



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting January 27, 2026

DATE: January 5, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Wolf, Director, Aviation Commercial Management
Geoffrey Foster, Assistant Director, Aviation Business Development

SUBJECT: Rental Car Program at Seattle-Tacoma International Airport

EXECUTIVE SUMMARY

The Consolidated Rental Car Facility (RCF) has been in operation since May 2012, promoting job growth, meeting the expectations of the traveling public, and providing a steady source of non-aeronautical revenue to Seattle-Tacoma International Airport (SEA or Airport or Port). The Port provides the transportation services for passengers to and from the terminal and the RCF, while the rental car operators manage their operations and provide facility management for day-to-day maintenance of the RCF.

The rental car program at SEA is a critical component of the Airport's revenue strategy, typically the second highest source of non-aeronautical revenue behind Airport parking. The program includes on-airport operators physically located at the RCF, but also off-airport and Fixed Base Operator (FBO) rental car companies, which have facilities in the nearby area. Currently, there are 11 brands operating at the RCF, along with one Airport Dining and Retail (ADR) tenant within the facility.

This briefing is to provide Commission with 1) an update on the rental car program's progress over the years, 2) an update on the RCF as we near the mid-point (2027) with the original 30-year lease agreement, and 3) preview upcoming actions that will be before Commission over the next year. As part of these updates, staff will discuss the space posture rebidding process of the concession agreements as part of the overall lease, which is currently underway.

DETAILS AND BACKGROUND

On May 13, 2008, the Commission authorized the construction of a new consolidated facility at the northwest corner of International Boulevard and S. 160th street at the northern end of the Airport. Construction soon began and, after a delay due to the financial crisis in 2008 and 2009, the RCF officially opened to the public on May 17, 2012. Prior to the opening of the RCF, car rental operations at SEA were limited, constrained, and split, with some operators occupying two floors of the Airport's parking garage with the remaining operators shuttling customers to their nearby locations around SEA.

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As it was in 2008 and remains today, car rentals continue to be the second largest source of non-aeronautical revenue for the Airport, with total revenue to the Port generated from this site in 2025 of over \$90 million. The Port receives revenues from concession fees, land rent, and Customer Facility Charges (CFCs), which are fees paid by rental car customers which funds the debt service payments for construction of the facility as well as on-going major maintenance expenses. CFCs are adjusted pursuant to Resolution 3624 and increases are usually included in the normal annual budget process for the Port. When the facility opened in 2012, CFCs were \$6.00 per transaction day and as of 2026, CFCs are \$8.00 per transaction day. Concession fees are at the industry standard of 10% of gross receipts.

Under the lease agreements, Resolution 3624, and pursuant to Washington State law, CFCs are only available for use to support the construction, operation, and maintenance of the facility and busing system. Currently, capital projects associated with the RCF outside of the original construction are funded directly from the CFC fund balance. With the age and on-going intense use of the facility, there is an increased need for capital projects requiring an increase to CFC rates over time to fully cover the facility's debt service, operating costs for the bus system, and capital projects.

The structure of agreements with the rental car companies provides for reduced maintenance costs incurred by SEA as the rental car operators collectively hire and pay for a facility and fuel manager to oversee the maintenance and day-to-day operations at the facility itself. The Port, via Airport Operations, provides bus transportation to rental car customers travelling to and from the facility and terminal. The bus system operates 24-hours a day, 365 days a year, and transported over 5 million passengers in 2025. Off-airport rental car customers must take SEA's bus service to the RCF, where they are picked up by the off-Airport operators' shuttles.

While the Port has limited responsibility for maintaining some systems, such as fire alarms, FIDS, and Port Wi-Fi at the RCF, replacements and/or repairs of systems exceeding an adjusted dollar threshold do fall to the Port as "major maintenance" items. With the halfway point in the original 30-year lease quickly approaching, the facility will continue to undergo several capital projects, which will be reviewed as part of this briefing. Additionally, staff is currently in the process of the only rebidding opportunity under the 30-year lease agreement, which will determine the building's configuration for the next 15 years. Over the next year, Commissioners will be acting on several items relating to the RCF, including capital project authorizations and adopting new concession agreements as part of the rebidding process.

A component of the 30-year lease is a limited concession agreement, which had an original term of ten (10) years. At each 10-year mark of the lease, the facility's space assignments were to be rebid amongst those operators with SEA market share to allow for facility adjustments based on changes in the rental car industry. As a result of the COVID-19 pandemic, the Commission approved a modification to the concession agreement, extending its term to 15-years while not making any extensions to the underlying 30-year lease agreement. This extension also provided

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a necessary benefit to the CFCs, reducing the need to perform multiple re-demising projects, and thus, saving costs, in support of the space rebidding process. Now, we will have just one rebidding and one re-demising project through the end of May 2042. While the lease agreement governs the rebidding process, after the space bidding is completed, a new concession agreement focusing on Minimum Annual Guarantee (MAG) amounts used as part of the space bidding will be established. The proposed form for the new concession agreement under the continuing lease agreement will be brought back before Commissioners for approval later this spring or early summer.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 28, 2025 – The Commission authorized rental car facility boiler skid replacement project budget increase

January 14, 2025 – The Commission authorized the quick turnaround fire suppression system replacement project at the rental car facility

September 24, 2024 – The Commission authorized design for the customer service building re-demising project at the rental car facility

November 14, 2023 – The Commission authorized the completion of the 5th floor membrane replacement project at the rental car facility

January 10, 2023 – The Commission authorized a contract for rental car curbside assistance

June 22, 2021 – The Commission authorized the security camera improvement project for the rental car facility

May 25, 2021 – The Commission authorized a change order for the pavement remediation project at the rental car facility

April 13, 2021 – The Commission authorized tenant relief to the rental car operators through extension of the concession agreement and modifications to the minimum annual guarantee

February 9, 2021 - The Commission authorized a change order to the pavement remediation project at the rental car facility for the deferment of the project due to the pandemic

February 11, 2020 – The Commission authorized design and construction for security improvements at the rental car facility

December 10, 2019 – The Commission authorized design for the security camera improvement project at the rental car facility

April 23, 2019 – The Commission authorized the pavement remediation project at the rental car facility

February 26, 2019 – The Commission authorized the procurement of additional CNG buses for the rental car facility

January 8, 2019 – The Commission was briefed on the need for additional buses for the rental car facility and employee parking

January 30, 2018 – The Commission authorized a contract for rental car curbside assistance

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June 27, 2017 – The Commission authorized the procurement of a rental car bus fleet tracking system and project

September 13, 2016 – The Commission authorized the termination of a rental car lease agreement for FireFly Rent A Car

August 5, 2014 – The Commission authorized a change order and settlement regarding construction of the rental car facility project

December 10, 2013 – The Commission authorized a change order for the completion of the rental car facility project

April 23, 2013 – The Commission was briefed on an incentive award from Seattle City Light for the rental car facility project

April 23, 2013 – The Commission authorized a change order for the roadway program related to the rental car facility project

November 6, 2012 – The Commission authorized a change order relating to the bus maintenance facility as part of the rental car facility project

October 23, 2012 – The Commission adopted resolution 3669 declaring permanent easements and electrical infrastructure improvements at the rental car facility site

October 2, 2012 – The Commission authorized a change order relating to the small operator area at the rental car facility

July 24, 2012 – The Commission was briefed on public art installations, including at the rental car facility

May 22, 2012 – The Commission was briefed on the last monthly updated on the rental car facility construction and the recent opening of the new facility

April 24, 2012 – The Commission was briefed on the construction progress for the rental car facility project

April 24, 2012 – The Commission was briefed on LEED Certification for the rental car facility

March 27, 2012 – The Commission was briefed on the construction progress for the rental car facility project

March 27, 2012 – The Commission authorized a change order for the rental car facility's bus maintenance facility

February 28, 2012 – The Commission was briefed on the construction progress for the rental car facility project

January 24, 2012 – The Commission was briefed on the construction progress of the rental car facility project

January 10, 2012 – The Commission authorized the on-call agreement for electrical work at the rental car facility project

December 13, 2011 – The Commission was briefed on the construction progress for the rental car facility project

October 25, 2011 – The Commission was briefed on the construction progress for the rental car facility project

October 4, 2011 – The Commission authorized the execution of a contract for the build-out of the small operator area within the rental car facility project

September 27, 2011 – The Commission was briefed on the construction progress for the rental car facility project

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August 23, 2011 – The Commission was briefed on the construction progress for the rental car facility project

August 23, 2011 – The Commission authorized a change order for the construction of the rental car facility project

July 26, 2011 – The Commission was briefed on the construction progress for the rental car facility project

July 26, 2011 – The Commission authorized a change order for the construction of the rental car facility project

June 28, 2011 – The Commission was briefed on the construction progress of the rental car facility project

May 24, 2011 – The Commission was briefed on the construction progress of the rental car facility project

May 10, 2011 – The Commission authorized the bidding for the build-out of the small operator area within the rental car facility project

April 5, 2011 – The Commission was briefed on the construction progress of the rental car facility project

February 22, 2011 – The Commission was briefed on the construction progress of the rental car facility project

January 25, 2011 – The Commission was briefed on the construction progress of the rental car facility project

November 30, 2010 – The Commission was briefed on the construction progress of the rental car facility project

October 26, 2010 – The Commission was briefed on the construction progress of the rental car facility project

September 28, 2010 – The Commission was briefed on the construction progress of the rental car facility project

August 24, 2010 – The Commission was briefed on the construction progress of the rental car facility project

July 27, 2010 – The Commission was briefed on the construction progress of the rental car facility project

June 22, 2010 – The Commission was briefed on the construction progress of the rental car facility project

May 18, 2010 – The Commission was briefed on the construction progress of the rental car facility project

April 27, 2010 - The Commission was briefed on the construction progress of the rental car facility project

March 23, 2010 – The Commission was briefed on the construction progress of the rental car facility project

March 9, 2010 – The Commission authorized an amendment to the contract for public art installation at the rental car facility project

February 23, 2010 - The Commission was briefed on the construction progress of the rental car facility project

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February 9, 2010 – The Commission authorized the execution of Concession Agreements for operators at the Rental Car Facility

January 26, 2010 – The Commission was briefed on the construction progress of the rental car facility project

December 15, 2009 – The Commission authorized the execution of an agreement relating to the roadway improvements associated with the rental car facility project

October 27, 2009 – The Commission authorized the procurement of 29 CNG buses for the rental car facility project

October 27, 2009 – The Commission was briefed on the construction progress of the rental car facility project

October 6, 2009 – The Commission authorized a change order for the construction of the rental car facility project

September 22, 2009 – The Commission was briefed on the construction progress of the rental car facility project

September 17, 2009 – The Commission authorized a change order for the construction of the rental car facility project

August 25, 2009 – The Commission was briefed on the construction progress of the rental car facility project

August 18, 2009 – The Commission authorized a change order for the construction of the rental car facility project

July 28, 2009 – The Commission was briefed on the rental car facility project and resumption of construction

June 30, 2009 – The Commission adopted Resolution 3624, amending 3599, raising CFC limits

June 30, 2009 – The Commission authorized the resumption of construction for the rental car facility project

June 9, 2009 – The Commission authorized the issuance of bonds for the rental car facility project

March 5, 2009 – The Commission was briefed on the financial markets and rental car facility project financing

January 27, 2009 – The Commission was briefed on the financial markets and rental car facility project financing

December 15, 2008 – The Commission authorized the temporary suspension of the rental car facility project due to financial crisis and bond markets

November 11, 2008 – The Commission authorized 100% roadway design for the rental car facility project

November 11, 2008 – The Commission was briefed on the rental car facility project

October 14, 2008 – The Commission approved use of \$20 million of ADF to continue project

July 1, 2008 – The Commission adopted Resolution 3599, amending Resolution 3542, modifying CFC fees

July 1, 2008 – The Commission authorized sale of bonds to fund the project

May 13, 2008 – The Commission authorized the rental car facility project