2020 to address the impacts of the COVID-19 pandemic and corresponding reduction in CFC collections, which resulted from a decrease in passenger activity.

Effective July 1, 2016, the Airport started using a portion of the CFC revenue to pay for transportation costs. However, in fiscal year 2019-2020, CFC collections were not enough to cover transportation costs.