

CHAPTER 238
Airport Department

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CROSS REFERENCES

Development and maintenance - see ORS 836.210
Disposition of proceeds from operation - see ORS 836.230, 836.245
Local government airports generally - see ORS 836.245
Acquisition of contiguous territory - see ORS 836.250
Airport Advisory Committee - see ADM. Ch. 251
Rogue Valley International-Medford Airport - see S.U. & P.S. Ch. 1062

238.01 FINDINGS AND PURPOSE.

(a) Findings. - Jackson County, hereinafter called County, finds:

- (1) That the County owns and controls that certain airport and air navigation facility located in Jackson County, State of Oregon, being generally shown on Exhibit A, a Map of the Rogue Valley International-Medford Airport, dated May 2014 and attached hereto and incorporated herein by this reference, and known as the Rogue Valley International-Medford Airport ("Airport"), said Airport which includes the ingress and egress road named Airport Road and Historic Biddle Road; and
- (2) That the aviation facilities it owns and operates promote a strong economic base for the community, assist and encourage world trade opportunities, and are of vital importance to the health, safety, and welfare of Jackson County; and
- (3) That the deregulation of the airline industry, the restructuring of airline ownerships, and fluctuating market changes in the field of commercial aviation have placed new financial challenges on the Airport and airport operators in general; and

- (4) That the County will require substantial capital investment of landside and airside development to meet the future demand for air travel; and
- (5) That the unregulated use of its airports pose a threat to the peace, health, economic vitality, and safety of persons living in the community, the state of Oregon, and other citizens utilizing the Rogue Valley International-Medford Airport; and
- (6) That the revenues received from commercial users of the airport facilities are vital to the economic well-being of the Airport; and
- (7) That non-tenant commercial users of the Airport receive substantial economic benefit from their use of the Airport which benefit is being received without compensation resulting in lost revenue to the Airport; and
- (8) That it is essential that the Airport remain financially healthy to perform its economic role in the community and to provide the community with cost-effective aviation facilities; and
- (9) That, in order to raise revenue for purposes of providing facilities for the traveling public including customers of car rental, parking lot and flight kitchen businesses as hereinafter defined, pay for Airport equipment; protect the public; preserve order; provide for the public health, safety and welfare; enhance the welfare of the County; and govern use of the Airport property; it is necessary to adopt and implement a Privilege Fee for said businesses who are granted the privilege of accessing Airport customers and thereby utilizing Airport facilities; and
- (10) In establishing and implementing this Privilege Fee, the County finds that Rental Car, Parking Lot and Flight Kitchen Businesses constitute specific classes of business operations on Airport property; and
- (11) The County finds that the Privilege Fee adopted herein is reasonable and uniform for the privileges or services affected; and
- (12) The County has heretofore publicly advertised for rental car concession contract proposals with the Airport by persons or corporations wishing to use any of the designated rental car business areas in the terminal on the Airport, requiring that submitted concession contract proposals substantially conform to the reasonable contract terms, conditions, fees, and bid instructions in the rental car concession contract bid documents, which are on file at the administrative offices of the Airport and pursuant to which leases and operating agreements were awarded and signed; and.

- (13) The County has heretofore publicly advertised for parking lot concession contract proposals with the Airport by persons or corporations wishing to operate a parking lot business area at the Airport, requiring that submitted concession contract proposals substantially conform to the reasonable contract terms, conditions, fees, and bid instructions in the parking lot concession contract bid documents, which are on file at the administrative offices of the Airport and pursuant to which leases and operating agreements were awarded and signed; and
 - (14) The County has heretofore publicly advertised for flight kitchen concession contract proposals with the Airport by persons or corporations wishing to operate a flight kitchen business at the Airport, requiring that submitted concession contract proposals substantially conform to the reasonable contract terms, conditions, fees and bid instructions in the flight kitchen contract bid documents, which are on file at the administrative offices of the Airport and pursuant to which leases and operating agreements were awarded and signed; and
 - (15) The aforementioned rental car, parking lot and flight kitchen concession contracts have reasonable requirements, regulations, charges, and fees for the privilege of supplying goods, commodities, and services at the Airport, based on the property and improvements used, the expenses of Airport operation, the cost of Airport facilities, including Airport debt retirement; and
 - (16) Rental Car Businesses, Parking Lot Operators, and Flight Kitchen Operators not having said operating agreements and leases may, nevertheless, desire the privilege of accessing Airport customers and supplying services at the Airport from their off-site locations; and
 - (17) That, in order to protect the public, to provide for public safety, to preserve the good order and peace of the County, and to raise revenue for purposes of maintaining and expanding Airport facilities, it is necessary to enact and provide for implementation of reasonable standards, controls, rules, regulations, and procedures for business.
- (b) Purpose. - The purpose of Sections 238.01 to 238.99 is to enact regulations of off-Airport rental car, parking lot and flight kitchen operators consistent with the above findings and said sections, and the regulations published pursuant thereto shall be liberally construed to effectuate the purposes expressed herein.
- (Ord. No. 98-20. Passed 8-26-98; Ord. No. 2001-14. Passed 8-15-01; Ord. No. 2015-12. Passed 10-07-15.)

238.02 DEFINITIONS.

As used in Sections 238.01 through 238.99:

(a) Airport shall mean the area of Rogue Valley International-Medford Airport with the boundaries as shown and outlined on Exhibit A, a Map of the Rogue Valley International-Medford Airport, dated May 2014 and attached hereto and incorporated herein by this reference.

(b) Airport Concession Fee shall mean the fee as described in Sections 238.01 to 238.99 and imposed on business and operators including, but not limited to, Rental Car Businesses, Parking Lot Operators and Flight Kitchen Operators for the privilege granted of accessing Airport Customers.

(c) Airport Customer or Passenger shall mean any person who arrives at, or departs from, the Airport by aircraft, and (1) who is transported to or from a Rental Car Business or Parking Lot Operator's off-site location via a Ground Transportation Vehicle for the purpose of entering into a car rental or parking lot space agreement, or (2) who enters into a motor vehicle rental or parking lot space agreement within the same calendar day or day after (12:00 o'clock midnight to 11:59 p.m.).

(d) Customer Facility Charge or CFC shall mean the Airport's facility use fee established by Jackson County Ordinance as a transaction/day facility use fee that is to be charged to rental car customers by Rental Car Businesses and remitted to the Airport monthly.

(e) Director shall mean the Airport Director of the Rogue Valley International-Medford Airport.

(f) Flight Kitchen shall mean a licensed food establishment that caters and provides food and refreshments to the airlines.

(g) Gross Receipts for the purpose of determining the Airport Concession Fee under Sections 238.01 to 238.99, shall mean, unless specifically excluded herein:

- (1) The total amount charged by car rental facility or parking lot operator during an agreement year, including any separately stated fees and charges, in connection with: (A) off-site Rental Car Business or Parking Lot Operator under an agreement; (B) any activities related directly or indirectly to that business; and (C) any other business of off-site operator elsewhere at the Airport.

- (2) The term “Gross Receipts” will also include the rental or leasing of cars and related transactions to Airport users, or the delivery of which occurs at the Airport or rental cars returned to the off-site operator, regardless of the ownership, area, fleet, or location assignment of the cars, and regardless of where payment is made or where the cars are returned. For example, if a car originally rented by an Airport user is exchanged for another car at another of Rental Car Business’s locations, the entire transaction, including any revenue received for the second car, shall be included in Gross Receipts. The term “rental of cars” includes, but is not limited to, time and mileage charges, LDW/CDW, fueling, charges for personal accident insurance and other insurance, cellular phones, child restraints, and all other transactions and charges of whatever nature arising from or incidental to off-site Rental Car Business under permit unless expressly excluded by an agreement
- (3) The term “Gross Receipts” shall specifically exclude the following:
- A. Sales Tax, Airport Concession Fee and CFC. - The amount of any federal, state, or local sales taxes, Airport Concession Fee, or CFC separately stated and if collected by off-site Car Rental Business from its customers to pass through without markup to a government entity with no amount being retained by the off-site Car Rental Business. However, any amounts collected above the required pass through amount shall be included as Gross Revenue.
 - B. Recovery of Damages. - Any sums received for damage to cars or other properties of off-site Car Rental Business. Payments for loss, conversion or abandonment of car.
 - C. Returns of Rentals from Other Airports. - Rentals which are returns of automobiles originally rented at another airport, if Car Rental Business or an affiliate paid a privilege or concession fee on such rental transaction to the originating airport and no privilege or concession fee is received by off-site Car Rental Business for this transaction.
 - D. Sales Proceeds. - Proceeds from the sale of used cars or disposal of personal property of the off-site Rental Car Business and Parking Lot Operator used by operator in the operation of Rental Car Rental Business and Parking Lot Operators. However, the rent portion of any of Car Rental Business’s or Parking Lot Operator’s “rent to own” or “rent to buy” programs initiated at or contracted for at the Airport is not excluded from Gross Revenue.

- E. Third Party Charges.** - The amount of any tolls, traffic violations or towing separately stated and if collected by off-site Rental Car Business and Parking Lot Operator from its customers to pass through without markup to a third party with no amount being retained by the Rental Car Business or Parking Lot Operator. However, any amounts collected above the pass through amount above shall be included as Gross Revenue.
- F. Express Exclusions.** - Unless receipts from Rental Car Business or Parking Lot Operator is expressly and particularly excluded from “Gross Receipts” under a permit, such receipts shall be included in Gross Receipts. Receipts that may be derived from sources similar but not identical to those described herein shall be included in Gross Receipts unless expressly excluded by the permit.
- G. Carbon Offset Contributions.** - The amount of any carbon offset contribution separately stated and if collected by Rental Car Business and Parking Lot Operator from its customers to pass through without markup to a third party with no amount being retained by Rental Car Business and Parking Lot Operator. However, any amounts collected above the pass through amount above shall be collected as Gross Revenue.
- (h) Ground Transportation Vehicle shall mean any form of transportation traveling on streets, roads, or highways that is owned by, leased by, used by or at the request of, or procured by or at the request of, a Rental Car Business or Parking Lot Operator, their agents, employees, officers, contractors, or subcontractors for the purpose of transporting Airport Customers or Passengers, whether said transportation is for hire or provided without charge.
- (i) Parking Lot Operator shall mean a person, association, corporation, partnership, joint venture, or any other business arrangement or organization, also referred to in Sections 238.01 to 238.99 as “Permittee,” which utilizes the Airport by accessing Airport Passengers for the purpose of picking up or delivering Passengers and transporting Passengers to the Airport from parking lot facilities or from the Airport to parking facilities where said parking lot facilities are at locations other than on the Airport.
- (j) Permittee shall mean, and be synonymous with, Rental Car Business, Parking Lot Operator, and Flight Kitchen Operator.

(k) Rental Car Business(es) shall mean a person, association, corporation, partnership, joint venture, or any other business arrangement or organization, also referred to in Sections 238.01 to 238.99 as "Permittee," which utilizes the Airport by accessing Airport Customers or Passengers for the purpose of conducting an off-Airport commercial business of renting or leasing motor vehicles to said Customers or Passengers using the Airport facilities, but does not include On-Airport Rental Car Businesses.

(Ord. No. 98-20. Passed 8-26-98; Ord. No. 2001-14. Passed 8-15-01; Ord. No. 2015-12. Passed 10-07-15.)

238.03 AIRPORT CONCESSION FEE.

(a) Any Permittee, as defined by Sections 238.01 to 238.99 that desires to operate from an off-site location shall obtain a permit from the County, prior to engaging in any business operation. The acceptance of such permit will indicate agreement to the following minimum terms and conditions:

- (1) Fee on Gross Receipts: To pay to the County during the applicable term of the permit such percentage of Gross Receipts as the County from time to time may set, provided that any change of percentage rate shall not take effect before ninety days after the date of written notice sent to all the then current permit holders, said notice being mailed to the last known address on file with the County for said permit holders; and further provided that said percentage rate, as it relates to off-site Businesses, shall not exceed the percentage rate charged to the Businesses holding an executed and valid operating agreement and lease for property located at the Airport. Said Gross Receipts payment shall be due and payable on or before the twentieth day of each month for the preceding month's Gross Receipts.

(b) Permittee shall provide to the County the following:

- (1) Written proof of commercial general liability insurance, including automobile liability covering owned, hired, and non-owned vehicles in the amount of at least \$1,000,000 combined single limit, for each occurrence for bodily injury, death, or property damage occurring by reason of concessionaire's operations on the Airport. The policy or policies providing said coverage shall include premises, operations, independent contractors, personal injury (deleting any exclusion relating to employees), products, and contractual liability including, but not limited to, the liability assumed by concessionaire under the hold harmless provisions of this Permit.
- (2) The make, model, color, identification number, and motor vehicle registration number of all vehicles to be operated on Airport property.

- (3) The names and job titles of local management personnel, as well as, all business employees engaged in the operation of vehicles to be operated on Airport property.
 - (4) Written proof of all business and/or motor vehicle permits and licenses required by local, state, and federal regulations.
 - (5) Written proof to the County of all Gross Receipts at the time payment is due on a form approved by the Director and accompanied by a statement certified by an officer of the company attesting to the accuracy of payments due the County.
 - (6) Permittee shall be deemed an independent contractor and is not an agent or employee of County with respect to its acts or omissions.
 - (7) Permittee shall defend (using legal counsel acceptable to County), indemnify fully and save and hold harmless County, its officers, agents and employees, boards and commissions from and against all losses, damages, claims, liabilities, and causes of action of every kind and character and nature, as well as costs and fees including reasonable attorney's fees connected therewith, and expenses of the investigations thereof, based upon or arising out of damages or injures to third persons or their property caused wholly or in part by Permittee's operations or activities under any agreement. County shall give to Permittee prompt and reasonable notice of any such claims or action, and Permittee shall have the right to investigate, compromise, and defend the same to the extent of its own interest.
 - (8) Agreement to pay interest and delinquency charges at a rate established by ordinance, on any amount not paid when due, which charge shall apply to amounts determined to be due as a result of an audit pursuant to Section 238.03(b) (6) herein if such amount is not paid within fifteen days after written notice from the County that such amount is due.
- (c) The County is authorized to issue and publish additional rules and regulations to implement Sections 238.01 to 238.99 and to include additional terms and conditions in the permit form as deemed necessary by the County.

(Ord. No. 98-20. Passed 8-26-98; Ord. No. 2001-14; Passed 8-15-01; Ord. No. 2015-12. Passed 10-07-15.)

238.04 (Ord. No. 98-20. Passed 8-26-98; RENUMBERED to Section 238.99, Ord. No. 2001-14. Passed 8-15-01.)

238.05 (Ord. No. 98-20. Passed 8-26-98; RENUMBERED to Section 238.98, Ord. No. 2001-14. Passed 8-15-01.)

238.06 MAINTENANCE OF RECORDS.

(a) Maintenance of Accounting Records. - The Permittee shall maintain adequate accounting records in accordance with generally accepted accounting principles, generally accepted auditing standards and the requirements of its permit, for (1) all transactions relevant to its permit (collectively, "Books and Records"); and (2) all exclusions from Gross Receipts claimed by Permittee. Permittee shall cause to be installed on Permittee's Operating Area, and shall at all times use, such cash registers, invoicing machines, sales slips and other accounting equipment, devices and forms as are reasonably necessary to record properly, accurately and completely all sales at the Airport of Permittee's Gross Receipts. Permittee shall maintain during the term of its permit and for three (3) years thereafter, all records and books of account or computerized records recording all transactions for Permittee's conduct under its permit. All records and books of account shall be made available within the County at such location as may be approved in writing by the Airport Director. The records requirements of this section shall also extend to any of Permittee's subsidiaries, partners, and joint ventures.

(b) Location of Records. - Permittee shall keep all original rental agreements, or accurate copies thereof, or contracts utilized by Permittee in the operation of the concession granted to Permittee. Said documents are to be kept by Permittee within the County or in such other location as may be approved in writing by the Airport Director, and shall be kept for a period of three (3) years from date of the closing of such rental agreements.

(c) Books and Records. - Books and Records shall include analysis listing all of Permittee's operations at the Airport in form of printed, written or electronic media. The rental contract forms shall be sequentially numbered in a series designated for use only with the permit granted to Permittee. Books and Records shall also include, but is not limited to:

- (1) All original accounting source documents detailing transactions relevant to the permit granted to Permittee (collectively, "Records"), including but not limited to:
 - A. Original rental contracts.
 - B. Operating/financial statements.
 - C. A complete (cumulative) general ledger.
 - D. Monthly sales journals detailing each rental transaction for the month.
 - E. Reconciliations between the financial records and monthly reports submitted to the Authority.

- F.** Bank statements applicable to the operation of the permit granted to Permittee.
 - G.** Corporate trial balances.
 - H.** Corporate contracts with corporate customers.
 - I.** Annual audited financial statements and related reports on internal controls (including management representation letters); and
 - J.** Other sales related documents.
- (2) All exclusions from Gross Receipts claimed by Permittee. For exclusions or adjustments to Gross Receipts, the Records shall include, but are not limited to:
- A.** All agreements between Permittee and corporate or volume customers establishing the customers' rights to rebates;
 - B.** Lists of all individual rental transactions with all corporate or volume customers;
 - C.** All individual rental agreements with all corporate or volume customers; and any documentation or records supporting additional reductions to Gross Receipts.

(d) Standard Forms. - Permittee shall provide, maintain, and use standard forms of rental agreements, contracts or such other documents for accurately recording and reflecting Gross Receipts (as defined in Section 1 hereof) chronologically and sequentially from all rentals of automobiles transacted pursuant to the permit granted to Permittee.

(e) Computer Records. - In those situations where Permittee's records have been generated from computerized data (whether mainframe, minicomputer, or PC-BASED computer systems), Permittee shall provide to the County's representative with extracts of data files in a computer readable format on data disks, E-mail with attached files or suitable alternative computer data exchange formats.

(f) Cooperation by Permittee. - Permittee shall provide the name and telephone number of Permittee's accounting manager or the like who has a thorough knowledge of the accounting system as it pertains to the permit granted to Permittee and who will assist the County with its audit. Permittee will also allow interviews of past and present employees who were involved in the financial or operational activities of Permittee.

(Ord. No. 2001-14. Passed 8-15-01.)

238.07 INSPECTION AND AUDIT OF RECORDS.

(a) Permittee shall, during the term of its permit and a specified number of years thereafter, upon reasonable notice to Permittee, allow inspections and audits by the County, through its employees and/or representatives, of all records and books of account, including such records as may be required by the County to be maintained by the Permittee and information required to be maintained. It is further understood and agreed that Permittee shall make all of the aforesaid records, books of account, and other documentation available at a location designated in writing by the County.

(b) If such Books and Records are maintained outside the County of Jackson and cannot be provided locally, Permittee shall reimburse the County for expenses incurred in sending representatives to wherever such records are maintained. Such expenses will include transportation, lodging, food and other out-of-pocket expenses resulting from the necessity to leave the County of Jackson.

(c) In the event that any inspection or audit made by or on behalf of the County discloses any underpayment in any statement(s) of Gross Receipts of the Permittee and/or in the amount of any sums of money owed by the Permittee to the County, the Permittee shall forthwith pay the sum of money owed to the County plus a monthly service charge in accordance with then current County Ordinance of said sum for each month from the date said sum should have been paid to the County to the date payment is made to the County. Further, in the event any of the aforesaid audit(s) or inspection(s) discloses a single or cumulative underpayment of five percent (5%) or more which is owed by the Permittee to the County, the Permittee, in addition to paying the sum owed and service charge, shall forthwith pay to the County the cost(s) of the audit(s) and/or inspection(s).

(Ord. No. 2001-14. Passed 8-15-01.)

238.98 SAVINGS CLAUSE.

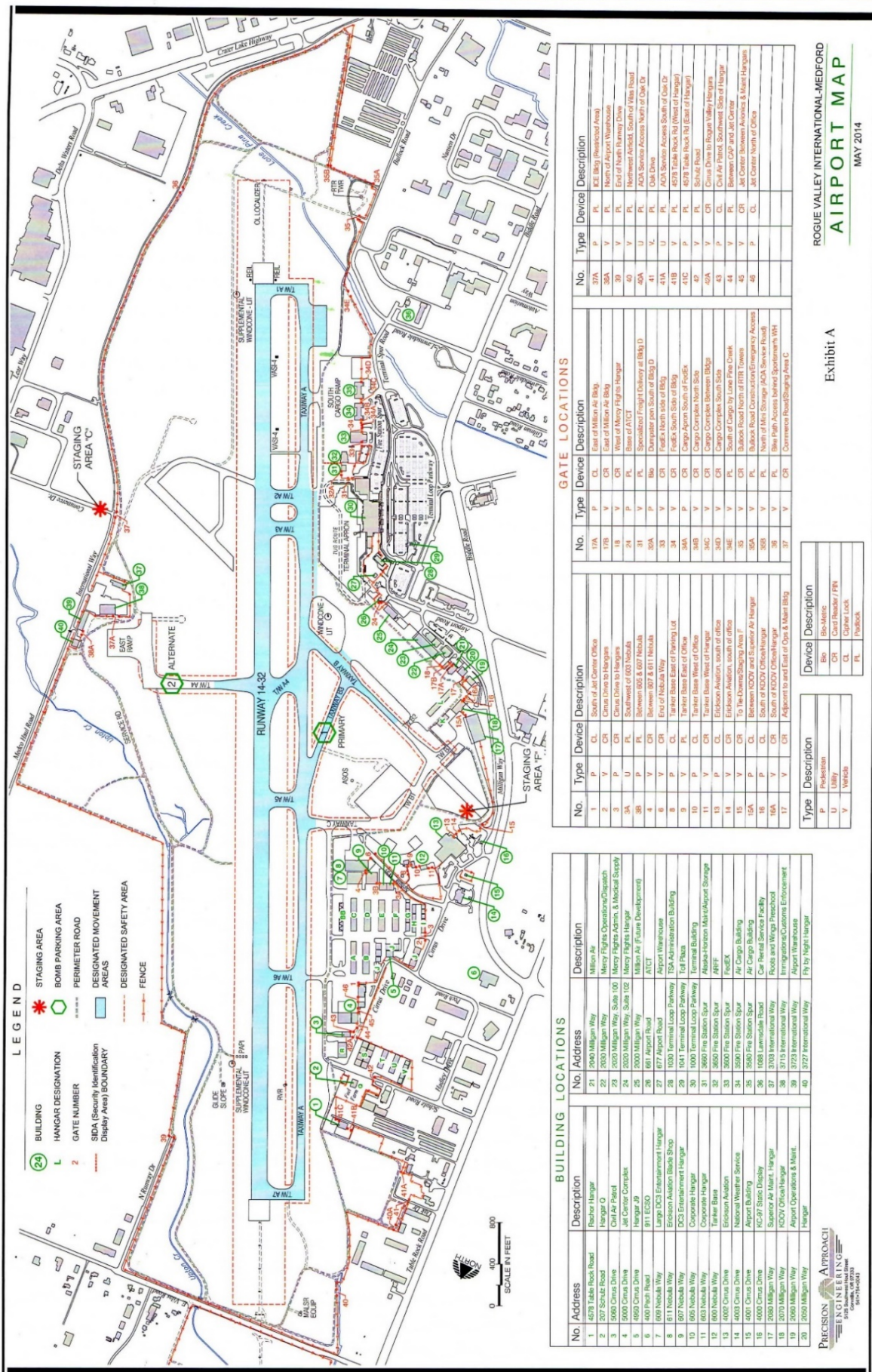
In the event any phrase, clause, sentence, paragraph or paragraphs of Sections 238.01 to 238.99 is declared invalid for any reason, the remainder of the sentence, paragraph or paragraphs of said sections shall not be thereby invalidated, but shall remain in full force and effect, all parts being hereby declared separable and independent of all others. In the event that a judgment is entered, and all appeals exhausted, which judgment finds, concludes or declares that requiring the Rental Car Businesses, Parking Lot Operators and Flight Kitchen Operators to pay the Privilege Fee herein is unconstitutional or otherwise invalid, Rental Car Business, Parking Lot Operators and Flight Kitchen Operators shall pay equivalent to any Privilege Fee established by regulations issued by the County pursuant to Sections 238.01 to 238.99.

(Ord. No. 98-20. Passed 8-26-98; Ord. No. 2001-14. Passed 8-15-01.)

238.99 COUNTY VIOLATIONS.

Civil Sanctions: In the event a Permittee violates any term or condition of Sections 238.01 to 238.99 or of the permit granted pursuant to said sections, the County may, after reasonable notice and hearing, suspend or terminate the rights granted pursuant to said permit. Furthermore, any person violating Sections 238.01 to 238.99 shall be guilty of a County Code violation and upon conviction shall be punished as provided in Section 202.99 of the Codified Ordinances.

(Ord. No. 98-20. Passed 8-26-98; Ord. No. 2001-14. Passed 8-15-01.)



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