

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	6a
Date of Meeting	June 30, 2009

DATE: June 24, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: James R. Schone, Director, Aviation Business Development
Elizabeth Morrison, Sr. Manager, Corporate Finance

SUBJECT: Second Reading and Final Passage of Resolution No. 3624, amending and restating Resolution 3599, and authorizing Port staff to raise the Customer Facility Charge to a level sufficient to pay the Port's obligations under the Lease Agreement for the Consolidated Rental Car Facility and requiring Port staff to raise the Customer Facility Charge to a level sufficient to at all times repay the Project Financing and Port Investment, as those terms are defined in Resolution No. 3624.

BACKGROUND

On July 1, 2008, the Commission passed Resolution No. 3599, which amended and restated Resolution 3542. Resolution 3542 originally imposed a Customer Facility Charge (CFC) on customers renting cars at the Airport. The CFC is used to fund costs associated with the Consolidated Rental Car Facility (CRCF) including design and construction of the rental car facility, a bus maintenance facility, off-site roadways, the acquisition of buses and the operation and maintenance of the buses. The CRCF was originally planned to be funded by the issuance of special facility revenue bonds secured solely by CFC revenues and on July 1, 2008 the Commission passed Resolution 3600 authorizing the sale of those bonds. Resolution No. 3599 revised staff's responsibility to increase the CFC rate without further Commission action to the higher of:

1. A rate that would generate CFC revenues sufficient to pay the obligations of certain special facility revenue bonds that were authorized and to be issued under Resolution 3600.
2. A maximum rate that ranges from \$8.00 to \$15.00 based on the year from 2008 to 2040.

However, as a result of unfavorable market conditions, no special facility revenue bonds were ever issued pursuant to Resolution No. 3600.

On June 23, 2009, Commission authorized First Reading of Resolution No. 3624.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 24, 2009

Page 2 of 2

RESOLUTION 3624

Resolution No. 3624 amends and restates Resolution No. 3599 to eliminate the specific reference to special facility revenue bonds that were to be issued pursuant to Resolution No. 3600 and replaces that language with references to the current financing plan. This is primarily captured in the definition of “Project Financing,” which includes bonds or notes that the Port issues to fund the CFCF costs, and the definition of “Port Investment,” which addresses the use of non-CFC Port funds that may also be used to pay for the costs of the CRCF. The term “Port Investment” also provides that interest rate for repayment of non-CFC Port cash is either the rate the Port earns on its investment pool or a market rate established by the Commission as provided in Section 14.08.120(7) of the Revised Code of Washington. The amendments are intended to conform to the changes in the financing plan without changing the original intent of Resolution No. 3599.

REQUESTED ACTION

Second Reading and Final Passage of Resolution No. 3624, amending and restating Resolution 3599, and authorizing Port staff to raise the Customer Facility Charge to a level sufficient to pay the Port’s obligations under the Lease Agreement for the Consolidated Rental Car Facility and requiring Port staff to raise the Customer Facility Charge to a level sufficient to at all times repay the Project Financing and Port Investment, as those terms are defined in Resolution No. 3624.