

**MONTEREY PENINSULA AIRPORT DISTRICT
ORDINANCE NO. 935**

AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT TO AMEND AND ADJUST THE RATE OF CUSTOMER FACILITY CHARGES FOR PLANNING AND CONSTRUCTION OF RENTAL FACILITIES AT THE MONTEREY REGIONAL AIRPORT

NOW, THEREFORE, the Board of Directors of the Monterey Peninsula Airport District DO ORDAIN as follows:

SECTION 1: Findings and Purpose. The Board finds and declares as follows:

- A. WHEREAS, Civil Code section 1939.17, and Government Code sections 50474.21 and 50474.3, which may be renumbered and amended from time to time, provide a mechanism for airports to charge a Customer Facility Charge (“CFC”); and
- B. WHEREAS, CFC revenues can be used to design, finance, construct, and operate consolidated airport car rental facilities, common-use transportation systems, and related customer access facilities; and
- C. WHEREAS, in 2018, the Monterey Peninsula Airport District (“District”) passed Resolution 1736 authorizing the use of CFC revenues, through Ordinance 830, to finance, design, and construct an alternative water source for the current Quick-Turn-Around washing and cleaning facility (“QTA”) for car rental companies to use on airport property; and
- D. WHEREAS, the District is embarking on the construction of a new terminal, including new Rental Company Customer Facilities,
- E. WHEREAS, the District desires to amend and update the CFC, as outlined below, to finance, design, and construct the Rental Company Customer Facilities through the collection of an alternative CFC.

SECTION 2: Repeal of Ordinance 830. Ordinance 830 is hereby repealed and of no further force and effect.

SECTION 3: In compliance with Government Code 50474.3(b), the Board of Directors incorporates Exhibit A by reference, as if fully set forth herein, demonstrating the need for an alternative Customer Facility Charge.

SECTION 4: The District, through this Ordinance, hereby amends and updates the Customer Facility Charge, and implements an alternative CFC in the amount of \$8.50 per day applicable to each rental contract for up to five days, until such time as the District has

no debt related to the new Rental Company Customer Facilities. Future adjustments to the amount of alternative CFC may be made by resolution of the Board of Directors.

SECTION 5: The Acting Executive Director is authorized to execute any documents with the Rental Car Companies to effectuate the intent of this Ordinance.

SECTION 6: CEQA Exemption. The MPAD Board of Directors finds that this ordinance is exempt from CEQA pursuant to California Code of Regulations sections 15301 and 15061(b)(3) because it will not cause any expansion of use, and because the repeal is not a "project" pursuant to CEQA Guidelines.

SECTION 7: Severability. It is hereby declared to be the intention of the Board that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance is declared unconstitutional or without effect by any final judgment or decree of a court of competent jurisdiction, such judgment or decree shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

This ordinance shall take effect on the 30th day after its adoption.

PASSED AND ADOPTED by the Board of Directors of the Monterey Peninsula Airport District at a meeting of October 15, 2025 by the following vote:

AYES:	DIRECTORS:	Ahmadi, Gaglioti, Leffel, Miller
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	Pick

Signed this 15th day of October 2025



Carl Miller, Chair

ATTEST:



Christine Morello
District Secretary

EXHIBIT A

Pursuant to Government Code 50474.3(b), the Monterey Peninsula Airport District has conducted an analysis of the design, financing and construction of the Rental Company Customer Facilities as follows:

Project 2026-02:

This project was included in the FY 2026 Capital Budget, as approved by the Board on June 18, 2025, in the amount of **\$3,895,470:**

- The existing rental car ready return lot area is approximately 66,500 SF and an overlay cost is approximately \$ 500,000.
- Adding a new ready return lot next to the replacement terminal building consisting of approximately 55 additional ready return parking spaces for an approximate cost of \$2,895,470
- Replacement Terminal cost estimate for construction of rental car space \$500,000

In addition, staff have identified future projects which have not yet been brought to the Board for approval:

- Existing Terminal cost estimate for future improvements \$750,000
- The existing rental car QTA is approximately 40,000 SF and an overlay cost is approximately \$350,000

Total cost estimate at this time of future rental facility improvements: **\$4,995,470.00**

Despite steps the Airport has taken to limit costs and to evaluate other potential alternatives for meeting its revenue needs other than the collection of fees under the current method, the Airport has found that the reasonable cost of this project requires the additional amount of revenue that would be generated by the collection of an alternative customer facility charge as defined in Section 50474.21.

Prior to implementing an alternative customer facility charge, per CA Government Code Section 50474.3 D (iii) we are required to determine the extent to which rental companies using the facilities will pay for the costs associated with these facilities and systems apart from the fee collected from rental customers.

On August 5, 2025, Staff met with representatives of the Rental Car Companies currently operating at the Airport, and none of them indicated that they would pay for any portion of the CFC Project costs.

ANALYSIS.

To fund the analysis, planning and, if feasible, this new CFC Project, the Airport needs to implement a CFC to either accumulate funds or service some form of debt financing.

Staff, in consultation with PFM, prepared an analysis of the CFC charge structure that would be necessary to support a hypothetical 5-year, 5% term financing of the CFC Project, as well as servicing that portion of future Replacement Terminal Debt Service identified in the Plan of Finance that would be CFC eligible. An Alternative collection rate of \$8.50 per day with an assumed average Rental period of 3.8 days, follows:

Alternative Method	
Estimated Project Costs	\$ 4,995,470
Future Value in 5 years @ 5%	\$6,410,980
Monthly Payment	(\$120,983.10)
Monthly Payment to Cover Debt Service, per Financial Model (this is limited to 3.5% of total debt service, per Model)	(11,198.08)
	(\$132,181.18)
Est. Monthly Collections - FY26	\$ 135,367.82
Excess (Shortfall) - \$	3,186.64
Excess (Shortfall) - %	2.4%

An audit shall be completed every three years after initial collection if the customer facility charge is collected for the purpose of operating a common-use transportation system or to acquire vehicles for use in the system pursuant to paragraph (2) of subdivision (a) of Section 50474.21. A regularly conducted audit of airport finances that includes the customer facility charge information, that satisfies the requirements of subdivision (b) of Section 50474.21 and is produced in accordance with the generally accepted accounting principles of the Government Accounting Standards Board, shall satisfy the requirements of this clause. The information reported pursuant to this clause shall be compiled into one document and shall be posted on the airport's internet website accessible to the public. The information reported shall be contained within one easily accessible page contained within the airport's internet website.

Use of proceeds of any bonds backed by alternative customer facility charges shall be limited to construction and design of the consolidated rental vehicle facility, terminal modifications, and operating costs of the common-use transportation system, as specified in Section 50474.21.