

FINAL BILL REPORT

SHB 2214

C 124 L 09
Synopsis as Enacted

Brief Description: Concerning airport operators financing consolidated rental car facilities and common use transportation equipment and facilities.

Sponsors: House Committee on Transportation (originally sponsored by Representative Simpson).

House Committee on Transportation
Senate Committee on Transportation

Background:

In 2005 legislation was enacted authorizing municipal airports to levy a customer finance charge (CFC) on rental car patrons at the airport for the purpose of financing the design, construction, and operation of a consolidated rental car facility and common use bus system. Rental car companies would collect the CFC as part of each rental car agreement, and the municipality would use the revenue for the costs associated with the facility, common use busing operations, and the debt service on the bonds used to finance the construction of the facility.

Rental car facilities at the Seattle-Tacoma International Airport (SeaTac) are located at numerous sites near the airport as well as the first two floors of the airport parking garage. The plan is to consolidate the rental car facilities off site and utilize a common use busing system to shuttle passengers between the rental car facility and the airport. The intent is to reduce airport congestion and increase parking space in the airport garage.

In 2008 the Port of Seattle (Port) began construction of a consolidated rental car facility at SeaTac. Construction and operation of the facility is funded with CFCs collected from rental car customers. Project financing (approximately \$400 million) was anticipated to be completed with a bond issue in mid-2008, which would be backed by revenues collected from the CFC. Continued construction of the facility required the sale of the bonds. Due to taxable municipal bond markets being affected by the economic downturn, the Port delayed issuing bonds, hoping for an economic recovery. It now finds the bond market unfavorable for bond sales.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

If an airport operator uses its own funds to finance the consolidated car rental and common use facilities, the airport operator is entitled to earn a rate of return on such funds no greater than the interest rate the airport operator would have to pay to finance such a facility in the appropriate capital market.

The airport operator must establish a rate of return in consultation with the rental car companies.

The airport operator may use the funds earned on the money financed for purposes other than those associated with the consolidated rental car facility and common use transportation equipment and facilities.

Votes on Final Passage:

House	94	1
Senate	48	0

Effective: April 17, 2009