

**CLERK'S SUMMARY OF AGENDA ACTION
AND OFFICIAL MINUTES
MIAMI-DADE AVIATION AD HOC COMMITTEE
JUNE 5, 2003**

OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA

The Miami-Dade Aviation Ad Hoc Committee convened in Conference Room E, Seventh Floor Executive Conference Center, Room F, at 1:22 p.m., on June 5, 2003, there being present Chairperson Neisen Kasdin; and members Mr. Mario Artecona, Mr. William Alexander, Ms. Dorothy Baker, Councilman Leslie Bowe, Mr. Wayne Darnell, Mr. Allen Harper, Dr. Jorge Salazar-Carrillo, Mr. George Siggins, Mayor Donald Slesnick; (Ms. Michelle Austin, Dr. Raymond Cain, Ms. Terry Coble, Ms. Charlotte Gallogy, and Ms. Maria Sastre were absent); Aviation Director Angela Gittens; Assistant County Attorney Abigail Price-Williams; and Deputy Clerk Flora Real.

I. ROLL CALL

Chairperson Neisen Kasdin called the meeting to order at 1:22 p.m., and welcomed a new member to the Committee, Dr. Jorge Salazar-Carrillo.

Ms. Patricia Arias noted she had attended today's meeting on behalf of Mr. William Alexander.

Chairperson Kasdin announced that Mr. Gene Prescott had resigned from the Miami-Dade Aviation Ad Hoc Committee.

Aviation Director Angela Gittens advised that the Greater Miami Convention & Visitors Bureau had appointed Ms. Maria Sastre to replace Mr. Gene Prescott; but she had been unable to attend today's meeting.

II. MINUTES—APRIL 28, 2003, MAY 7, 2003, AND MAY 21, 2003

It was moved by Mr. Mario Artecona that the Clerk's Summary and Official Minutes of April 28, 2003, May 7, 2003, and May 21, 2003, be approved. This motion was seconded by Councilman Bowe; and upon being put to a vote, passed by a unanimous voice vote of those members present.

**III. DAVID Z. PLAVIN, PRESIDENT, AIRPORTS COUNCIL INTERNATIONAL
—NORTH AMERICA — GOVERNANCE OF U.S. AIRPORTS/Q&A**

Chairperson Kasdin introduced Mr. David Z. Plavin, President of the Airports Council International, North America – Governance of U.S. Airports, noting he was a recognized authority on the issues of airport structures and its operations.

Mr. David Plavin presented a background history of his experience in the airport field, noting that this Committee had been given the responsibility to prepare recommendations for the creation of an independent airport authority.

Mr. Plavin presented an overview of other independent airport authority structures throughout the nation, noting that creating an airport authority would provide the community with the means

to govern a strategic asset in the interest of individuals interested in conducting business with Miami-Dade County. He noted that the critical issues to consider when creating and designing an airport authority were as follows:

- to determine who would serve on the board to run its day-to-day operations;
- to determine what interests should the board members represent and the size of the membership;
- to determine what kind and the scope of the board members' authority and responsibilities;
- to determine the rules that should be setup for the board;
- to determine what kind of organizational culture should be developed;
- to determine what type and how will business be conducted;
- to determine how to contract the work and/or services;
- to determine the hiring and firing procedures of personnel;
- to determine what kind of requirements will be imposed on the Authority once created; and
- to determine the level of authority and flexibility the authority will be given to conduct its business.

Mr. Plavin advised that the important issues to consider when determining the type of individuals to serve on the authority's board and the length of their tenure were as follows:

- the individuals serving on the board should represent a variety of interests serving the community;
- the board should be comprised of seven to nine members in order to avoid creating subcommittees, ad hoc groups, special interests, and specialty committees to reduce the amount of time spent on supporting these groups;
- the members of the board should not be appointed ex-officio;
- the members of the board should be appointed with fixed terms of approximately five to six years in order to achieve history, continuity, tradition, some level of independence in the decision making process, and provide the individual with the ability to develop a knowledge level; and
- the individuals should be persons with knowledge, experience, and expertise in different fields such as the professional accounting industry, labor groups, engineering industry, airport users, Chamber of Commerce, and local communities in order to achieve representation with check and balances.

Mr. Plavin advised that the following should be the responsibilities of the airport authority's board:

- should be able to appoint its Chief Executive Officer (CEO) and its general council with the remaining appointees to the board named by the CEO or Executive Director;
- should have the authority and ability to be responsive to the various entities utilizing the facilities;

- should focus on providing authority, ensuring responsibilities were carried on, and holding individuals accountable;
- should be able to approve or disapprove its budget or any element of the budget;
- should be able to approve its capital construction program;
- should be able to contract as a routine process once the budget and capital construction program was approved, except for sole sourcing contracts, where public comments should be invited;
- should exercise a level of oversight to ensure the contracting process remained objective to include negotiations with labor;
- should provide labor with an open process within the authority to carry on negotiations and the airport authority's staff should have the responsibility and authority to negotiate; and
- should be given the authority and responsibility to ensure that all of the required elements of the business were established in order to be able to hold personnel accountable.

Mr. Plavin made the following additional recommendations on how the airport authority should be created:

- should be operated as a corporate enterprise in a cost-effective, business like fashion free of political pressure;
- should ensure that the airport authority created stability for itself;
- should have the goal to reduce the number of layers of authority and responsibilities; and
- should have minimal, if any, review and approvals from entities outside of the airport authority in order to protect the integrity of the process.

Mr. Plavin noted that the best airport authority models were those without elected officials serving as members of the board, but he further added that elected officials could be allowed to appoint members to serve on the board.

Mr. Plavin advised that the relationship between the airport authority and the airlines was very important, but it was not the only part of the Airport's operations. He noted that the airport authority should not undermine the airlines' ability to function on their own.

Upon concluding the presentation, Mr. Plavin opened the floor to questions from the members of the Committee.

In response to Mr. Harper's inquiry relating to the recommendation that elected officials should not serve on the board, Mr. Plavin responded that elected officials carried built-in conflicts and would behave differently than non-elected individuals; therefore, it depended on the type of role the airport authority was designed to play. He advised that a compromise could be reached to have elected officials serve on the board but not have them constitute the majority.

In reply to Chairperson Kasdin's question, Mr. Plavin answered that the airport authority board should have representation of groups with interests in the airport such as employees and airlines

because elected officials were vulnerable to pressure. He noted that special interests were difficult to avoid inasmuch as a person appointed by an elected official would feel pressured to represent the interests of the elected officials; therefore, board members should be appointed for fixed terms and should not be unappointed.

In connection with Mr. Siggins' question relating to the interests which should be represented by the board, Mr. Plavin advised that it would be best to ensure that none of the board's members had more than a certain particular set of interest in order to be able reach consensus and work out a compromise. He noted that the issue of controlling the agenda by any particular group could be prevented if the board had only one member representing that set of interests.

In response to Mr. Siggins' questions relating to recommendations made by the Blue Ribbon Aviation Panel relating to designating a nominating group to make appointments to the board, Mr. Plavin discussed the Canadian airport authority models. He noted that these models designate entities or an official appointing executive like a Governor, Mayor or County executive to make the appointments to the board. He noted that, in the event the appointing official chose not to appoint the person, the appointing group would then be given an opportunity to select another individual. He also said that the nominating entity would select two to three candidates and allow the appointing official to make a selection.

In connection with Mr. Artecona's question relating to the public's perception that public officials protected resources, Mr. Plavin replied that the public was protected by the factor of transparency inasmuch as an authority should not be able to act on issues not generally known to the community at large. He noted that, at some level, the local elected officials would be freed to exercise an independent oversight of the board when they were not serving on the board.

In response to Councilman Bowe's question on the separation of setting policy from the day-to-day operations, Mr. Plavin advised that it would be ideal to have the board appoint an Executive Director accountable for the goals and rules set forth by the board to include the criteria set for representation and hiring practices. He noted that the board should step back once the rules were in place, and the Executive Director should provide regular reports to the board on the status of business. He stated that the board should ensure that the performance goals set by the board were being carried out. He pointed out the importance of the board to communicate to the Executive Director the board's expectations from his performance.

In reply to Mr. Artecona's question relating to a hybrid model whereby the legislative body controlled the budget and certain issues, Mr. Plavin replied that, from his perspective, these models were not functional. He noted that in the hybrid models a body with nominal authority was appointed. He pointed out that the community controlled the budget as well as the employees when it controlled the budget.

Following a discussion in connection with the airport authority models in the State of California and hybrid models, Mr. Plavin noted that the decision would represent a political compromise; and the idea should be to empower the group created with as much authority to operate in a business-like and professional manner with the recognition that it was a government. He advised that the question as to where to draw the line was incredibly complex.

In connection with the issues of expansion, budget, and master planning, Mr. Plavin advised that a veto vote was critical because of political changes and its impact on the airport authority's ability to sell bonds. He stated that large capital projects were subject to federal environmental legislation requiring the involvement of all stakeholders, but approval of the master plan should not be subject to the control of the community nor the County Commission. He noted that very few airports had eminent domain powers.

Mr. Plavin reviewed process to modify the master plan.

In response to Chairperson Kasdin's question regarding a balance of interests among the board members, Mr. Plavin advised that it would be difficult to find individuals totally "disinterested," who had their interest in the larger community. He noted that the nominating or appointing entities should find people with an ability to not only address the interests of the group they represent but who maintain a broader perspective.

Discussion ensued as to whether the persons appointed to the board should have aviation experience.

Mr. Harper suggested that the board could be comprised of individuals with aviation expertise as well as non-aviation experience.

Following a discussion in connection with the report entitled "Independent Airport Authority Report" and port authorities, Mr. Plavin noted that the trend had been to transfer municipal operated enterprises to authorities because the level of independence provided an opportunity to be responsible.

Mr. Harper commented that the public perception indicated that government needed dramatic changes; therefore the Committee needed to deliver a governance which would be independent, honest, and accurate.

Mr. Plavin noted that a good reason to consider creating an independent airport authority would be the control the airport authority could exercise over personnel and the decision on the level of personnel.

Discussion ensued in connection with the issue of how passengers selected an airport.

In reply to the Chairperson Kasdin's inquiry, Mr. Plavin advised that, even though Miami International had a great director, it did not solve the problem due to the amount of time required to address issues an independent airport authority was not required to do. He also noted that the Airport Director had to take unreasonable risks in certain occasions in order to maintain the integrity of the process.

Upon concluding the foregoing discussion, the floor was closed for questions and comments.

IV. OTHER BUSINESS

- FINALIZE INVITEES TO THE JUNE 18, 2003, STAKEHOLDERS' FORUM MEETING

In reply to Chairperson Kasdin's inquiry, Ms. Gittens advised that the invitations had not been mailed yet.

Chairperson Kasdin reviewed the list of potential invitees to the June 18, 2003, Stakeholders' Forum and added the following names to the list:

- City of Miami Mayor Manny Diaz
- Former Miami-Dade County Commissioner Sherman Winn
- City of Hialeah Mayor Raul Martinez
- Former Manager Steve Beatus, United Airlines

In reply to Mr. Darnell's comments on the Chair's intention to schedule a separate meeting to invite the County Commission and other County officials, Chairperson Kasdin noted that the elected officials would be invited to the Stakeholders' Forum meeting scheduled for June 18, 2003.

Councilman Bowe commented that in an earlier occasion he had submitted the name of Ms. Lynn Summer as a guest speaker and would like to extend an invitation to Village of Pinecrest Mayor Evelyn Greer as a guest speaker as well.

Per the suggestions made at today's meeting, the following names were included in the list of invitees for the Stakeholders' Forum:

1. Mr. Scott Berman
2. Representatives from the Aviation Alliance
3. Representatives of the Airline industry

In reply to the suggestions that the President of the League of Cities be invited to attend, Councilman Bowe noted that the League of Cities had been asked to submit the names of any individuals who wished to be invited as guest speakers.

In response to Ms. Gittens' inquiry, Chairperson Kasdin recommended that guest speakers be asked to limit their comments to five minutes. He asked that an exception be made for those speakers whose comments were providing points of interests.

Chairperson Kasdin concurred with Dr. Salazar-Carrillo's recommendation that the representatives of American Airlines be provided with additional time to speak inasmuch as they represented the largest carrier at the Airport.

Chairperson Kasdin requested that the invitations be mailed as soon as possible with a R.S.V.P. contact name.

Chairperson Kasdin requested that the list of invitees be circulated among the members of the Miami-Dade Aviation Ad Hoc Committee before the meeting.

Following a discussion on the starting time of the meeting and there being no objections, the meeting was scheduled to begin at 4:00 p.m.

Dr. Salazar-Carrillo advised that he would be unable to attend the Stakeholders' Forum due to a business meeting in Washington D.C.

NON-AGENDA ITEM REPORTS:

Chairperson Kasdin announced the next scheduled meeting of the Committee will be held on June 18, 2003, at 4:00 p.m. in the County Commission Chambers to have the Stakeholders Forum.

Chairperson Kasdin announced that Mr. Ed Marquez, Financial Advisor of Miami International Airport, and the bond counsel would be the guest speakers at the July 2, 2003, meeting.

Ms. Gittens indicated the Committee's scheduled meetings for August 2003 will be held at the Airport in the Auditorium of Concourse A, 4th Floor.

Ms. Gittens noted that the guest speakers would address questions previously raised regarding the legal restrictions or opportunities with respect to the proposed airport authority and its financing.

In response to Mr. Harper's inquiry on the cost of converting to an Authority, Ms. Gittens advised that a transition plan would be developed and included in the ordinance creating the Authority after the financial advisors made their presentation. She noted that the transition plan would be discussed with the County Manager.

Chairperson Kasdin asked that Ms. Gittens circulate an e-mail to the members of the Committee requesting that vacation schedules be submitted to identify if there was a need to reschedule any of the Committee's meetings.

In reply to Mr. Siggins' question relating to developing the language of the ordinance, Chairperson Kasdin advised that it was the responsibility of the County Attorney's Office to develop the language.

In response to Mr. Siggins inquiry relating to preparing a matrix, Chairperson Kasdin requested that the County Attorney's Office research sample ordinances creating airport authorities.

Assistant County Attorney Abigail Price-Williams noted that a shell document would be prepared addressing the questions previously raised.

In reply to Dr. Salazar-Carrillo's request for a copy of the minutes of the meeting approving the creation of the Miami-Dade Aviation Ad Hoc Committee, Ms. Gittens advised that he would be provided with a copy of the CD recording.

V. ADJOURNMENT

There being no further business to come before the Miami-Dade Aviation Ad Hoc Committee, the meeting was adjourned at 3:20 p.m.



Chairperson Neisen Kasdin
Miami-Dade Aviation Ad Hoc Committee



**Miami-Dade Aviation Ad-Hoc Committee
Exhibits List
June 05, 2003**

Prepared by: Abraham Sanchez

EXHIBITS LIST

NO.	DATE	ITEM #	DESCRIPTION
1	06/05/2003		Clerk's Agenda aviation Ad Hoc Committee June 05, 2003
2	06/05/2003		Roll Call Sheet for June 05, 2003
3	06/05/2003		Meeting Agenda Aviation Ad Hoc Committee June 05, 2003
4	04/03/2003		Independent Airport Authority Report April 3, 2003
5	06/18/2003		Stakeholders Forum June 18, 2003
6	06/05/2003		Meeting Agenda Aviation Committee June 5, 2003
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EXHIBIT
JUN 05 2003

MIAMI-DADE AVIATION AD-HOC COMMITTEE

Roll Call Sheet for 6/5/03

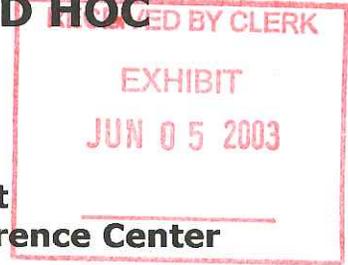
	MEMBER	PRESENT	LATE	ABSENT
1	✓ Alexander, William <i>President of CAMACOL</i>	✓		
2	✓ Artecona, Mario <i>Executive Director, Miami Business Forum</i>	✓		
3	✓ Austin, Michelle <i>Esquire, Haitian-American Chamber of Commerce</i>			
4	✓ Baker, Dorothy <i>CEO, Miami-Dade Chamber of Commerce</i>	✓		
5	✓ Bowe, Leslie <i>Councilman, Village of Pinecrest Miami-Dade League of Cities</i>	✓		
6	✓ Cain, Raymond, Ph.D. <i>Director of Aviation, Florida Memorial College Vice Chairperson of the Ad-Hoc Committee</i>			
7	✓ Coble, Terry A. <i>Vice President, League of Women Voters</i>			
8	✓ Darnell, D. Wayne <i>Aviation Consultant, Greater Miami Aviation Association</i>	✓		
9	✓ Gallogy, Charlotte <i>President, World Trade Center-Miami</i>			
10	✓ Harper, Allan <i>Allen</i> <i>Greater Miami Chamber of Commerce</i>	✓		
11	✓ Salazar-Carillo, Dr. Jorge <i>Florida International University</i>	✓		
12	✓ Preseott, Gene <i>Maria Sastre</i> <i>President, Biltmore Hotel Greater Miami Visitors & Convention Bureau</i>			
13	✓ Siggins, George <i>Liaison to Miami International Airport Airport and Aviation Professionals, Inc.</i>	✓		
14	✓ Slésnick, Donald <i>Mayor, City of Coral Gables</i>	✓		
15	✓ Kasdin, Neisen <i>Chairperson of the Ad-Hoc Committee</i>	✓		
	Staff:			
	Assistant County Attorney Abigail Price-Williams			

NOTE: 8 members constitute a quorum

10
9 members



MIAMI-DADE AVIATION AD HOC COMMITTEE



June 5, 2003 at 1:00 p.m.
Miami International Airport
Concourse E, 7th Floor Executive Conference Center
Room F

MEETING AGENDA

Legal/Staff Support: Abigail Price-Williams, Assistant County Attorney; Angela Gittens, Director, Miami-Dade Aviation Department; Kay Sullivan, Clerk of the Board

I. Roll Call

Neisen O. Kasdin, **Chairman**, Beacon Council
Dr. Raymond E. Cain, Jr., **Vice-Chairman**, Florida Memorial College
Allan Harper, Greater Miami Chamber of Commerce
Charlotte Gallogly, World Trade Center-Miami
Councilman Leslie Bowe, Miami-Dade League of Cities
D. Wayne Darnell, Greater Miami Aviation Association
Dorothy Baker, Miami-Dade Chamber of Commerce
Dr. Jorge Salazar-Carillo, Florida International University
Maria Sastre, Greater Miami Visitors and Convention Bureau
George Siggins, Airport and Aviation Professionals, Inc.
Mario Artecona, Miami Business Forum
Mayor Don Slesnick, City of Coral Gables
Michelle Austin, Haitian-American Chamber of Commerce
Terry A. Coble, League of Women Voters
William Alexander, CAMACOL

II. Minutes – April 28, 2003, May 7, 2003 and May 21, 2003

III. David Z. Plavin, President, Airports Council International-North America – Governance of U.S. Airports/Q & A

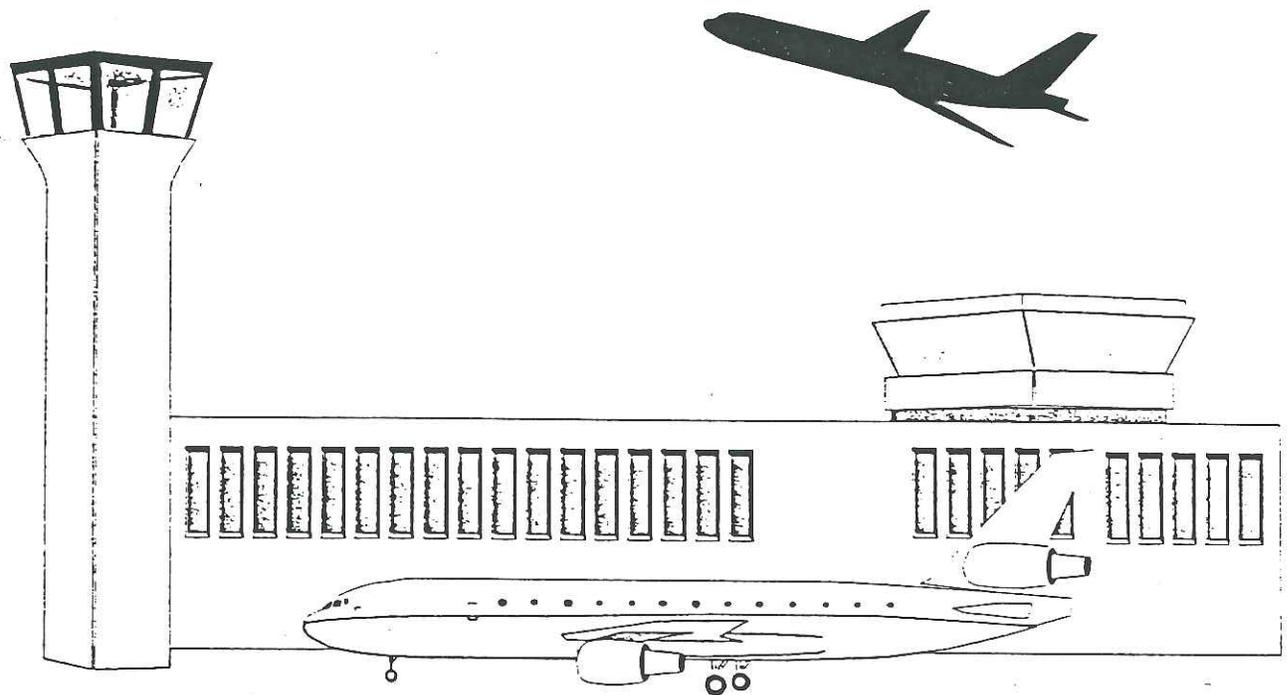
IV. Other Business

- Finalize invitees to the June 18, 2003 Stakeholders forum meeting

V. Adjournment

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JUN 05 2003

INDEPENDENT AIRPORT AUTHORITY REPORT



PRESENTED TO THE BOARD OF COUNTY COMMISSIONERS
BY THE
OFFICE OF LEGISLATIVE ANALYSIS

APRIL 3, 2000

Introduction

It is the pleasure of the Office of Legislative Analysis to present this document in response to the recommendation by the Blue Ribbon Aviation Panel. While we respect the time and effort that went into the formulation of the Panel's work, we have concerned ourselves primarily with offering alternative findings to those presented by the Panel, the Miami Herald and other organizations interested in seeing the formation of an independent airport authority for the County's airports.

This report contains the following arguments and conclusions:

1. Much of the Panel's basis for determining the present status of Miami International Airport came from The Miami Herald Series that contained factual errors, errors of omission, and an identifiable bias. In addition, The Miami Herald recommended the creation of an airport authority without the benefit of any analysis of the costs and benefits of an authority and in contradiction to The Herald's previous stand on independent authorities.
2. A. Much of the expert evidence given in favor of an independent authority, came from airport directors currently working for airport authorities around the country. These airport directors did not present an objective view about the pros and cons of creating an independent authority. In addition, there was little or no attempt to discern the possible pitfalls of creating an authority or to obtain a realistic picture of independent authorities in operation.
B. The Panel appears to have settled on an independent airport authority as a "silver bullet" answer to MIA's real and perceived problems.
C. Some members of the Panel may have entered the process with less than unbiased intentions.
3. Contrary to the uncritically optimistic evidence given by the Panel's presenters about the effectiveness, efficiency and accountability of independent airport authorities, this office has identified 89 cases wherein an airport authority or its members were found to be inefficient, unaccountable, or unethical. This very real picture of airport authorities was never presented to the Blue Ribbon Panel. There is overwhelming evidence that shows that many independent authorities operate poorly, do little to foster staff professionalism, are unaccountable, and are prodigiously inefficient. This explains, in part, why some communities such as New York City and Wichita Kansas are decommissioning their authorities in favor of privatized management or direct municipal control. This is also why the Broward Port Authority was disbanded, ironically with the support of The Miami Herald!
4. An analysis of MIA's bond rating shows that it compares favorably to other airports and is not below the norm for airports of its size.
5. While the move to an independent authority allows for the possibility of substantial savings in the cost of financing the Capital Improvement Program, these savings are

only possible given certain market factors. In addition, no financial analysis has been completed on the operational costs of transferring control to an authority.

The evidence presented below consists of analysis and clarification of The Miami Herald "Political Baggage" series and The Herald follow up stories, a review of the methods employed by the Blue Ribbon Panel, and a review of other airport authorities both independent and semi-autonomous, from around the country.

The 1996 KPMG study and the Legal Analysis by Tew and Beasley point out some of the benefits of moving to an authority but also state that there is no guarantee that operations will improve.

Through this report, the Office of Legislative Analysis hopes to add to the current discussion by showing some of the problems associated with the recommendation for an airport authority and with the problems airport authorities around the Country have faced in the last ten years.

This report is divided into three sections. The first section examines the case for an independent authority as made by the Miami Herald and the Blue Ribbon Panel, and points out some of the problems in their arguments. The second section presents evidence about the ineffectiveness, inefficiencies and unaccountability of various airport authorities in the US and compares MIA to a number of the US airports. The third section reviews the major reports issued on the feasibility of converting to an airport authority.

The Office of Legislative Analysis would like to thank the members of the Miami Dade Aviation Department who were helpful in providing some of the data used in this report. We would also like to thank the County Attorney's office for their time and Ed Marquez for his time in helping to understand the fiscal implications for converting to an independent authority. In addition, we especially thank the Miami Dade Public Library for their help.

This report was written by the Office of Legislative Analysis. This Office is available to answer any questions you may have. Please contact Michael Brink for additional information.

I. Background and Process to Date

1. The Miami Herald Series

Between October 17, 1999 and October 25, 1999, The Miami Herald ran a series titled "Political Baggage: Why MIA Doesn't Work." In this series The Miami Herald recapped many, if not all, of the recent scandals at MIA. By way of its "investigative" reporting, The Miami Herald reached the conclusion, succinctly stated in a Sunday October 24, 1999¹ editorial, that the problem with MIA was "cronyism, corruption, crime and contempt". The Herald also stated in an October 24, 1999² article "that the only way to remove politics from an airport is to remove the politician's control of airport spoils." Thus The Miami Herald began its recommendation to turn the airport over to an authority model. The Miami Herald has run numerous editorials encouraging the Blue Ribbon Panel to turn the airport over to an authority.

Unfortunately, The Miami Herald's analysis of the situation at MIA, and its recommendation for the creation of an independent airport authority was flawed in a number of respects. On October 19, 1999, The Herald wrote, "Miami International Airport is sinking in debt...the expansion program is causing jitters on Wall Street, where MIA peddles its financing bonds. Two respected credit -rating firms posted a 'negative outlook' for the airport last year."³ The Herald suggested that the main reason for this negative outlook was political interference. However, as this office informed the Board of County Commissioners in an October 21, 1999 memo titled Airport Debt, "while the two [credit] reports do have a 'negative outlook', both reports show that this negative outlook is a result of the size and complexity of the CIP, and the near term economic outlook for Latin America." There was little mention of concerns with political interference. This office went on to state that the airport has ratings of Aa3 and AA- for Moody's and Fitch respectively.

In addition, in the aforementioned October 24, 1999 article, The Herald referred to the "hot trend" of privatizing airports and used New York City as an example: "and even in New York, where Mayor Rudy Giuliani this month sought bids to privatize LaGuardia and Kennedy airports." The Herald fails to state why Mayor Giuliani is seeking bids to privatize the airport. It is because the Port Authority of New York New Jersey is rife with problems. We found at least 34 articles from the New York Times and New York Newsday reporting on the numerous problems experienced by the Port Authority. This includes failure to respond to numerous safety issues that may have led to the bombing of the World Trade Center, a property of the Port Authority. More will be said about the problems experienced by this authority and others in a later section.

¹ Editorial, "Clean Up the Mess at Miami International Airport: Political Meddling Chokes County's Economic Engine". October 24, 1999

² "Ideas that Fly: Give Power to independent Body, or Get the Government out and Private Enterprise In."

³ "A Debt Pit: Airport is borrowing billions to build for traffic growth that could fall short in future." October 19, 1999

The Herald has also referred to the Orlando and Tampa Airports as models for MIA to follow. As will be shown below, these airports have their own problems that The Herald has decided not to mention. Ironically, there are also a number of cases where the local newspapers for Tampa and Orlando indicate that MIA is the model their airports should be following.

2. Blue Ribbon Panel

In October 29, 1999, Mayor Alex Penelas charged a Blue Ribbon Panel “with examining procurement and contracting rules and practices; with analyzing management and fiscal control systems; with reviewing the operational structure of MIA, i.e., should the airport be privatized or operated by an independent authority rather than a department of the County; and, with evaluating the impact of the current process, including political oversight, on the efficient and effective administration of Airport Business.”³

The Blue Ribbon Panel first met on November 18, 1999. At that meeting, the Mayor stated that the Panel “is to consider the broad and narrow issues raised by The Herald’s series of articles. The Panel’s work product might take the form of broad generalization on whether the airport should be privatized or run by an authority and/or it may get into the nuts and bolts such as bid award process, contract selections, etc.”⁴

With these goals in mind, the Blue Ribbon Panel met officially 12 times from November 18, 1999 to February 23, 2000. As is stated in the Panel Recommendation, the Panel looked at several reports and heard testimony from several experts in the field of airport management. Specifically, with the exception of one, all of the expert witnesses heard are current airport directors at an airport governed by an authority. The one exception was David Plavin who is the President of Airports Council International—North America.

The Panel heard from the following men:

1. David Plavin President Airports Council North America –December 15, 1999
2. Kent George Director Pittsburgh International Airport January 6, 2000
3. Jim DeLong Director Louisville and Jefferson County Airport Authority January 20, 2000
4. Jim Wilding Director Washington Airports Authority February 3, 2000

While these men are all well respected in their field, they omitted negative information from their presentation that is widely known. They did not present all evidence as to the merits and demerits of an airport authority. It is important to note that each of these individuals (except David Plavin) is currently employed by an airport authority. The following is a summary of the pertinent statements given by these witnesses.

³ October 29, 1999 memo to the Board of County Commissioners on Workshop item 15E2.

⁴ Minutes of Blue Ribbon Aviation Panel Thursday November 18, 1999 3:00 P.M. p. 2.

- On December 15, 1999 David Plavin told the Panel that:
 - Authorities spend a lot of time developing the professionalism of their personnel.
 - There was “no shortage of people knocking on the door of board members, however, the members did not pass this through to the operators. They respected the process and followed the process.”⁵
 - As a department, an airport can be very responsive to elected officials but there is a trade off between responsiveness and effectiveness.
 - The Port Authority of New York New Jersey had problems with the respective governors who each felt that their state was not receiving their fair share from the Port Authority.
 - When bidders feel they are not being considered on merit, that they can then “go the political way”.
 - The question must be asked, “is it possible for elected officials to allow an organization to function in a business like fashion, given the kinds of pressures that an elected official is constantly confronted with?”
 - Authorities get less involved in micromanagement than a municipal government does.

- On January 6, 2000 Kent George from Pittsburgh International Airport told the Panel that:
 - Opposition to the authority came from politicians who wanted to maintain the patronage system and from people with a vested interest in the business as usual status quo.
 - An airport authority would run better because accountability and empowerment are present.

- On January 20, 2000 Jim DeLong formerly of Denver International Airport, currently of Louisville Airport Authority told the Panel that:
 - A perfect authority will beat a perfect city department every time.
 - “The airport does not have to be part of the diversity of the City or County”
 - DeLong also extolled the virtues of informal communication between a director and an airport board.

- Jim Wilding from the Washington Airports Authority presented to the Board on February 3, 2000. Mr. Wilding appears to have been more concerned with the importance of aviation to a community, and less with the promotion of the independent authority model. Mr. Wilding also appears to have limited his comments to the specifics of the Washington Airports, and not with airport authorities in general. Mr. Wilding did say that:
 - The Airports Authority in Washington was a nimble and quick moving apparatus;
 - There was enormous reluctance on the part of congress to give up the airports and allow them to “evolve” into a local authority;

⁵ Minutes of Blue Ribbon Panel Thursday December 9, 1999 3:00 P.M. p. 9.

- Mr. Wilding did say that since the airports are publicly owned, there should be a political entity controlling them.
- Mr. Wilding also pointed to initiatives undertaken by the WAA, such as consolidation of car rental facilities, which MIA is also in the midst of, i.e. the MIC.

What most of the testimony given by these experts amounts to is a doctrinaire assertion that an airport authority is a superior governing model for airports around the country, regardless of management competence, operating procedures, and operating culture. The actual history of airport authorities in the United States shows that this is a highly suspect assertion. In addition, these experts gave scant attention to the important issues of procurement or contracting rules and practices, which the Mayor had asked the Panel to review. There is little mention of any management reforms in their presentations. Given the testimony of these men, it would be easy to assume that the creation of an independent airport authority would be the "silver bullet" response to solve all of the real and perceived problems at MIA.

In fact there is a very real concern that the Panel did just that: settled on the independent airport authority model as the "silver bullet" answer to the real and perceived negative conditions at the airport. The Panel did not consider any option other than changing the governance structure from a county department to the independent airport authority. Panel members are cited in the minutes as saying on the very first meeting of November 18, 1999 that the Panel must look at changing the governance structure. In fact the Panel Chair asked members to submit a list of issues to be discussed and examined at the second meeting. It appears from the meeting minutes that it was hoped that these lists would provide a framework for future discussions. Based on the lists the Chair received, the Chair determined that the Panel was concerned about the governance issue. Some members were so set on this that their submissions only included requests to discuss the formation of an airport authority. The apparent belief among some panel members was that once governance was changed everything else would fall into place.⁶

Similar comments can be found from the meeting on December 9, 1999 when two of the Panel members once again stated that the problem with MIA can be found in its governance.

Evidence from the meeting minutes shows that the Panel spent very little time in looking at any of the management issues such as procurement or construction oversight. The focus was to learn enough about the airport to determine how operations could be transferred to an independent authority. The fact that Panel members were predisposed to the idea of an independent authority is evident in the fact that one Panel member had actually recommended that the County move to an independent airport as part of a Greater Miami Chamber of Commerce initiative back in 1995.

The unsubstantiated view that a change in the governance would fix all of the problems at MIA is also evident in the final report from the Blue Ribbon Panel. That report states on

⁶ Blue Ribbon Panel Meeting Minutes, November 30, 1999, P. 3.

page two, that “the panel believes the best solution is to make and execute policy for Miami International Airport in an environment as far removed as possible from the political arena. It was clear to the Panel that this environment is best achieved by the creation of an independent airport authority”.

The Panel likewise states on page seven, under the heading of operational issues, that “these [operational issues] are subordinate to the governance issue because if governance is addressed effectively, then the mechanisms for solving operational problems are put into place. Nothing is automatic, but probabilities for success would be increased dramatically”.

Perhaps the most convincing evidence to show that the Panel had a bias towards an independent authority comes from Panel member Captain Charles J. Flowers, who wrote a minority report of the Panel. Captain Flowers wrote, “after a brief research phase, which consisted mostly of reviewing recent newspaper accounts of problems at the Miami International Airport, the panel chose to focus on one problem—its perception that elected officials who interfered with proper business-like operations principally caused the Airport’s problems”.

This evidence is troubling because, as the Mayor stated in his October 29, 1999 memo to the Board of County Commissioners, “to be maximally effective, the members of the Panel must be impartial, unbiased and independent.”⁷

In addition to the points made above, it should also be noted that at the December 9, 1999 meeting, one of the Panel members asked if the Panel could hear from a representative of a well run county or city airport. This request was made again on December 15, 1999. The response from County staff was to invite Jim DeLong of St. Louis Airport. Unfortunately, St. Louis is run by an authority and is not an example of a well-run municipal or county airport. Jim DeLong’s expertise on municipal and county run airports stems from his tenure as director of the Denver Airport. As noted above there is little incentive for a director of an authority run airport to tell panel members of the shortcomings of authorities. Staff failed to provide the Panel with testimony from any current representative of a City or County run airport.

As is shown above, there was little objective evidence presented to the Panel about the real world operations of airport authorities. Without exception, the invited experts who testified before the Panel extolled the virtues of airport authorities. While some of them did acknowledge that an authority could have problems if the people appointed were not of sufficient quality, they did not mention any real world concrete examples of an authority failing as keeper of one of the most important public resources. It appears that the Panel accepted the testimony of these men without critical analysis.

⁷ Memo to the Board of County Commissioners. October 29, 1999. Workshop Item 15E2.

II. Problems with Airport Authorities and How MIA Compares to Other Airports.

In an effort to provide this board with balanced information about the problems airport authorities around the country have experienced, we researched airport authorities from around the country. Hundreds of current newspaper reports from around the country were reviewed and it was found that airport authorities are subject to all manner of inefficiencies, corruption and incompetence. We selected 89 of the articles and have summarized them in an attached chart at the end of this report. It must be emphasized that these 89 are not the only articles available on the subject. Articles which were repetitious or that did not illustrate a clear link between the actions of the authority or its employees and malfeasance were excluded. Subsection one highlights some of the more dramatic cases uncovered.

Subsection two demonstrates how MIA's bond rating compares with other airports. As is shown below, MIA compares favorably with other airports around the Country.

1. Failed Authorities

A. *New York*

In the review of airport authorities from around the country, at least 34 articles containing negative information about the Port Authority of New York-New Jersey were found. These articles told of the "culture of corruption" at the Port Authority and related stories of bribes, payoffs, extortion, connections to organized crime, massive misspending, and negligence in security issues that may have compounded the effect of the terrorist attack on the World Trade Center.

Ironically, we also found evidence of problems and delays relating the Port Authority's efforts to bring luggage carts (provided by Smarte Carte) into LaGuardia Airport, a situation that The Herald would have its readers believe is endemic solely to MIA.⁸

An article detailing how JFK ranks as one of the worst US airports in a national survey of airline passengers was particularly interesting. The article called on the Port Authority to "shape up or suffer the consequences". The article discussed the dirtiness of JFK and lamented the 30-year process to get a light rail system connecting Kennedy and the Long Island Rail Road.⁹ Along this same theme, a February 1999 article from the New York Post reports on Mayor Guilliani's attempts to privatize JFK and La Guardia. The article states that the City is "looking for private companies that might be interested in running the terminals, which are now a national disgrace and are likely to remain so".¹⁰

Other problems with the New York New Jersey Port Authority come from its staff. Contrary to what David Plavin said, airport authorities do not necessarily develop

⁸ Newsday. "A Lofty Idea". January 9, 1995. A18.

⁹ Newsday. "35th Out of 36: That's where JFK ranks among US airports. The Port Authority had better shape up." February 19, 1998. A 36.

¹⁰ New York Post. "Let Out Airports Go." February 12, 1999.

professional staffs. A good number of the problems with the New York Port Authority stem from crooked staff. One article from 1993 stated "workers described a culture of corruption at the authority. Allegations have included organized crime, nepotism, cronyism, no-show jobs and possible racial discrimination by port authority managers".¹¹ There are a number of articles in the attached chart pertaining to the lack of professionalism of the port authority staff.

In addition to the problems noted above, the Authority has a number of other deficiencies. The Port Police Force, which is independent of City Police, has been relatively ineffective in combating organized crime influence at either of the New York Airports. An independent police force at MIA would be possible under the proposed Airport Authority structure (see page 16 of the Final Report).

In a September 9, 1997 Newsday article, New York Governor George Pataki "labeled the Port Authority as 'gross misuse of public dollars'" and told the agency that it needs to mend its ways or be scrapped.¹²

Perhaps the most egregious offense committed by the Port Authority was its failure to heed warnings about the likelihood of terrorist attacks on their property. This disregard for the Public's safety came after Authority staffers and consultants had repeatedly warned the Authority about its security and safety deficiencies. A State Assembly representative told the New York Newsday that "The Port Authority has been an entity unto itself and accountable to only a handful of people."¹³

It is because the New York Port Authority has been unresponsive to the public, has had serious problems with organized crime, and has exhibited a pervasive culture of corruption that the City of New York is looking to privatize the airports, and not because of some "hot trend" as the Herald would have its readers believe. In addition, it is clear that an independent authority has not worked for the past several years in New York. There is little reason, therefore, to believe that an independent authority would actually improve the quality of management at the MIA. The case against the New York Port Authority is best summed up by US Representative Jerrold Nadler who said, "when you are arrogant and unaccountable, you waste a lot of money".¹⁴

B. *San Francisco*

San Francisco International Airport is governed by the Airports Commission, and appears to function as a semi-autonomous entity, similar to Miami-Dade County's Public Health Trust.

¹¹ New York Newsday. "PA Probe Target Feds Allege Bribes, Payoffs" April 30, 1993.

¹² Newsday. "Let's Fix Not Junk Port Authority" September 9, 1999. A43.

¹³ Newsday. "After the Blast PA Warned Years Ago aBout Terrorism. March 7, 1997.

¹⁴ Newsday. "Change is in the Air But Can it Fly with PA Tied in Red Tape?" December 28, 1992.

We found 25 articles related to San Francisco Airport and the mismanagement of contracts and problems with bidding. Much of the evidence we found was specific to a massive scandal involving shell companies used so that large firms could meet minority set-aside program goals. Many of the larger construction firms have established shell companies in order to avoid hiring real minority firms to meet program goals.

The most interesting of the incidents found is the case where ABB Daimler Benz (Adtranz) and Mitsubishi Heavy Maintenance competed for the airport people mover contract. While Mitsubishi won the original bid, Adtranz contested the award before the Airports Commission saying that, among other things, Mitsubishi's minority subcontractors were not certified. A San Francisco Examiner article stated that "the hotly contested contract attracted an array of well connected lawyers and lobbyists on both sides." The Airport Commission awarded the contract to Mitsubishi. Adtranz sued and a judge ordered the entire contract to be rebid. This time Adtranz hired as its largest subcontractor a man who is now being investigated for tampering with the award process. It is alleged that this particular subcontractor was able to convince San Francisco employees to change information on the bid documents to show that he was qualified as a subcontractor to do certain property work. The Examiner insinuates that this man's presence on the Adtranz team influenced the Airport Commission's decision to award the contract to Adtranz.

Another Examiner story tells of how a particular lobbyist managed to circumvent the established process on a number of City contracts, including one at the airport where the firm she represented, DAJA/Shuttleport, was the highest bidder.¹⁵

C. Indianapolis

Indianapolis is one of the few cities in America that has transferred the operation of its airport to a private company. (This is what New York wants to do with its Airport.) The Indianapolis Airport had been run by an airport authority, but inefficiency and poor customer service are apparently the reasons the City decided to privatize. According to the Lexington Herald Reader article of September 1995, the move to private management will save \$100 million over the ten-year life of the contract.

D. Wichita

While Wichita is perhaps the smallest airport reviewed within this report, we included because it presents a very interesting case. The City Council in Wichita actually voted to dissolve its independent airport authority after the authority members spent considerable time debating the ousting of the sitting airport director to the detriment of airport operations. The Wichita Eagle reported that one of the problems with the authority members is that they are "accountable to no one once individual members have been

¹⁵ San Francisco Examiner "Parking Garage Contract Scrutinized" November 21, 1999. A1

appointed.”¹⁶ Apparently the presence of an independent authority was not sufficient to insulate the Wichita Airport Authority from politics.

The editorial board for The Wichita Eagle stated in an August 1999 editorial that “The Eagle’s editorial board finds the idea enticing because its members long have believed that appointed officials who spend huge sums of public money need regular review by officials who answer to the voters”.¹⁷ The editorial went on to say that some authority members have lacked big picture focus. The newspaper suggested that direct political oversight could correct this.

E. Orlando

The Greater Orlando Aviation Authority has received much attention from The Miami Herald in recent months and has been touted as a shining example of an airport authority. The Herald neglected to state that an Orlando Grand Jury criticized the Airport Authority on its travel policy after the Mayor of Orlando and several authority member racked up a \$30,000 trip to Europe, far in excess of what it would have cost had the authority followed the State’s travel guidelines.¹⁸ Unfortunately, this model Airport Authority continued its excessive travel policy a full year after the Grand Jury released its report. Jeff Faqua, then Chairman of the Greater Orlando Aviation Authority was quoted as saying “I don’t make any excuses.”¹⁹

Another scandal involving the GOAA concerned the executive director who allegedly interceded on behalf of a State Legislator’s bid to open a restaurant at the Airport. The July 1996 article also states that the Deputy Director was supposed to be a silent partner on the deal.²⁰

F. Tampa

The Hillsborough Aviation Authority seems to suffer from the same expensive tastes as the GOAA authority suffers from. H.A.A members have taken a number of trips all over the world and used airport money for sightseeing and \$100 meals. The Chairman of the Authority actually spent more than \$17,000 on trips in 1993.

In addition to this, the authority spent \$2000 on a Congressional Black Caucus event. Unfortunately, the authorities’ executive director cannot seem to remember why he spent the money.²¹

G. Broward County Port Authority

¹⁶ Wichita Eagle. “Careful ICT Governance is a Complex Subject.” August 9, 1999 A6

¹⁷ Ibid.

¹⁸ St. Petersburg Times. “Grand Jury Criticizes Orlando Airport Official For Trip to Europe.”. October 18, 1991

¹⁹ The Miami Herald. “Airport officials Repay Excessive Travel Expenses.” February 8, 1993.

²⁰ The Miami Herald. “Orlando Airport Denies Helping Legislator Profit.” July 29, 1996.

²¹ St. Petersburg Times. “Airport Panel Okayed \$2000 for Dinner or Show.” December 15, 1993.

While the Broward Port Authority ran Port Everglades, and not Fort Lauderdale-Hollywood International Airport, we have included it here because it is a good example of the problems an authority can run into, and because The Miami Herald in its editorials, called on the dissolution of the Port Authority. A 1984 Herald editorial stated, “there is simply no need for a separate political body to run Port Everglades. Ft. Lauderdale-Hollywood International Airport functions smoothly as a County Department. The Port of Miami and MIA are under the jurisdiction of Dade’s County Commission. Seaports and Airports are businesses that accommodate other businesses for the public benefit. They should be run by professional administrators.”²² (emphasis added) The editorial went on to state “because they involve public lands and monies, some political controls are necessary”.²³

A 1983 editorial said, “Broward’s Port Everglades Authority seldom remembers that it is a public agency except when it is dipping into the public purse at tax time”.²⁴

Likewise, a 1992 editorial opined that “operating a contiguous seaport and airport under the same government is simple good sense”.²⁵

What sparked this outcry from The Miami Herald was a series of incidents over a number of years. The Port Director bought Commissioners gold rings, with public money, as a token of appreciation. A number of contracts for bond counsel went to friends and allies. Authority members and officials also bought expensive dinners and tickets to Miami Heat and Miami Dolphin games, and authority employees were given gifts by Port companies seeking to influence Port business.

2. How Miami International Airport Compares to Other Airports

What follows is a comparison of some of the relevant operational benchmarks for airports around the country. The categories used were derived from impressions of what was of importance to the financial markets, the airlines, and the Blue Ribbon Panel. These categories are not definitive but give an idea of how MIA compares with other airports of similar size.

In the categories examined, MIA ranked favorably in most cases. One of the most looked at performance indicators used is the credit rating assigned to an airport by one of the three major credit rating agencies. Fitch IBCA did an analysis of the bond ratings it has assigned to airports it has reviewed. Fitch found that the median rating was A+. MIA’s rating was higher (until very recently) than the national median rating of AA-. Fitch also compared its ratings to Moody’s and S&P’s ratings and found that these two agencies’

²² Miami Herald “So Long, Port Authority”. February 29, 1984. For purposes of this section we limited ourselves to only searching for articles within the last 10 years. We made an exception in this case because the momentum to dissolve the Port Authority began in the 1980s. The Port Authority was actually dissolved in the 1990s.

²³ Ibid.

²⁴ Miami Herald “Stick to the Port”. December 8, 1983

²⁵ Miami Herald “In Broward County Takeover of Port Authority is warranted—At Last”. March 6 1992.

median rating for airports were 'A' for Moody's, and 'A' by S&P. MIA's rating from Moody's was Aa3 until recently (see below). Unfortunately, S&P's rating for MIA was not available. The fact that MIA's rating was (and in some cases still is) above the national median shows that MIA is not the "debt pit" The Herald reported it to be.

On March 14, 2000, all three credit rating agencies issued press releases on MIA. Both Fitch and Moody's have downgraded the airport's underlying rating, while Standard and Poor's changed its outlook to negative. The reason Moody's and Fitch downgraded the airport ratings was due primarily to the increasing costs of the CIP and the continuing economic difficulties in Latin America. Both agencies cite the fact that the CIP has grown considerably in the past few years, and that the projected cost per enplaned passenger in 2005-2006 will make MIA one of the most expensive airports in the country. Of the two, Moody's is the more negative (some would say this is the reason The Miami Herald quoted it extensively in its recent article) stating that the downgraded rating reflects "potential delays and additional associated costs which may result from county procedures and regulations". Moody's also offers its opinion that "a change to an authority structure could be a positive credit factor depending on the final structure". Fitch, in contrast, does not say anything about the idea of an independent authority, and in fact says, "the department appears to have improved management and oversight of the CIP". Fitch also says "airport fees and charges are just one of several criteria that airlines use to make their route decisions and the charges usually account for a small portion of the airlines operating costs".

Even with these recent ratings actions, MIA still compares well with other airports. In fact MIA's A+ rating from Fitch is in line with the agencies median rating for airports while MIA's rating of A1 from Moody's is still higher than the median rating for Moody's rated airports. If anything, what these recent rating actions indicate is that MIA possibly has fallen from above average to average. It should be remembered that MIA achieved its above average ratings through the Aviation Department, and not through the actions of any independent authority.

One last point to make is that it is clear from the press releases from the two agencies, and research reports on MIA issued in the past, that their main concerns centered around the size and scope of the CIP and not with the current governance structure.

III. Summary of Major Reports

1. Economic Impact on MDAD's (Miami-Dade Aviation Department) Bonding Program of Change in Governance to an Independent Authority

This is a report prepared by First Southwest Company and was presented to the Panel on January 6, 2000. The report analyzes "the economic impact on MDAD's bonding program of a hypothetical transfer of Airport governance from Miami-Dade County to an independent Authority."²⁶

The report outlines the Airport's current debt position including requirements under the 1954 Trust Indenture.

The report looks at the cost /benefit of defeasing MDAD's existing debt under four different options:

1. new fixed rate debt with fully cash funded debt service reserves;
2. new fixed rate debt with surety bonds in lieu of cash refunded debt reserves;
3. new fixed rate and variable rate debt (at a ratio of 85% and 15% respectively with full cash funded DSRs);
4. New fixed rate and variable rate debt (again at 85% and 15%) with surety bonds in lieu of fully cash refunded DSRs.

The report also looks at the projected costs and benefits of issuing new bonds, under a new indenture, assuming new fixed rate debt with surety bonds in lieu of cash-funded Debt Service Reserves.

The report concludes that the conversion of MDAD's debt to authority debt would result in "substantial savings of debt service payments related to both existing debt and future borrowings to fund MIA's current Capital Improvement Program."

However, it must be kept in mind that the analysis was conducted with the particular market conditions of November 19, 1999. Changes in the market conditions will result in changes to the cost of converting the County's debt to an authority's debt. In addition, there is no benchmark or threshold that would indicate that the conversion is no longer economical. A new analysis would have to be conducted in order to determine the effect new market conditions have on the conversion.

In addition to the caveat that these savings were as of a given time with specific market conditions, the analysis did not consider any operational savings or losses realized by the conversion from a department to an authority. A separate analysis would have to be conducted in order to determine those costs or benefits. As stated in the 1996 KPMG study, "the County would need to conduct a detailed analysis in order to determine the extent to which additional staff and systems would be required to provide all

²⁶ First Southwest. "Economic impact on MDAD's Bonding Program of Change in Governance to an Independent Authority." As presented to the Blue Ribbon Panel on January 6, 2000. P. 1

administrative services in-house, particularly those currently provided by the County."²⁷ No such operational analysis has been done to date. Until conducted, the total cost of converting from a department to an authority will not be known.

2. KPMG 1996 Study

The KPMG study was produced in 1996 and "assess[es] the feasibility of operating MIA and the other county airports through an independent airport authority".²⁸ The study compared the characteristics and structure of various airports across the country, examined the financial and legal implications of establishing an independent authority, and the several authority structures that could be formed. The report's conclusion was that, while it is feasible to create an independent authority, that decision is a policy question wherein, "the potential benefits that one may produce must be considered against both the real and the perceived changes in public accountability and efficiency of such an authority."²⁹

The KPMG study states that an airport authority is only viable if (1) the layers of review were reduced, and the time period for securing approval does not increase, and (2) support for the establishment of the airport authority was not fragmented. The report also states that "simply creating an airport authority does not guarantee focus and effective decision making. An authority board is not immune to inconsistency in policy direction, and might be prone to 'micro-manage' airport operations, depending on the charter and makeup of the board."³⁰ The report continues and states that "some stakeholders believe an appointed airport authority board would be more responsive to airline and airport vendor interests—to the detriment of the public interest."³¹

Probably the greatest contribution the report makes to the general discussion on the policy decision for the formation of an independent authority is the comparative review of various airports and airport authorities. The report notes that of the 20 busiest airports (using data from 1995), five are operated under an independent authority model. Of the busiest 20 (in 1995) 8 were run by an authority of some type (The Port Authority of New York New Jersey accounted for two of those airports). Within the 10 busiest airports, only three were run by an authority of some kind (Dallas, San Francisco, JFK). Of those airports that are not run by an authority, all are run by a city or county government, with the exception of Honolulu which is run by the state.

The KPMG study also discusses some of the legal and fiscal restrictions related to the formation of independent authorities. Among the legal restrictions is the need to transfer the Part 139 Certificate from the Dade County Aviation Department to the independent

²⁷ KPMG "Airport Authority Feasibility Study" 1996 p. 1.

²⁸ KPMG "Airport Authority Feasibility Study" 1996. P. 1

²⁹ KPMG p. 2

³⁰ KPMG p. 10

³¹ Ibid.

authority. The report does state that legally the County can establish an authority. The only decisive restrictions are a result of specifications in the Internal Revenue Code.

The details of the fiscal implications for the transfer to an airport authority are further discussed in the Tew & Beasley Report (see below). The study states that the county would need to transfer the assets of its airports to the independent authority. This asset transfer would require the defeasance of existing aviation bonds. The KPMG study examined the potential costs and benefits of restructuring the debt, and the impact on the Airport/authority creditworthiness.

The KPMG study estimated that the cost of defeasance under the then current market conditions would have been \$20 to \$30 million in present value dollars. This number, of course, has most likely changed due to the change in market conditions over the last four years.

As far as credit worthiness is concerned, KPMG found in its discussion with credit analysts from the three major companies (Fitch, Moody's and S&P) that the structure of governance does not necessarily impact creditworthiness. The study states that "the analysts mentioned that, in their experience, autonomous airport authorities tend to appear less subject to such influences. They stressed however, that they look at the particulars about type of governance, and concentrate on how the airport is actually run. In this respect, the County's current Aviation Department staff receives high marks from all three credit rating agencies."³²

3. Tew & Beasley

This report can be described as a supplement to the 1996 KPMG study. This legal analysis examines the legal manner in which an airport authority could be authorized, and details the bonding and tax consequences of particular airport governance models. The analysis can be generally divided into two parts. The first is the examination of the means by which an authority could be created. The second is the tax and bonding consequences of moving to an authority.

Concerning the legality of creating an independent authority, the study shows that the County has the power to create a County Authority similar to the Public Health Trust. The study also shows that an independent authority could be created through an amendment to the Home Rule Charter. Because of tax issues that will be discussed below, the amendment to the Home Rule Charter would have to "expressly preclude the authority of the Board of County Commissioners from abolishing the Airport Authority."³³

³² KPMG p. 22

³³ Tew & Beasley, L.L.P. "Draft Final Report: Airport Authority Feasibility Study: Legal Analysis." 1996 p. 10.

The most valuable information in this report is the authors' discussion of the requirements that need to be met in order for the new authority to defease existing bonds, and to issue its own tax-exempt bonds. The Internal Revenue Code states that in order for the interest on a bond to be excluded from gross income, the bond must be an obligation of a state or a political subdivision of the state. Political subdivision is defined as "any division of a state or local government unit which is a municipal corporation of which has been delegated the right to exercise part of the sovereign power of the state of the local government unit."³⁴ The term municipal corporation has, in practice, been looked at as the possession of sovereign powers; the power to tax, the power of eminent domain, and the power of police. An entity may be considered a municipal corporation even if it does not possess sovereign powers if it meets certain criteria that are:

- a. the issuance of bonds must be authorized by a specific state statute;
- b. the bond issuance must have a public purpose
- c. the governing body of the authority must be controlled by the political subdivision
- d. the authority must have the power to acquire, lease, and sell property and issue bonds in furtherance of its purposes;
- e. earnings cannot inure to the benefit of private persons; and
- f. Upon dissolution, title to all bond financed property must revert to the political subdivision.³⁵

The report continues to say that "if the county determines to create an autonomous airport authority which will own the airports and be obligated to pay the bonds, it will be necessary to transfer both the airport assets and the related financing from the County to the Authority."³⁶ The Trust agreement and the Master Resolution both have sections prohibiting the transfer or disposition of airport assets. The report continues by saying that, under the Trust agreement and the Master Resolution, the debt could not be transferred to an new authority without bondholder consent, which Tew and Beasley says is not practically attainable. Therefore, "in order to transfer the assets and related financing to the authority, it would be necessary to defease (pay or provide funds for the payment of) all outstanding aviation through the issuance of new bonds"³⁷ (It must be noted that the County Attorney's office has stated at the Blue Ribbon Panel meetings that it disagrees with this assessment, and that neither defeasance nor the transfer of assets is necessary in order for the authority to issue tax-exempt bonds.)

Tew & Beasley report that "in order for such a transaction to be treated as an acquisition under the Code and not as a prohibited advance refunding, the Authority may not be a 'related party' to the County...if a new entity is created under these criteria, and is controlled by the parent, its bonds will be treated as bonds of the parent for this purpose, and will be subject to the same advance refunding rules as if the bonds had been issued by the parent."³⁸ Essentially, in order to avoid being a related party, the County could

³⁴ Ibid p. 21

³⁵ Taken from Tew Beasley p. 22.

³⁶ Tew & Beasley, p. 23.

³⁷ Tew and Beasley, p. 23.

³⁸ Tew & Beasley, P. 24

not have the right to appoint or remove a majority of the authority board members. That right would have to be controlled by someone such as the Governor or the municipalities in the County. Also, the County could not have the right to direct the expenditure of airport funds or have the right to abolish the authority.

Tew & Beasley finish out this section with a statement that says "because the analysis of whether the authority would be a related party to the county is determined on the basis of all relevant facts and circumstances, bond counsel for such an acquisition financing will probably require a ruling before they would be able to give an opinion."³⁹

One last point in the Tew & Beasley report that is of note is that in exchange for the transfer of assets from the County, the Airport Authority would issue new bonds to retire the County "bonds, and would assume all other outstanding indebtedness, liabilities and obligations of the County relating to the transferred assets."⁴⁰ The list of obligations includes:

- All accounts payable
- All contractual obligations of the county
- All obligations under leases and equipment leases
- All pending litigation and claims
- All obligations to employees
- All obligations under service contracts, supply contracts, maintenance agreements, construction contracts
- All obligations to comply with governmental laws and requirements.

Tew & Beasley states that in order to accomplish this, "the FAA, State of Florida DOT, and certain parties to contracts and leases being assigned would have to give their consent."⁴¹ There is no indication of who these certain parties to contracts might be.

Conclusion:

The question of whether or not to transfer control of the County's airports to an independent authority is a policy decision for the Board of County Commissioners to make as the elected representative of the citizens of Dade County. We have endeavored to provide the Board with information that has not appeared in the Miami Herald and that was not considered by the Blue Ribbon Panel. Please do not hesitate to contact this office if we may be of further assistance.

³⁹ Tew & Beasley. P. 25.

⁴⁰ Tew & Beasley. P. 28

⁴¹ Tew & Beasley. P. 28.

As part of this research project we reviewed hundreds of news articles about major airports and airport authorities. Most, if any, of this information was not presented to the Blue Ribbon Panel in any form. An examination of the recorded minutes of the panel reveals that information on other airports and especially airport authorities was presented in the most favorable light possible. **We have found the following examples that illustrate that the existence of an airport authority does not preclude bad management practices, illegal acts, corruption or political interference. In fact some of these problems may be as prevalent or more prevalent at some of these airports as at other airports.** All of the following articles were obtained and are on file in our office. Due to size considerations, they were not attached to this document. Copies can be provided to your office if you need the full article.

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"A bribe taking former official of the Port Authority has named names. Five Companies including one with tens of millions of dollars in world trade center and airport contracts were"	<ul style="list-style-type: none"> • The official plead guilty to accepting more than \$72,000 in bribes in exchange for favorable treatment • The probe by FBI agents targeted at least ½ dozen Authority officials • The official admitted at least 5 firms gave him cash bribes 	Newsday	5/5/95
JFK	"35 th out of 36. That's where JFK ranks among US airports". The P.A. better shape up"	<ul style="list-style-type: none"> • "So incensed is the mayor over the P.A. stewardship of JFK he wants voter permission in a November referendum to cancel the authorities management of that airport along with LaGuardia" • The three Port Authority airports ranked 35, 31 and 26 out of 36 	Newsday	2/19/98
JFK	"A Port Authority official was removed from his job of overseeing millions of dollars of worth of airport contracts after he became a target of a sweeping new federal investigation into corruption at Kennedy Airport. "	<ul style="list-style-type: none"> • "Sources close to the investigation said workers described a <u>culture of corruption at the authority.</u> <u>Allegations have included organized crime, nepotism, cronism, no-show jobs and possible racial discrimination by port authority managers."</u> 	Newsday	4/30/93

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority Kennedy Airport	"The Port Authority Official put in charge of a \$700 million make over of the World trade Center is being fired over in connection with state and federal probes of organized crime involvement in P.A. projects"	<ul style="list-style-type: none"> • "The U.S. Attorney has been investigating Port Authority spending contracts and procedures for weeks. The Organized Crime task force is also investigating the Port Authority". • "New York Newsday has previously reported on massive authority misspending at JFK" • "The authority has refused to release this and all other agency audits citing an immunity from state open government laws" 	Newsday	10/29/92
NY Port Authority (PA)	"A Port Authority spokesman has been arrested on federal corruption charges for receiving cash payments from a businessman seeking to operate a restaurant at Kennedy Airport."	<ul style="list-style-type: none"> • The businessman was told that he could not operate at the airport without paying the Port Authority official. The official accepted \$75,000 in cash in exchange for the permission. 	Newsday	6/19/97
NY Port Authority (PA)	"Three Port Authority officials flew to Finland and Sweden for five days of free meals, hotels and a special deal closing banquet last winter, all paid for by a Finnish manufacture that latter won a no bid \$248,000 contract for snow removal equipment at Kennedy International. Executive director Boyle defended the arrangement, which bypassed public bidding rules and was never reported to the agency board."	<ul style="list-style-type: none"> • The Authority has ethics rules, which prohibit employees from accepting anything of value, which may influence their performance or duties. • The Director defended not making a report to the board by saying, "in my humble opinion they approve more than they need to approve" 	Newsday	1/31/99
Kennedy/ LaGuardia	"The mayor stepped up his bid to seize control of the two airports yesterday, arguing that the Port Authority is ill equipped to root out organized crime at JFK."	<ul style="list-style-type: none"> • The current lease agreement with the PA prevents city cops/fireman to enter the property unless they are called in 	NY Post	10/14/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"The Port authority already under investigation for corruption, is facing yet another probe- this time in connection with its controversial \$2.6 billion airport rail link".	<ul style="list-style-type: none"> • "The PA is a the target of a number of ongoing federal corruption probes that already have resulted in three convictions. Federal prosecutors say they expect more arrest." 	Newsday	10/20/94
NY Port Authority (PA)	"Exec's plunge off the edge rampage linked to Port Authority probe"	<ul style="list-style-type: none"> • The Manhattan District Attorney's office began an investigation into the PA's \$2.6 billion dollar people mover project after one of the competing bidders charged the Harris firm appeared to have rigged the process" • The exec. Had been loaned to the PA from Harris as a consultant and he alleged that he was recruited to spy for the firm so that the firm could tailor its bid for the 10 million dollar contract. • The exec. anticipated a promotion for his work was fired instead and went a rampage at his boss's house before committing suicide. • The exec. left a note that detailed his involvement in the bid rigging scandal. 	Newsday	11/9/94
NY Port Authority (PA)	"The Port Authority yesterday suspended the major consultant on it's controversial \$2.6 billion dollar airport rail link, saying documents showed the company was involved in wrongdoing."	<ul style="list-style-type: none"> • "Prosecutors seized files from the company and the PA last month" • The firm was a target of a probe by prosecutors into allegations the firm used inside information in the \$10 million contract. 	Newsday	11/9/94

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"Detectives yesterday intensified their search for six secretly recorded mystery tapes that could hold the key to a massive bid rigging investigation into the Port Authority's 2.6 billion dollar airport rail link".	<ul style="list-style-type: none"> • A former employee of Harris committed suicide. In his suicide note he stated that he pirated information to help Harris fraudulently win a \$75 million dollar Contract" • The note stated that he secretly recorded 6 conversations with a Harris executive, who arranged the information theft, and who may have bribed a port authority manager. 	Newsday	10/21/94
NY Port Authority (PA)	"Port authority contracting system eyed, In late 1989 the Port authority awarded a \$100,000 fire safety contract without competitive bidding to a reputed mobster whose death started a probe of organized crime involvement in other projects".	<ul style="list-style-type: none"> • "In February 1989, the authority awarded a garbage disposal contract to a company whose mob linked owner had been arrested in a high profile case of massive hazardous waste dumping" The Authority retained the contract even after the owner was convicted and sentenced to 12 years in prison. • An audit of construction contracts found "significant deficiencies in the supervision, administration and management controls" • "Behind these and other questionable Port Authority contracts is an archaic system of weeding out bad contractors that belies the agency's claim to sophisticated management" 	Newsday	7/2/92

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"The Port Authority of new York hired a contractor to work in it's world trade center five days after a reputed mobster who worked for the firm was slain gangland style in the centers garage"	<ul style="list-style-type: none"> The Contract was awarded to the low bidder despite the fact that the organized crime task force was investigating the contractor. 	Newsday	12/8/90
Kennedy	"Kennedy Airport officials call it a \$2.9 Million goof. It's the new staging area for taxis at Kennedy Airport, which ended up costing \$5.4 million- more than twice the \$2.5 million originally budgeted."	<ul style="list-style-type: none"> "That was one expensive goof" anonymous airport official. The airport spokeswoman blamed the problems and cost overruns on the original contractor, which had to be replaced. 	Newsday	5/8/95
NY Port Authority (PA)	<p>"Change is in the air but can it fly with PA tied in red tape"</p> <p>"Last spring when it was revealed that the Port Authority had spent \$21 Million digging a useless tunnel under Kennedy airport Gov. Mario Cuomo hustled to disassociate himself from the agency"</p> <p>"I want to shake the Port Authority up" Cuomo stated.</p>	<ul style="list-style-type: none"> "Like all large bureaucracies, if you don't watch them they get lazy" Gov. Cuomo. "The ongoing disclosures about problems at the Port Authority have spurred some observers to wonder if the self imposed reforms and the people making them can turn around a bureaucracy that has long considered itself more of a corporation than an agency accountable to the public" "When you have an organization as large as the Port Authority, there's a great deal of bureaucracy that goes on there" Board Vice-Chairman. "When you are arrogant and unaccountable, you waste a lot of money" U.S. Rep. Nadler 	Newsday	12/28/92

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	Change is in the air but can it fly with PA tied in red tape" <u>Continued</u>	<ul style="list-style-type: none"> • "Various government watchdogs are scrutinizing the agency for corruption and involvement with organized crime" • "The pace of change at the authority began to speed up when Newsday starting in April that the agency had wasted more than \$130 million" • The agency received flak for a \$21 Million worthless baggage system, \$31 million on unused plans, and \$55 million on an unused new parking garage. It continued to dig a tunnel for months after the project had been terminated. It spent \$22 Million on a cargo computer no one used and had to sell it for \$1 million • The Newspaper revealed that the Authority had conducted its meetings in secret for it's entire history (71 years). The Gov. wrote to the Board and demanded they be open to the public. • "The agency problems festered, from ethical breaches by staff to millions of over payments to contractors" • "It isn't just a matter of getting rid of the rascals. There needs to be an investigation of the agency's structure" 	Newsday	12/28/92

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"Four years after a painful austerity plan brought spending under control, Port Authority executives are back traveling the world in style, sipping drinks on the beaches of the British Virgin Islands, dining in the Napa Valley wine country and dipping into mini bars in \$438 per night Hong Kong hotel rooms, agency records show."	<ul style="list-style-type: none"> • The Agency director violated travel rules for the Port Authority • "Officials accepted free meals and lodging from vendors who received no bid Authority contracts" • "Authority executives traveled to London, Tokyo, Seoul, Hong Kong and Singapore despite having fully staffed trade offices or representative agents" 	Newsday	1/31/99
LaGuardia	"That's Airport Robbery" "With all of the problems of the city, the Port Authority's mugging of motorists seeking short term parking at LaGuardia Airport has gone unnoticed. Since last summer Airport management has eliminated all short-term parking, now a relative or friend will have to fork over \$4.00 for even 15 minutes."	<ul style="list-style-type: none"> • "Is there any airport in the United States – indeed the world that treats its visitors as severely"?" 	Newsday	12/13/92
NY Port Authority (PA)	"Case of who do you trust?" "It's time again to play the game: Who do you believe?" "Today's episode pits the Port Authority executive director Against a Queens Councilwoman."	<ul style="list-style-type: none"> • The dispute is over the cost of the construction of a rail link. The Port authority states that they cannot afford the project, the Councilwoman states that they are lying about the numbers because they don't want to build it. • "So who do you believe? "According to an internal memo it's not the Port Authority." The memo showed that the true cost was 1/2 of what they were stating publicly. The paper reported an engineer was forced out for refusing to overestimate the cost." 	Newsday	2/25/96

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"Warnings of susceptibilities to terrorist attack and faulty systems have for years been raised about Port Authority facilities particularly Kennedy Airport"	<ul style="list-style-type: none"> • "The Authority moved slow to fix the problems despite repeated pleadings from its own staff, according to authority documents, contractors and officials" • The Authority failed to follow recommendations from experts and failed to heed warnings and incorporate the recommendations into new redevelopment projects. • "The Port Authority has been an entity unto itself and accountable to only a handful of people." State Assemblyman John Ravitz • "It is apparent that there has to be much more accountability and oversight" • "Newsday through it's examination of the agency that began last year, has reported on massive misspending , incidents of corruption and at Kennedy Airport numerous fire and security problems" 	Newsday	3/7/93

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
LaGuardia	"Experienced travelers are used to airports that ease the movement of luggage with baggage carts, but until recently LaGuardia Airports frequent fliers had to carry their own. Ironically last year the airport management entered into a one-year contract with Smarte Carte Inc. The same firm that has been supplying the carts to Kennedy for years"	<ul style="list-style-type: none"> • "That LaGuardia is years behind all other Airports in reaching this conclusion is an outrage" 	Newsday	1/9/95
NY Port Authority (PA)	"Mayor Rudolph Giuliani is seeking the estimated \$150 Million in profits at Kennedy and LaGuardia Airports, which he says the port authority diverts each year to subsidize its money losing operations such as the PATH trains to New Jersey."	<ul style="list-style-type: none"> • The Mayor complained that the money was taken out of the Airports even though the airports were ranked near the bottom of industry rankings. 	Newsday	9/13/99
Kennedy/ LaGuardia	"City hall accepts bids to operate airports"	<ul style="list-style-type: none"> • The Mayor stated that the Port Authority has mismanaged the nations busiest airport system. And wants a private firm to run the airports. • "With a greater measure of control the city can force service improvements and lower fees" 	New York Times	1/29/00
Kennedy/ LaGuardia	"A lingering dispute between the BI-state Port Authority and the city is threatening to divert millions of dollars in federal aid from Kennedy and LaGuardia airports to New Jersey."	<ul style="list-style-type: none"> • Due to the uncertainty of the future management structure of the New York Airports, the FAA has required since 1996 that the Port Authority guarantee repayment of a portion of the grants should control change. "In April the FAA signaled that the promise of repayment was no longer sufficient and warned the Port Authority to resolve the issue or face the loss of future awards" 	Newsday	8/11/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Kennedy/ LaGuardia	"Let our Airports go."	<ul style="list-style-type: none"> • "Mayor Giuliani is taking steps to peel New York Cities two airports away from the Port Authority's suffocating embrace. Hizzoner is looking for private companies that might be interested in running the terminals, which are now a national disgrace- and are likely to remain so" 	New York Post	2/12/99
NY Port Authority (PA)	"Lets fix not junk, Port Authority"	<ul style="list-style-type: none"> • "New York Gov. George Pataki, who has labeled the Port Authority a gross misuse of public dollars, has made his point clear by giving the authority's executive director one year to find a way to fix the agency. If he cant find a fix, than Pataki has said the authority should be scraped." • Many New Yorkers and members of the media feel the Authority is unfair to taxpayers and unworkable • The paper called the Port Authority "lopsided and mismanaged". 	Newsday	9/9/97
NY Port Authority (PA)	"Robert Kelly, the director of the aviation for the Port Authority, announced his retirement yesterday after 30 years with the agency, including a rocky three year tenure as heading operations for Kennedy, LaGuardia and Newark Airports."	<ul style="list-style-type: none"> • "During his tenure he came under criticism for his spending practices, which included lavish parties for staffers, and taking free meals lodging and entertainment in Finland" The vendor latter was awarded a no bid contract. 	Newsday	11/9/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"State Democratic chairwoman Judith Hope Yesterday called on Gov. Pataki to seek the removal of Robert Boyle, a Pataki appointee, as Executive Director of the Port Authority board in the wake of a report about lavish party expenditures by the agency."	<ul style="list-style-type: none"> • Hope stated the expenditures amounted to "abusing public funds" She said the more than \$500,000 spent last year on entertainment "is an embarrassment and an outrage to all New Yorkers." • Boyle was the campaign treasure for the Gov. • The chairman of the port Authority said he was reviewing expenditures of his agency after the Newsday reports. • Boyle himself stated "these parties get to big and expensive". 	Newsday	3/22/99
NY Port Authority (PA)	"An aide to New Jersey Gov. Christine Todd Whitman said yesterday that she is "extraordinarily troubled" by a report that the Port Authority spent more that \$500,000 last year on parties and other entertainment for employees and executives."	<ul style="list-style-type: none"> • An article in Newsday reported one party alone was \$293,721. • "The Governor is extraordinarily troubled by these expenditures and feels that these are the type of expenditures that warrant review" • A Port Authority spokesman stated" the events were clearly more elaborate and costly than they should have been" • The Port Authority had been cutting expenses, including the elimination of hundreds of jobs in order to become more financially sound. 	Newsday	3/23/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority (PA)	"A bad mix: the Port Authority, Ideology."	<ul style="list-style-type: none"> • "The New Governor, George Pataki, has apparently decided to politicize the Port Authority of New York and New Jersey" • "The governor insulted our intelligence by offering the Port Authority's top job of executive director to Guy Molinari, who had none of the professional qualifications for this post." • "It is now reported that Pataki has extended the job to George Marlin, Marlin has no experience running any large organization. He has never managed more than 20 employees (the PA, has 8,000) 	Newsday	1/10/95
NY Port Authority (PA)	"PA Chief Marlin to resign"	<ul style="list-style-type: none"> • "While supporting him publicly, administration officials were privately complaining that Marlin had not gained control over the Port Authority's intractable bureaucracy and a more forceful chief executive was needed." 	Newsday	1/18/97
NY Port Authority (PA)	"Pataki picks Javits center head to put Port Authority on track"	<ul style="list-style-type: none"> • "This follows the resignation earlier this month of George Marlin, who had fallen out of favor with the Pataki administration" 	Newsday	1/29/97

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
NY Port Authority PA	"Guilty Plea first salvo in airport scam"	<ul style="list-style-type: none"> • "Investigators said yesterday that the guilty plea entered by the former head of an airport security group will be a series of corruption cases involving airport employees." • "The head of the security group billed the Airport Security Council \$50,000 for women's lingerie, cigars, vacation expenses and other personal items." • <u>"Officials at the port authority have acknowledged that they knew about the allegations of misspent money, but had agreed not to notify prosecutors because they feared negative publicity."</u> 	Newsday	4/10/93
NY Port Authority PA	"PA official admits bribes"	<ul style="list-style-type: none"> • "A port Authority official overseeing millions of dollars in airport contracts pleaded guilty yesterday to federal charges that he took nearly \$58,000 in bribes from agency contractors." • "This is among a number of Port Authority executives being investigated for bribe taking, illegally steering multimillion-dollar contracts and shaking down contractors." 	Newsday	4/13/95

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"LAWYERS FOR SAN FRANCISCO WENT TO COURT YESTERDAY TO FORCE TWO OF MAYOR WILLIE BROWN'S POLITICAL SUPPORTERS TO TURN OVER DOCUMENTS AS PART OF AN INVESTIGATION INTO ALLEGED ABUSES IN THE CITIES AFFIRMATIVE ACTION CONTRACTING PROGRAM."	<ul style="list-style-type: none"> • "Both companies have worked as subcontractors for construction giant Saliba Corp. at the \$2.4 billion expansion of San Francisco International Airport." • The conduct of sub contractors on that job is also the focus of an FBI probe into possible favoritism and corruption in the affirmative action program." • One of the two firms was sued by the city last year for being a front for a white firm. 	San Francisco Chronicle	1/25/00
San Francisco (SFO)	"SFO CONTRACTOR IN LEGAL TANGLE"	<ul style="list-style-type: none"> • The Biggest contractor at the SFO expansion project is being sued alleging that it used bogus minority sub contractors to get millions of dollars of work in LA 	San Francisco Chronicle	12/7/99
San Francisco (SFO)	"THREE FIRMS BALK AT PROBE OF AIRPORT CONTRACTING THEY HAVE REFUSED TO PRODUCE DOCUMENTS CITY ATTORNEY DENIED SFO DOCUMENTS."	<ul style="list-style-type: none"> • "All three are subcontractors in the \$2.4 Billion airport expansion, the largest construction project under way in California" 	San Francisco Chronicle	12/4/99
San Francisco (SFO)	"BUILDERS AT SFO FACE AUDIT RENNE PROBING 30 FIRMS THAT LANDED JOBS THROUGH MINORITY SET ASIDE PROGRAM."	<ul style="list-style-type: none"> • "City Attorney Louise Renne wants the records so her office can audit about 30 firms that won more than \$72 million in subcontracts on the \$2.4 billion airport expansion project." 	San Francisco Examiner	11/28/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"PARKING GARAGE CONTRACT SCRUTINIZED"	<ul style="list-style-type: none"> • "The Commission's action resembled closely its role a few months earlier in a fight over a \$100 million contract for a light rail system at San Francisco international airport. That deal got the attention of FBI agents investigating suspected criminal wrongdoing in city contracting." 	San Francisco Examiner	11/21/99
San Francisco (SFO)	"FEDS SEEK EXAMINERS NOTES ON SFO CONTRACTS."	<ul style="list-style-type: none"> • "Federal investigators suspect there's evidence of crimes in what top officials of the San Francisco's Human Rights Commission have told the examiner about controversial construction contracts a San Francisco International Airport." • One of the firms being probed is headed by a person convicted of abusing minority programs in the 80's. That person, who served 3 years in prison, is back working on minority set aside projects. 	San Francisco Examiner	11/7/99
San Francisco (SFO)	"CITY HALL WHISPERS ABOUT FEINSTEIN MATES TIES TO SFO JOB"	<ul style="list-style-type: none"> • The article details possible conflict of interest issues between Sen. Feinstein's husband who is in the construction field and SFO airport construction contracts. 	San Francisco Chronicle	9/8/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"FBI PROBES FIRM RUN BY WIFE OF MAJOR TRUCKING CONTRACTOR KRYSTAL HAS RECEIVED MILLIONS IN S. F. MINORITY-ASSISTANCE MONEY."	<ul style="list-style-type: none"> Article details the investigation into a trucking company listed as being owned by a woman, but is suspected by many to be owned by a w/m, who operates one of the largest trucking firms in CA. The firm has a large contract with a construction contract at SFO, set aside for minority business. 	San Francisco Chronicle	9/3/99
San Francisco (SFO)	"TAKE A PASS."	<ul style="list-style-type: none"> "When it comes to handing out parking perks, one would be hard pressed to beat Airport Commission President Henry Berman. According to this years San Francisco civil grand jury report, Berman handed out 27 VIP parking passes to friends and associates last year- almost twice as many as any other commissioner." 	San Francisco Chronicle	8/27/99
San Francisco (SFO)	"Don't look for the FBI investigation at the airport to go away anytime soon- if anything its going to grow and grow and grow."	<ul style="list-style-type: none"> "Its turning out to be like an avalanche- once it started moving, nothing was going to stop it, was how one local law enforcement official summed up the probe into trucking and construction contracts at the airport." 	San Francisco Chronicle	8/25/99
San Francisco (SFO)	"Behind FBI probe of S.F. contracts allegations of cronyism, bribery that undercut minorities, women."	<ul style="list-style-type: none"> The investigation started as a hate crime case when a hang mans noose was left to intimidate minority contractors at the airport construction site. 	San Francisco Chronicle	8/20/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"Airport Director defends contract awards under FBI scrutiny"	<ul style="list-style-type: none"> The Director of the Airport Board defends his organization and states they are committed to open competitive bidding" 	San Francisco Examiner	8/15/99
San Francisco (SFO)	"FBI agents moved on yet another location yesterday, carting away documents from the Human Rights Commission satellite office at the San Francisco Airport"	<ul style="list-style-type: none"> "At least part of the probe focused on how bidding was handled for a giant light rail contract at the San Francisco Airport" 	San Francisco Chronicle	8/3/99
San Francisco (SFO)	"Female contractors rip city over affirmative action bids say watchdog panel not stopping cheaters"	<ul style="list-style-type: none"> "Garrety submitted a sworn affidavit to San Francisco International Airport in may, stating that a contractor competing for a major Airport project, listed her firm as a subcontractor without notifying her" 	San Francisco Examiner	11/17/97
San Francisco (SFO)	"Document gap clouds SFO bid review politically connected businessman OK'd for airport job with no record of scrutiny"	<ul style="list-style-type: none"> "agency gave a politically connected businessman an approval he needs for a piece of a \$100 million plus contract, but records indicate no review was made of his eligibility" 	San Francisco Examiner	10/3/97
San Francisco	"Cutthroat SFO transit war going to court losing bidder says Mitsubishi is not qualified for project."	<ul style="list-style-type: none"> "Adtranz will argue that Mitsubishi's bid was illegal" "The hotly contested contract attracted an array of well connected lawyers and lobbyist on both sides." 	San Francisco Examiner	12/24/96
(SFO)	"Airport board president resigns accountant fears contracts may violate new ethics rule"	<ul style="list-style-type: none"> The president who was a CPA with a firm that had contracts with the city. "The mayor intends to name Henry Berman, a politically influential retired businessman" 	San Francisco Chronicle	3/30/96

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"Invective flying around airport expansion issue Kopp calls SFO chief "deceitful and a megalomaniac"; Turpen says Senator is out of touch."	<ul style="list-style-type: none"> • "San Francisco International Airport Director Lou Turpen can't understand why state Sen. Quentin Kopp has been going around calling him a Megalomaniac and a blackmailer." • "The kingdom of SFO, SFO Kopp says thinks it is a kingdom surrounded by vassal states." • "The airport can't have two masters" 	San Francisco Examiner	10/26/92
San Francisco (SFO)	"S.F. Airport accused by minority firm".	<ul style="list-style-type: none"> • A minority owned electrical company has accused San Francisco International Airport executives of depriving the firm of its share of an \$11 million runway repair project." • "At a recent Board of Supervisors oversight committee hearing, Williams and several minority contractors said the Airport has often ignored city goals for minority participation in contracts." 	San Francisco Chronicle	3/7/90
San Francisco (SFO)	"S.F. chief leaving for Toronto job he has fought putting Bart inside terminal."	<ul style="list-style-type: none"> • "I Think it is therapeutic for the peninsula, the Airport and the Bay area, Kopp said of his old foe's departure. Kopp said he hopes that none of Turpen's lackeys is appointed to succeed him." 	San Francisco Chronicle	8/30/95
San Francisco (SFO)	"Private contracts are costing S.F. extra millions."	<ul style="list-style-type: none"> • "At a time of acute budget strain, San Francisco is squandering millions of dollars a year because of shoddy controls on its huge system of contracting for services" 	San Francisco Chronicle	12/10/92

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
San Francisco (SFO)	"Private contracts are costing S.F. extra millions." (continued)	<ul style="list-style-type: none"> • "Helped by a politically influential attorney, a parking lot operator won a disputed management contract for the vast parking operation at SFO last year. Four days after the agreement was signed, the operator's parent company made a \$2,000 political contribution to Mayor Art Agnos." 	San Francisco Chronicle	12/10/92
Indianapolis	"British Company to manage INDY Airport"	<ul style="list-style-type: none"> • Indianapolis Airport was managed by an Airport Authority, but switched to being run by a private entity. • This move is expected to save \$100 Million over the ten year contract due to "more efficient management" 	The Wichita Eagle	9/13/95
Indianapolis	"Giving a public Airport a private spin"	<ul style="list-style-type: none"> • The problem with our Airport – the problem with every airport is that it has no market incentives to operate efficiently" Stephen Goldsmith, Mayor of Indianapolis • "At first we considered the outright sale of our airport" Stephen Goldsmith, Mayor of Indianapolis • "Private management will provide expertise and resources that public management simply does not" 	The Wichita Eagle	8/25/95

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Indianapolis	"Taxes, fees to pay for Indianapolis United site"	<ul style="list-style-type: none"> • <u>"Taxes and fees on people who work at and use Indianapolis International Airport will pay most of the cities cost to lure United Airlines' maintenance facility"</u> • "Counties from a vary large area will be benefiting from the investment of the Indianapolis taxpayers" 	Lexington Herald Leader	11/19/91
Indianapolis	"Improving customer service is the main goal of our private management initiative at the airport." Mike Wells, Airport Authority Board President	<ul style="list-style-type: none"> • Customer service needed to be improved. 	Indianapolis Airport press release	10/8/98
Orlando	"Grand Jury has scolded the mayor and four airport officials for a trip to Europe"	<ul style="list-style-type: none"> • "It just basically says this was poor public policy to travel at this kind of expense." Bill Frederick Mayor of Orlando • The trip involved \$27,200 in tickets and more than \$600 on two dinners with wine. • The States Attomey Generals office has written opinions that suggest agencies such as the Orlando Airport Authority are subject to the State travel policy 	St. Petersburg Times	10/18/91
Orlando	"Airport Officials repay excessive travel expenses"	<ul style="list-style-type: none"> • "A newspaper investigation into travel expenses has prompted three Orlando Airport Officials to repay \$1,079 for violations of their travel policy" • "I don't make any defense" Jeff Fuqua, Chairman Greater Orlando Airport Authority • The papers inv. was a year after the Grand Jury, and found the problems continued. 	Miami Herald	2/8/93

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Orlando	"Ex chief of Airport quits in Orlando"	<ul style="list-style-type: none"> • "Former Broward Aviation Director Herb Godfrey, who left the county under a barrage of criticism, Wednesday resigned his position as executive director of Orlando International Airport after authorities said he failed to meet expectations during a short tenure". 	Miami Herald	1/9/92
Orlando	"Orlando Airport denies helping Legislator profit"	<ul style="list-style-type: none"> • "The allegations were contained in a report of a 2 ½ year investigation of the financial dealings of the legislator. The probe was conducted by FDLE and the SAO." • "Much of the inquiry centered on allegations that officials of the Aviation Authority interceded on the legislators behalf with Concessions international which won a contract to operate an airport restaurant" • "The report alleged that the Airport Authority Deputy Executive director interceded several times on the legislators behalf. It also stated that an informant stated that the Deputy Director had also planed to be a silent partner of the restaurant managers to secure more airport contracts." 	Miami Herald	7/29/96

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Hillsborough Aviation Authority	"First class air travel policy criticized"	<ul style="list-style-type: none"> "Hillsborough County Commissioner Jan Platt has asked the County attorney to look into first class travel of the Hillsborough Aviation Authority." "Authority member Bud Clark stated the policy should be expanded so that staff members could also fly first class" 	St. Petersburg Times	1/8/93
Hillsborough Aviation Authority	"Boards high flying travel policy drawing some flak.	<ul style="list-style-type: none"> "The authority's travel policy is so vague that it gives board members latitude to spend what they want". "The chairman of the Authority had taken more than \$17,000 in trips during this year." 	St. Petersburg Times	11/10/93
Hillsborough Aviation Authority	"Aviation panel members may owe."	<ul style="list-style-type: none"> "Members of the Hillsborough County Aviation Authority broke the law." Gerald Lewis, State Comptroller "They have routinely flown first-class to meetings all over the world, bought \$100 meals and used Authority money for sightseeing and video movies." "A spokesman for Lewis, stated that our concern is the public dollars that have been misused in the past." 	St. Petersburg Times	2/25/94
Hillsborough Aviation Authority	"Airport panel okayed \$2,000 for dinner or show."	<ul style="list-style-type: none"> "Why did the Hillsborough County Aviation Authority in August pay \$2,000 to the Congressional Black Caucus? George Bean the Authority's executive director, said that he couldn't remember the specifics." 	St. Petersburg Times	12/15/93

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Hillsborough Aviation Authority	"Firm files contract complaint"	<ul style="list-style-type: none"> • "A local engineering firm charges that a competitor had connections to a panel that ranked contract proposals." • "The panel that runs Tampa International has been hit with a Federal discrimination complaint." • The complainant asked the U.S. Department of Transportation to investigate the claim that the Hillsborough County Aviation Authority steered a contract to a less qualified competitor." 	Tampa Tribune	3/7/98
Hillsborough Aviation Authority	"With party at Airport, frugality takes flight."	<ul style="list-style-type: none"> • The Airport Authority planned to spend \$132,000 for a celebration for an opening of a new terminal. \$21,000 of the amount was to be picked up by a firm that does \$73 Million dollars of work at the airport. • "In no other branch of government would it be considered ethical for public officials to take a \$21,000 gift from someone who needs their vote to get millions of the publics dollars." • "The arrogance of the first class travel scandal was stamped deeply in the publics mind, and a certain Airport Authority might be a lot closer to getting its leash yanked - hard - than it realizes." 	St. Petersburg Times	2/6/95

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Hillsborough Aviation Authority	"Airport vendor could be kicked out"	<ul style="list-style-type: none"> • "Should a business whose executives were convicted of paying bribes to public officials in Georgia be barred from doing business with public officials in Florida." 	St. Petersburg Times	6/28/97
Hillsborough Aviation Authority	"Car sales raise questions on hire by Airport police"	<ul style="list-style-type: none"> • A salesman who gave police officers "Good Deals", including two that sat on a hiring committee that recommended him as the top candidate for an Airport Police job. 	St. Petersburg Times	8/22/93
Wichita	"Mayor wants city Council to take charge of Airport, Wichita Airport Authority is not spending enough to bring lower airfares."	<ul style="list-style-type: none"> • "The Council should consider stripping the Wichita Airport Authority's power and instead turn it into an advisory board." 	Wichita Eagle	8/4/99
Wichita	"Council approves Airports takeover Wichita Airport Authority stripped of its power."	<ul style="list-style-type: none"> • The City Council voted unanimously to strip the Wichita Airport Authority of its decision power. 	Wichita Eagle	8/18/99
Wichita	"Careful ICT governance is a complex subject"	<ul style="list-style-type: none"> • "The Eagle's Editorial Board finds the idea enticing because its members long have believed that appointive officials who spend huge sums of public money need regular review by officials who answer to the voters" • "Public Authorities such as the one that runs the cities airports are accountable to no one once the individuals have been appointed for their fixed terms." • More recently, however, some authority members have lacked a big picture focus. Direct political oversight conceivably could correct this." 	Wichita Eagle	8/9/99

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Wichita	"Airport Authority plans to borrow from Wichita"	<ul style="list-style-type: none"> • "The Authorities problem he said, is that the Airport is short of cash to keep up with the payment schedule on those debts." • "The Airport Authority needs the money, to pay off debts it incurred to construct runways, roads and terminal buildings." 	Wichita Eagle	4/28/93
Louisville	"New master plan may foretell future of Louisville Airport"	<ul style="list-style-type: none"> • "A consultant will evaluate the long term adequacy of Louisville international Airport while devising an update to the Airports master plan which hasn't been worked on in about 10 years." 	Lexington Herald-Leader	9/28/99
Broward County Port Authority	"So long, Port Authority" Editorial	<ul style="list-style-type: none"> • "It's time for Broward's Port Everglades Authority to ride off into the sunset and not return. Under a plan tentatively approved by the County's Legislative delegation, the Authority would do just that this fall. That's not a moment too soon." • "There is simply no need for a separate political body to run Port Everglades. Ft. Lauderdale-Hollywood International Airport functions smoothly as a County Department. The Port of Miami and MIA are under the jurisdiction of Dade's County Commission. Seaports and airports are businesses that accommodate other businesses for the public benefit. They should be run by professionals administrators." 	Miami Herald	2/29/84

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Broward County Port Authority	"So long, Port Authority" Editorial (continued)	<ul style="list-style-type: none"> • "Because they involve public lands and monies, some political controls are necessary." 	Miami Herald	2/29/84
Broward County Port Authority	"Stick to the Port" Editorial	<ul style="list-style-type: none"> • "Broward's Port Everglades Authority seldom remembers that it is a public agency except when it is dipping into public purse at tax time." • The controversy was over the Port Authorities plan to branch out from strictly port business and into building and operating a convention center. • Note: The NY Port Authority has branched out into several non-port properties and is frequently criticized for it. 	Miami Herald	12/8/83
Broward County Port Authority	"Port Authorities demise spawns struggle"	<ul style="list-style-type: none"> • "When Broward votes decided to torpedo the Port everglades Authority, everything was supposed to get a lot simpler. • "But it's been far. Far from easy. Instead the, the upcoming demise of the port Authority spawned a wrestling match over control between Hollywood, Dania, and Ft. Lauderdale. The mess gave port business fits." 	Miami Herald	4/21/94

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Broward County Port Authority	"Port Authorities demise spawns struggle" (Continued)	<ul style="list-style-type: none"> • "County administrators wanted to keep as much control over port affairs as possible. But the cities were reluctant to give up their rights to provide municipal services." 	Miami Herald	4/21/94
Broward County Port Authority	"In Broward County takeover of Port Authority is warranted—At last." Editorial	<ul style="list-style-type: none"> • "With white hot anger, voters in November of 1990 shouted that they wanted the Port Everglades Authority abolished. Kaput. Gone. Outa here. Let the County run the port." • "Operating a contiguous seaport and airport under the same government is simple good sense." • "In the past decade, the Port Authority has had three structures of governance—an all elective board, and two board of varying elected and appointed commissioners." 	Miami Herald	3/6/92
Broward County Port Authority	"Port everglades Authority's stormy tenure ends"	<ul style="list-style-type: none"> • Taxpayers angered by a new tax, turned furious at news reports of the seaports lavish spending. Filet mignon dinners, first class travel \$10,000 in tickets to Miami Dolphin and Miami Heat sporting event games—all on the public tab. A former port director even bought 7 gold rings for commissioners as a token of appreciation—again on the public tab." 	Miami Herald	11/18/94

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Broward County Port Authority	"Port doesn't want State to Auditors to see books."	<ul style="list-style-type: none"> • "The Port Everglades Authority Thursday decided it doesn't want to invite state auditors in to look at the port's books." • "This audit would be a nightmare" Commissioner Jean Fitzgerald. • "The Authority also unanimously agreed to raise acting Port Director Jim Phiefer's salary from \$60,000 to \$70,000 a year, saying he has kept the port on an even keel during his five month tenure <u>and done a better job than they had expected.</u>" • "When Port Attorney Linwood Cabot suggested he, too, could use a raise the Authority agreed to give him an extra \$10,000 a year." 	Miami Herald	5/16/86
Broward County Port Authority	"Ex-Port Official found guilty Delillo Convicted on 2 tax counts"	<ul style="list-style-type: none"> • "DeLillo thus becomes the first public official convicted in a six year federal probe of alleged corruption in Broward political circles. The investigation initially focused on Port Everglades where he was a board member from 1984 to 1992. 	Miami Herald	6/17/95
Broward County Port Authority	"Bond lawyer indicted in Port inquiry"	<ul style="list-style-type: none"> • "The Federal grand jury investigating alleged corruption at Port Everglades and other Broward governments returned its first indictment Friday." • "Authorities are chasing a trail of bond deals and contracts awarded by public officials to political or business allies." 	Miami Herald	12/14/91

AIRPORT/ Airport Authority	LEAD PARAGRAPH/ TITLE	MAIN POINTS/ QUOTES	SOURCE	DATE
Broward County Port Authority	"Bond lawyer indicted in Port inquiry" (continued)	<ul style="list-style-type: none"> • "November 1989: FBI begins questioning former port employees about alleged corruption." • "May 1990: Federal Grand Jury orders port to turn over paper work on all bond deals, land purchases, crane purchases and other transactions dating back as far as 1984." 	Miami Herald	12/14/91
Broward County Port Authority	"Port Official accepted free cruise."	<ul style="list-style-type: none"> • "Port Everglades Authority Marketing director, his wife and two children enjoyed a two week Caribbean cruise in December 1982. Compliments of Hone lines cruises, a client of the Broward Seaport." "the estimated cost of the Christmas time excursion, about \$7,000" • "The employee stated that he does not know what the Authorities policy is of accepting gratuities." • "Port Commissioners contacted by the Herald Friday night said they were also unfamiliar with the ports policy on gifts to port employees." 	Miami Herald	6/2/85

TIMELINE

- September 28, 1999, The Miami Herald reported an article on *"Hub will untangle airport traffic."*
- September 28, 1999, The Miami Herald published an article on *"Proposed project could revolutionize use of airport."*
- October 17, 1999, The Miami Herald ran a mini-series on The Airport Mess; at Miami International Airport in the focus section, on *"Who controls the Airport's empire?"* series ran till October 24, 1999.
- October 21, 1999, The Miami Herald reported an article on *"Legislators seek more say on how MIA is run."*
- October 24, 1999, The Miami Herald, in a section titled Other Views, it reported *"Mayor Alex in MIA's Wonderland"* it also stated that *"The Miami-Dade Commission uses MIA as a giant ATM machine to reward favored lobbyists, political donors and deadbeat cronies."*
- October 25, 1999, editorial section on how *"At MIA: We are there to help"* came from letters from the public.
- October 26, 1999, Commissioner Diaz de la Portillia introduced a Resolution requesting the Inspector General open an office at MIA to investigate all contracts. The Board of County Commissioners approved Agenda item No. 9A2, on November 9, 1999, directing the Inspector General to conduct a thorough investigation and review of all existing contracts at MIA.
- October 29, 1999, The Board of County Commissioners, approved agenda item No. 2(B) 1, proposed by the Mayor creating a Blue Ribbon Aviation Panel, to review the processes and procedures used to carry out the Airport's business.
- November 7, 1999, The Miami Herald reports *"Make Airport a world-class asset MIA panel's goal: better service, lower cost."*
- November 7, 1999, The Board of County Commissioners held a workshop for the purpose of obtaining answers from staff, consultants and the public on the concerns raised in the Miami Herald series. Commissioner Moss asked the Manager for a point by point response with specific remedies for all problems discovered.
- November 14, 1999, The Miami Herald ran an article *"Consider independent authority 1996 study provides a blueprint."*

- November 18, 1999, Blue Ribbon Panel first meeting.
 Mayor welcomes the panel and sets them in motion.
 First evidence that some panel members came to the table with preconceived ideas of the “problems” and proper solutions to those problems based on the Miami Herald reports.
 Ed Bell elected vice chair; Bell helped draft an earlier report stating MIA should be run by an Authority.
- November 19, 1999, The Miami Herald published an article on “*Penelas urges reforms at Miami Airport.*”
- November 30, 1999, Blue Ribbon Aviation Panel meeting.
 Majority of the meeting was conducted by Vice Chair Bell.
 Panel submitted their list of issues they would like to focus on. Chair stated that the main issue tended to center around governance, all of the submitted options were to change the Governance structure away from the present structure
 Panel hears testimony on airport finances and airport contracts.
- December 6, 1999, The Miami Herald reported an article by Robert Poole Jr. to the Herald “*MIA needs an Airport Authority, privatization.*”
- December 9, 1999, Blue Ribbon Aviation Panel meeting.
 Panel hears testimony on airport contracts.
 Chair leaves during meeting, remainder of meeting was conducted by Vice Chair Bell
 Panel member, Donald Slesnick makes a suggestion that other county or city run airport representatives be invited to speak to the panel.
- December 10, 1999, The Miami Herald reports that “*Panel: Take politics out of Miami Airport.*”
- December 15, 1999, Blue Ribbon Aviation Panel meeting.
 Guest Speaker David Plavin, President Airport’s Council International--North America. Plavin discussed the various forms of governance for airports.
 Mr. Slesnick again asks that a speaker from a successfully run, city or county airport be invited.
- December 16, 1999, The Miami Herald ran an article on “*Panelists lean to independent MIA.*”
- January 6, 2000, Blue Ribbon Aviation Panel meeting.
 Guest Speaker Kent George, Director of the Allegheny County Airport Authority. George described the transition Pittsburgh Airport made from municipal governance to authority governance.
 Guest Speaker Ed Marquez. Marquez spoke on bond debt.
- January 7, 2000, The Miami Herald ran an article “*Panel hears of airport reforms.*”
- January 12, 2000, Blue Ribbon Aviation Panel meeting.
 Guest Speaker Ira Clark, President of the Public Health Trust.
 Guest speaker Alex Penelas, Mayor. The Mayor spoke to the panel about his procurement reforms that he had proposed.

- January 12, 2000, The Miami Herald published an article in the Editorial Section “*A rush to keep control.*”
- January 13, 2000, The Miami Herald ran an article “*Airport reform efforts set stage for confrontation.*”
- January 13, 2000, The Miami Herald ran an article on “*16 older MIA buildings slapped with violations*”
- January 13, 2000, Commissioner Moss sponsors Agenda item 6(A)(2)(A) which directed the Manager and County staff to take specific steps to correct problems identified at MIA
- January 13, 2000, Commissioner Carey-Shuler proposes an Aviation Authority Ordinance for First Reading.
- January 20, 2000, Blue Ribbon Aviation Panel meeting.
Guest Speaker Jim DeLong Director Louisville and Jefferson County Regional Airport Authority.
Vice Chair Bell “stated that his belief that the best solution would be one that creates as much independence as possible.” Following this lead many members of the Panel voiced support for an authority to run the airports. (Straw vote taken)
- January 21, 2000, The Miami Herald ran an article “*Study panel favors airport authority.*”
- January 27, 2000, Blue Ribbon Aviation Panel meeting.
Guest speaker, A. Beatrice Louissaint, Director Black Business Association.
Guest speaker, Daniel Christopher Hall, President National Organization of Minority Architects
Guest speaker, Sam Gilmore, Contractor
The above speakers voiced their concern for minority participation at the airport.
The chair turned the meeting over to Vice Chair Bell.
Panel member Henriques moves that the Panel should begin drafting a response that will create an airport authority.
- January 27, 2000, The Herald ran an article in the editorial Section “*County commission, fix thyself, or others will.*”
- January 28, 2000, The Miami Herald ran article “*Panel endorses an independent MIA authority*” “*County commissioners opposed to relinquishing control, one says.*”
- February 3, 2000, Blue Ribbon Aviation Panel meeting.
Meeting chaired by Vice Chair Bell
Guest speaker Merrett Stierheim, County Manager. The Manager read from the Grand Jury report.
Guest Speaker Jim Wilding, Director Washington Airport Authority.
The Panel began to establish the Airport Authority, including number of members, nominating process etc.

- February 3, 2000, The Miami Herald ran an article "*Airport analysis pressing ahead*" "*Panel to fine-tune plan to run MIA.*"
- February 3, 2000, "Punchlines and plaudits: *What makes a good airport authority.*"
- February 10, 2000, Blue Ribbon Aviation Panel meeting.
Panel again debates appointments/appointment process.
- February 11, 2000, Miami Herald "*Governor May pick 5 on MIA Authority.*"
- February 17, 2000, Blue Ribbon Aviation Panel meeting.
Guest Speaker, Gene Sterns, Esq. Mr. Sterns stated that the current direction of the Panel would weaken the Home Rule charter. He also stated that the creation of an authority would not necessarily remove the problems the panel had focused on.
The panel then adopted the draft report on the creation of an authority.
- February 18, 2000, Miami Herald, "*Panel Unanimously favors Airport Authority.*"
- February 22, 2000, Miami Herald, "*Panel Approves MIA Proposal.*"
- March 5, 2000, A Special to the Miami Herald from Ed Bell "*Community Needs Independent Authority to Govern Airport.*"



Aviation Ad Hoc Committee
June 5, 2003

VI. Other Business

June 18, 2003 Stakeholders Forum

List of Potential Invitees

President/CEO/Chairman of the various organizations represented by each member of the Aviation Ad-Hoc Committee if not already a member of the Committee.

Former Airport Directors

- Dick Judy
- Rick Elder
- Gary Dellapa (Only if he's in town - no budget for travel expenses)

Charlie Flowers, Mayor's Blue Ribbon Panel Member - Wrote dissenting opinion

Joe Ogelsby, Editor, The Miami Herald

Jane Wooldridge, Travel Editor, Miami Herald

Michael Lewis, Editor, Miami Today

Bill Talbert, Greater Miami Convention and Visitor's Bureau

Airline industry Representatives

- Air Transport Association of America (ATA)

Airline Passenger Representatives

- International Airline Passenger Association (IAPA) Office of Government and Industry Affairs



MIAMI-DADE AVIATION AD HOC COMMITTEE

FILED BY CLERK
EXHIBIT
JUN 05 2003

June 5, 2003 at 1:00 p.m.
Miami International Airport
Concourse E, 7th Floor Executive Conference Center
Room F

MEETING AGENDA

Legal/Staff Support: Abigail Price-Williams, Assistant County Attorney; Angela Gittens, Director, Miami-Dade Aviation Department; Kay Sullivan, Clerk of the Board

I. Roll Call

Neisen O. Kasdin, **Chairman**, Beacon Council
Dr. Raymond E. Cain, Jr., **Vice-Chairman**, Florida Memorial College
Allan Harper, Greater Miami Chamber of Commerce
Charlotte Gallogly, World Trade Center-Miami
Councilman Leslie Bowe, Miami-Dade League of Cities
D. Wayne Darnell, Greater Miami Aviation Association
Dorothy Baker, Miami-Dade Chamber of Commerce
Dr. Jorge Salazar-Carillo, Florida International University
Maria Sastre, Greater Miami Visitors and Convention Bureau
George Siggins, Airport and Aviation Professionals, Inc.
Mario Artecona, Miami Business Forum
Mayor Don Slesnick, City of Coral Gables
Michelle Austin, Haitian-American Chamber of Commerce
Terry A. Coble, League of Women Voters
William Alexander, CAMACOL

II. Minutes – April 28, 2003, May 7, 2003 and May 21, 2003

III. David Z. Plavin, President, Airports Council International-North America – Governance of U.S. Airports/Q & A

IV. Other Business

- Finalize invitees to the June 18, 2003 Stakeholders forum meeting

V. Adjournment