

## **RESOLUTION** ---

### **A RESOLUTION AUTHORIZING IMPLEMENTATION OF A PRIVILEGE FEE FOR NON-TENANT RENTAL CAR COMPANIES PROVIDING CUSTOMER SERVICES CUSTOMERS AT KILLEEN FORT HOOD REGIONAL AIRPORT AND SKYLARK FIELD AIRPORT**

**WHEREAS**, the City of Killeen, Texas operates, maintains and develops the Killeen Fort Hood Regional Airport and Skylark Field Airport with federal grants, state grants, passenger facility charges and user fees; and

**WHEREAS**, Off-Airport, non-tenant motor vehicle rental services at the Airports are authorized at the Airports for the accommodation of passengers arriving and departing from the Airport, and these non-tenant rental car companies (Providers) rent motor vehicles to the general public from a location or locations based off the Airports; and

**WHEREAS**, Off-Airport non-tenant, and On-Airport tenant rental car companies constitute separate and distinct classes of business operations at the Airport; which should be regulated as necessary to ensure efficient Airport operation for the protection of the health, safety and welfare of the public; and

**WHEREAS**, the opportunity to enter into On-Airport rental car concessions at the Killeen-Fort Hood Regional Airport is the subject of public proposals open to experienced rental car operators; and

**WHEREAS**, as the recipient of Federal Aviation Administration grants, the City of Killeen is subject to policies which require it to establish a fee structure that will make the Airports as self-sustaining as possible; and

**WHEREAS**, the City of Killeen desires to establish fees to be collected from Off-Airport

non-tenant rental car companies providing customer services (e.g., picking up or dropping off) passengers to provide motor vehicles for rent to offset the costs of operation of the Airport; and

**WHEREAS**, in establishing and implementing the fee, the Off-Airport, non-tenant Providers of rental car services using the Airports should contribute toward the achievement of financial self sufficiency at the Airports; and

**WHEREAS**, the fee described herein shall be considered a payment for the limited right to utilize City facilities, but shall not constitute permission to permanently occupy or modify any real property of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF KILLEEN:**

The City of Killeen establishes, effective beginning on January 1, 2019, an Off-Airport Privilege Fee of ten-percent (10%) of Providers gross revenue, as defined below, for all revenue related to customers picked up at Killeen-Fort Hood Regional Airport or Skylark Field Airport.

“Gross Revenues” as used herein shall mean, as determined in the reasonable discretion of the City, all amounts charged to its customers by Provider for or in connection with agreements it secures through its operations and business for passengers at the Killeen-Fort Hood Regional Airport or Skylark Field Airport, regardless of whether such amount is actually paid to or received by Concessionaire. Gross Revenues shall include all monies or other consideration of whatsoever nature paid or payable to Provider by customers for all sales made and services performed for cash, credit or consideration in connection with automobile and vehicle rentals or other products or services provided to persons through Provider’s operations, without regard to the ownership, area, fleet, or location assignment of vehicles and without regard to the manner in which or place at which the vehicles or other products or services are furnished to Provider’s

customers and without regard to whether the vehicles or other products are returned to the Airport or to some other location.

Gross Revenues shall include anything and everything that is not specifically excluded.

The only exclusions from Gross Revenues shall be the specific exclusions set forth below:

- Federal, state, county, city or municipal sales, use, or excise taxes now in effect or hereinafter levied on Provider's operations which are separately stated on customers' rental contracts and collected from customers of Provider;
- Those fees referred to as Customer Facility Charges, "CFCs" which shall include all customer facility charges, authorized pursuant to City Resolution, as may be amended;
- Amounts received specifically for the actual loss of or damages of vehicles or other property of Provider;
- Amounts received from the sale of vehicles off-Airport premises; provided, however, any amounts paid in connection with automobile and vehicle rentals or other products or services provided to persons through Provider's operations that are applied to or otherwise reimbursed as a result of the sale of a vehicle shall not be excluded from Gross Revenues; and
- Reimbursements for amounts actually paid for speeding tickets, parking tickets, red light tickets, tolls and toll violations, and towing and impound fees from its customers to pass through without markup to an independent third party with no amount being retained by Provider. However, any amounts collected above the pass through amount shall be included as Gross Revenue.

Gross revenue shall be deemed received at the time the lease or service transaction

occurs, giving rise to Provider's right to collect said monies, regardless of whether the transaction was conducted in person, by telephone, or electronically, whether the transaction was for cash or credit, and if for credit, regardless of whether the Provider ultimately collected the monies owed for said transaction from the customer involved. Gross Revenues are amounts which Provider receives or is entitled to received, either initially or by amendment, whichever is greater.

For purposes of Gross Revenue determination, revenue shall be deemed to have been related to customers picked up at the Airport if the customer arrived at either Airport within a twenty-four hour (24) period immediately preceding the rental, even though the customer arrived at the Providers location on their own or the motor vehicle is dropped off by the customer elsewhere.

That on or before the 20<sup>th</sup> day of each month, Provider shall provide to the City of Killeen the fee. Said payment shall be made to the City of Killeen Finance Department. At the same time, Provider makes such payment, it shall provide the City of Killeen with a statement showing the amount of gross revenue related to passengers picked up at the Airport. If any fee is not paid within the calendar month of the due date, Provider shall pay a late charge equal to one and one-half percent (1 1/2 %) per month of unpaid balance, accruing from the due date until paid. The Executive Director of Aviation may prohibit representatives of the delinquent rental car provider from entering the Airports to the extent permitted by law.

That the City Manager is authorized to establish and implement the procedures necessary for the collection of these fees.

That this resolution shall take effect immediately upon execution, and the Off-Airport Privilege Fee referenced herein shall be collected commencing on January 1, 2019.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Killeen, Texas, this 30th day of October 2018, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 et seq.

**APPROVED:**

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**Jose L. Segarra, MAYOR**

**ATTEST:**

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**Lucy C. Aldrich, CITY SECRETARY**

**APPROVED AS TO FORM**

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**Kathryn H. Davis, CITY ATTORNEY**