



January 20, 2017

The Honorable Hannah-Beth Jackson  
Chair – Senate Judiciary Committee  
Room 2187  
State Capitol  
Sacramento, CA 95814-4900

Dear Chairwoman Jackson:

As required under Section 1936 of the Civil Code 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. Subsection (I)(2)(i) of Section 1936 of the Civil Code 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, 2016. The Airport is submitting the information required by subsection (I)(2)(i) as follows:

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

In FY 15-16, the Airport realized a total of \$19,887,878 in customer facility charge (CFC) revenues. Pursuant to Section 1936, 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 2015-2016. The citywide audit report was completed on November 16, 2016, except for the report on federal awards, the schedule of passenger facility charge revenues and expenditures, and the schedule of customer facility charge revenues and expenditures, which were completed on December 1, 2016. The audit was completed by the auditing firm of Grant Thornton LLP.

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

Of the \$19,887,878 collected in customer facility charges in fiscal year 2015-2016, \$17,700,648 paid for rental car facility debt service for FY 15-16. The remaining \$2,187,230 was placed in reserve for future rental car facility debt service payment.

*(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.

The common use transportation is currently not funded by customer facility charges but by the rental car companies directly.

*(IV) Whether airport concession fees authorized by Section 1936.01 have increased since the prior report, if any.*

The airport concession fees imposed on the rental car companies referenced in Section 1936.01 did not increase during FY 2015-16.

If the Committee has any questions on the aforementioned information, please feel free to contact James Webb, Jr., Assistant to the Director for Government & Legislative Affairs. Mr. Webb can be reached at (408) 392-3609 or at [jwebb@sjc.org](mailto:jwebb@sjc.org).

Sincerely,



Kimberly J. Becker  
Director of Aviation

cc: Kim Hawk – Deputy Director of Aviation  
Sharon Erickson – City Auditor  
Julia Cooper – Director of Finance  
Roxanne Miller – City of San José Legislative Advocate  
James Webb, Jr. – Assistant to the Director/Government & Legislative Affairs