

# Memorandum



**Date:** March 4, 2008

**To:** Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Space allocation for Participating Car Rental Companies

**Agenda Item No:**  
12(B)2

The Florida Department of Transportation (FDOT), in cooperation with Miami-Dade County, is constructing the consolidated Rental Car Facility (RCF) on a site east of LeJeune Road. The RCF is one of the principal components of the Miami Intermodal Center (MIC) Program. As part of the development of the MIC and the RCF, the County agreed to develop an automated people mover system (APM, aka the MIA Mover) to connect the Airport with the MIC near the RCF customer service center. The RCF is being financed by a U.S. Department of Transportation (USDOT) TIFIA (Transportation Infrastructure Finance and Innovation Act) loan. Through negotiation with the US DOT, FDOT and the Miami-Dade Aviation Department (MDAD) were able to increase the original RCF TIFIA loan of \$164 million to \$270 million in August 2007 to support the increased cost of the facility. The TIFIA loan principle and interest will be repaid along with a portion of the MIA Mover operations and maintenance expenses by Customer Facility Charges (CFC) collected from Miami International Airport (MIA) car rental customers. If the CFC collections are insufficient to cover these expenses, the terms of the loan documents require contingent rent to be collected from each participating rental car company.

In September 2006, FDOT received two bids for the construction of the RCF -- one for \$345 million (Turner) and the other for \$412 million (Odebrecht) -- grossly exceeding the estimate at that time of \$230 million. FDOT subsequently rejected both bids and proceeded to negotiate a price under its existing Construction Manager @ Risk (CM@Risk) contract for the MIC. In March 2007, FDOT successfully negotiated a guaranteed maximum price ("GMP") of \$307.4 million, or nearly \$40 million below the lowest bid received in September 2006. The RCF has since been under active construction and is scheduled to be completed in early 2010.

There are currently 16 eligible car rental companies planning to relocate their MIA operations into the RCF. All 16 companies have executed the Memorandum of Understanding (MOU), the First Amendment to the MOU, and the RCF Concession Agreement for participating in the RCF.

FDOT, MDAD and the 16 car rental companies have collectively been working on an acceptable method to allocate all categories of space for the participating car rental companies since late 2001. There have been many allocation models developed with the understanding that the RCF will not be large enough for any company to house its entire fleet, and heavy maintenance is not allowed by Code. Therefore, each participating car rental company must plan on having an off-site storage and maintenance facility.

Efforts to achieve consensus among the participating car rental companies included many working sessions with national and local car rental industry representatives, FDOT, and its consultant Blunk Demattei Associates (Blunk Demattei Associates has worked on more than 14 consolidated facilities throughout the U.S.), and MDAD and its consultant John F. Brown & Company.

At a previous presentation to this Board on space allocations, the Board instructed MDAD to ensure

that local/small car rental companies (market share of less than 1%) be allocated sufficient space to allow for growth within the RCF. On numerous occasions, MDAD consulted with all participating car rental companies to reach a compromise. Regardless of the methodology or model employed, neither the national companies nor the small/local companies had been able to agree on any version of the space allocations proffered by FDOT and MDAD. The national companies want the minimum allocations for the small/local companies as outlined in the executed RCF Concession Agreement. Conversely, the small/local companies had been dissatisfied with the markedly increased space allocations (over minimums provided in the RCF Concession Agreement) being recommended by MDAD. Despite the fact that the MDAD's allocation to the small car rental companies far exceeds their market share, there was still no agreement among the companies signing the MOU and the RCF Concession Agreement.

The MDAD recommendation before the Board is substantially based on the following:

- Car rental industry standards to ensure adequate growth potential for small/local companies;
- Review of RCF operations at other U.S. airports;
- Observations of car rental counter use at MIA;
- Input received from the companies over the course of negotiations.

The research and analysis conducted by FDOT, MDAD and their consultants of other U.S. consolidated rental car facilities, combined with the Board's directive to provide growth opportunities, resulted in the following MIA RCF recommendations for each of the seven small/local car rental companies operating at the RCF. Comparative information is also provided between the space required under the RCF Concession Agreement and the MDAD recommendation (see chart next page).

The executed RCF Concession Agreement provides MDAD the authority to determine the size and configuration of the Assigned Areas. This authority is outlined in Section 5.02 (I) Determination by MDAD. The final determination of the location, size and configuration of the Assigned Areas that each Participating Rental Car Company shall operate from in the RCF shall be made by MDAD. Also, MDAD is given additional authority in Section 5.04 CONSOLIDATED SMALL COMPANIES PREMISES (A) The location of the Assigned Areas within the Consolidated Small Rental Companies Premises may be designated from time to time by MDAD, as determined to be operationally desired and consistent with the County's efforts to promote and sustain small business.

In June 2006, MDAD met with the car rental companies to propose an RCF space allocation, unless the companies wanted an opportunity to develop a plan themselves for submittal to MDAD. The car rental companies opted to work together to develop and agree on an allocation plan for subsequent presentation to MDAD. The group requested and was granted 30 days to reach agreement; however, the group was unable to do so.

MDAD has since modified its June 2006 plan, principally to increase the counter space for the small companies from 10.5 to 12 linear feet and is presenting this modified plan as its recommended final space allocation plan. This plan was presented to the car rental companies on January 31, 2008, and at that time the companies were in agreement with these allocations. The schedule for completing the RCF is such that FDOT, MDAD and all 16 companies must now focus on issues that will allow the companies to design, obtain permits, and otherwise prepare to and construct their tenant improvements on a schedule that conforms to the projected completion date for the facility.

  
Assistant County Manager

**FINAL ALLOCATION 16 - QTA & R/R Area Calculations**  
**Miami International Airport Consolidated Rental Car Facility (CRCF)**

RAC Company No.	RAC Company Bracket	Level	Area Calculations	
			Sqft.	Acres
1. Hertz	A.1	1	415,956	9.54
2. Alamo	B.1	2	296,786	6.81
3. Avis	C.1	3	231,857	5.32
4. Dollar	D.1	2	146,327	3.35
5. Budget	D.2	2	102,515	2.35
6. National	E.1	3	110,487	2.53
7. Thrifty	E.2	1	85,552	1.96
8. Enterprise	E.3	3	76,372	1.75
9. Royal	F.1	1	41,353	0.94
10. All Day	G.1	3	112,139	2.57
11. Family	G.2			
12. FAR	G.3			
13. Payless	G.4			
14. Siboney	G.5			
15. Excellence	G.6			
16. Global	G.7			
		1	1,619,344	37.12

**FINAL ALLOCATION 16 - Rental Car Facility (RCF):**  
**Miami International Airport Consolidated Rental Car Facility (CRCF)**

March 17, 2006  
 Revised April 5, 2006  
 Revised April 14, 2006  
 Revised April 18, 2006  
 Revised March 13, 2007  
 Revised March 14, 2007  
 Revised January 31, 2008

RAC Company No.	RAC Company Bracket	Current Adj. M.S. (Note #1)	Ready/Return Stalls (Note #2)			QTA Stacking			Storage			TOTAL CAR CAPACITIES				
			M.S. Allot.	Total Stalls	△ (Note #5)	%	M.S. Allot.	Total Cars	△ (Note #5)	M.S. Allot.	Total Cars	△ (Note #5)	Total Cars	△ (Note #5)	Total %	
1. Hertz	A.1	29.71%	1164	1011	-153	25.8%	369	324	-65	401	328	-20	24.3%	1,663	-291	25.28%
2. Alamo	B.1	20.64%	809	716	-93	18.3%	256	222	-48	279	255	8	18.9%	1,193	-165	18.14%
3. Avis	C.1	15.22%	596	589	-7	15.0%	189	168	-31	205	189	-14	14.0%	946	-55	14.38%
4. Dollar	D.1	9.67%	379	341	-38	8.7%	120	114	-13	131	120	3	8.9%	575	-61	8.74%
5. Budget	D.2	7.49%	293	249	-44	6.4%	93	102	4	101	97	11	7.2%	448	-45	6.81%
6. National	E.1	5.74%	225	231	6	5.9%	71	96	21	77	75	-5	5.6%	402	24	6.11%
7. Thrifty	E.2	4.68%	183	189	6	4.8%	58	84	23	63	75	10	5.6%	348	40	5.29%
8. Enterprise	E.3	4.51%	177	189	12	4.8%	56	78	19	61	75	10	5.6%	342	45	5.20%
9. Royal	F.1	1.18%	46	108	62	2.8%	15	24	9	16	136	99	10.1%	268	190	4.07%
10. All Day	G.1		7	41	34	1.0%	2	14	12	2	0	-14	0.0%	55	44	0.84%
11. Family	G.2		7	43	36	1.1%	2	14	12	2	0	-15	0.0%	57	44	0.87%
12. FAR	G.3		7	44	37	1.1%	2	14	12	2	0	-15	0.0%	58	44	0.88%
13. Payless	G.4	1.20%	7	41	34	1.0%	2	14	12	2	0	-14	0.0%	55	44	0.84%
14. Siboney	G.5		7	41	34	1.0%	2	14	12	2	0	-14	0.0%	55	44	0.84%
15. Excellence	G.6		7	41	34	1.0%	2	14	12	2	0	-14	0.0%	55	44	0.84%
16. Global	G.7	100.00%	3918	3918	-2	100.0%	1242	1,310	0	1350	1,350	0	100.0%	6,578	-11	100.00%

**Notes:**

- MIA RCF Percentage Distribution of Rental Car Company Revenue (Market Share) for up to sixteen participating rental car companies for the period of December, 2004 through May, 2005 as provided by MIA. Market Share Bracket G (RAC Company numbers G.1 through G.7) represents Companies that have a M.S. of less than 1% and/or are non-reporting companies. The total M.S. of the G Bracket is estimated to represent 1.20 % of the MIA RAC market.
- The RR Area stall capacities are based on 90 degree parking spaces at 9'-0" wide. The actual number of Ready/Return Car Spaces will depend on each Participating Rental Car company's layout of their space. **Total stalls calculated for Companies A.1 through E.3 are calculated by adjusted M.S. and adjusted total cars.**
- The total QTA Stacking space capacity is based on a full build-out of QTA stacking between structural grids F and S.
- The total Storage space capacity is estimated to be 1350 vehicles and located on level 4.
- The delta represents the Market Share Bracket Area's total proposed car capacity compared to the Market Share allotment.

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**FINAL ALLOCATION 16 - Customer Service/Office Area (CSO)**  
**Miami International Airport Consolidated Rental Car Facility (CRCF)**

March 17, 2006  
 Revised April 5, 2006  
 Revised April 14, 2006  
 Revised April 18, 2006  
 Revised April 28, 2006  
 Revised March 13, 2007  
 Revised March 14, 2007  
 Revised January 31, 2008

Market Share Brackets	Proposed M.S. % Range	△	RAC Company No.	RAC Company Bracket	Current M.S. (Note #1)	M.S. Bracket Average %	M.S. Linear Frontage	Linear Frontage Dedicated	Linear Frontage %	Proposed S.F. Each Company	Proposed S.F. % Each Company	Total Bracket S.F.	Total Bracket %
<b>A</b>	Over 25%	-	1. Hertz	A.1	29.71%	29.71%	133.7	71	15.8%	9,856 S.F.	22.0%	9,856 S.F.	22.0%
<b>B</b>	18.0% to 25.0%	7.00%	2. Alamo	B.1	20.64%	20.64%	92.9	63	14.0%	7,915 S.F.	17.7%	7,915 S.F.	17.7%
<b>C</b>	11.5% to 18.0%	6.50%	3. Avis	C.1	15.22%	15.22%	68.5	50	11.1%	5,670 S.F.	12.7%	5,670 S.F.	12.7%
<b>D</b>	7.00% to 11.5%	4.50%	4. Dollar 5. Budget	D.1 D.2	9.67% 7.49%	8.58%	43.5 33.7	38.0 38.0	8.4% 8.4%	3,408 S.F. 3,386 S.F.	7.6% 7.6%	6,794 S.F.	15.2%
<b>E</b>	3.50% to 7.00%	3.50%	6. National 7. Thrifty 8. Enterprise	E.1 E.2 E.3	5.74% 4.68% 4.51%	4.98%	25.8 21.1 20.3	30 28.0 28.0	6.7% 6.2% 6.2%	3,055 S.F. 2,524 S.F. 2,580 S.F.	6.8% 5.6% 5.8%	8,159 S.F.	18.2%
<b>F</b>	1.00% to 3.50%	2.50%	9. Royal 10. All Day 11. Family 12. FAR 13. Payless 14. Siboney 15. Excellence 16. Global	F.1 G.1 G.2 G.3 G.4 G.5 G.6 G.7	1.18%	1.18%	5.3	20	4.4%	1,690 S.F.	3.8%	1,690 S.F.	3.8%
<b>G</b>	Under 1.00%	1.00%			1.20%	0.17%	5.4			688 S.F. 688 S.F. 688 S.F. 631 S.F. 644 S.F. 688 S.F. 600 S.F.	1.5% 1.5% 1.5% 1.4% 1.4% 1.5% 1.3%	4,627 S.F.	10.3%
<b>Total</b>					100.00%		450	450	100.0%	44,711 S.F.	100.0%	44,711 S.F.	100.0%

**Notes:**

1. MIA RCF Percentage Distribution of Rental Car Company Revenue (Market Share) for up to sixteen participating rental car companies for the period of December, 2004 through May, 2005 as provided by MIA. Market Share Bracket G (RAC Company number's G.1 through G.7) represents Companies that have a M.S. of less than 1% and/or are non-reporting companies. The total M.S. of the G Bracket is estimated to represent 1.20% of the MIA RAC market.

**FINAL ALLOCATION 16 - Quick Turn Around Facility (QTA) Equipment**  
**Miami International Airport Consolidated Rental Car Facility (CRCF)**

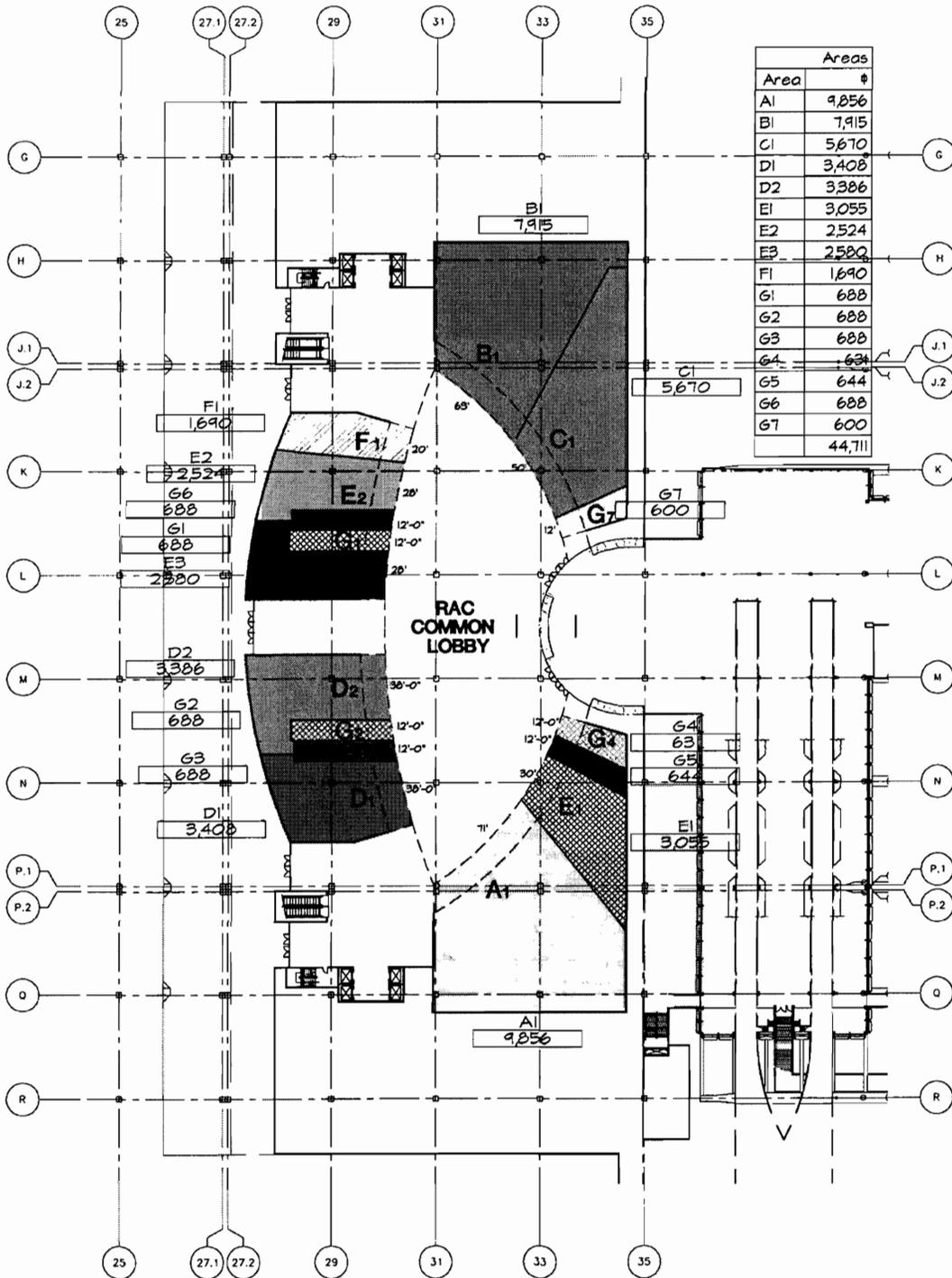
March 17, 2006  
 Revised April 5, 2006  
 Revised April 14, 2006  
 Revised April 18, 2006  
 Revised January 31, 2008

RAC Company No.	RAC Company Bracket	Current M.S. (Note #1)	Fuel Positions (Opening Day)			Fuel Positions (Full Build out)			Car Wash Bays (Opening Day)			Car Wash Bays (Full Build Out)						
			M.S. Allot.	Nozzles	Δ (Note #2)	%	M.S. Allot.	Nozzles	Δ (Note #2)	%	M.S. Allot.	Wash Bays	Δ (Note #3)	%	M.S. Allot.	Wash Bays	Δ (Note #3)	%
1. Hertz	A.1	29.71%	25.0	23	-2.0	27.4%	35.7	30	-5.7	25.0%	8.9	6	-3.2	19.4%	12.5	10	-2.5	23.8%
2. Alamo	B.1	20.64%	17.3	16	-1.3	19.0%	24.8	20	-4.8	16.7%	6.2	5	-1.4	16.1%	8.7	7	-1.7	18.7%
3. Avis	C.1	15.22%	12.8	12	-0.8	14.3%	18.3	16	-2.3	13.3%	4.6	4	-0.7	12.9%	6.4	5	-1.4	11.9%
4. Dollar	D.1	9.67%	8.1	6	-2.1	7.1%	11.6	10	-1.6	8.3%	2.9	3	0.0	9.7%	4.1	4	-0.1	9.5%
5. Budget	D.2	7.49%	6.3	6	-0.3	7.1%	9.0	10	1.0	8.3%	2.2	3	0.7	9.7%	3.1	3	-0.1	7.1%
6. National	E.1	5.74%	4.8	4	-0.8	4.8%	6.9	9	2.1	7.5%	1.7	2	0.2	6.5%	2.4	3	0.6	7.1%
7. Thrifty	E.2	4.68%	3.9	4	0.1	4.8%	5.6	8	2.4	6.7%	1.4	2	0.5	6.5%	2.0	3	1.0	7.1%
8. Enterprise	E.3	4.51%	3.8	4	0.2	4.8%	5.4	8	2.6	6.7%	1.4	2	0.6	6.5%	1.9	3	1.1	7.1%
9. Royal	F.1	1.18%	1.0	2	1.0	2.4%	1.4	2	0.6	1.7%	0.4	1	0.6	3.2%	0.5	1	0.5	2.4%
10. All Day	G.1			1	0.9	1.2%		1	0.8	0.8%			2.9	9.7%		2.9	7.1%	
11. Family	G.2			1	0.9	1.2%		1	0.8	0.8%			-0.1	0.0%		-0.1	0.0%	
12. FAR	G.3			1	0.9	1.2%		1	0.8	0.8%			-0.1	0.0%		-0.1	0.0%	
13. Payless	G.4	1.20%	1.0	1	0.9	1.2%	1.4	1	0.8	0.8%	0.4	3	-0.1	0.0%	0.5	3	-0.1	0.0%
14. Siboney	G.5			1	0.9	1.2%		1	0.8	0.8%			-0.1	0.0%		-0.1	0.0%	
15. Excellence	G.6			1	0.9	1.2%		1	0.8	0.8%			-0.1	0.0%		-0.1	0.0%	
16. Global	G.7	100.00%	84	84	0	100.0%	120	120	0.0	100.0%	30	31	-0.1	0.0%	42	42	-0.1	0.0%

Notes:

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- The delta represents the Market Share Bracket's total proposed Fuel positions compared to the Market Share allotment.
- The delta represents the Market Share Bracket's total proposed Car wash equipment compared to the Market Share allotment.

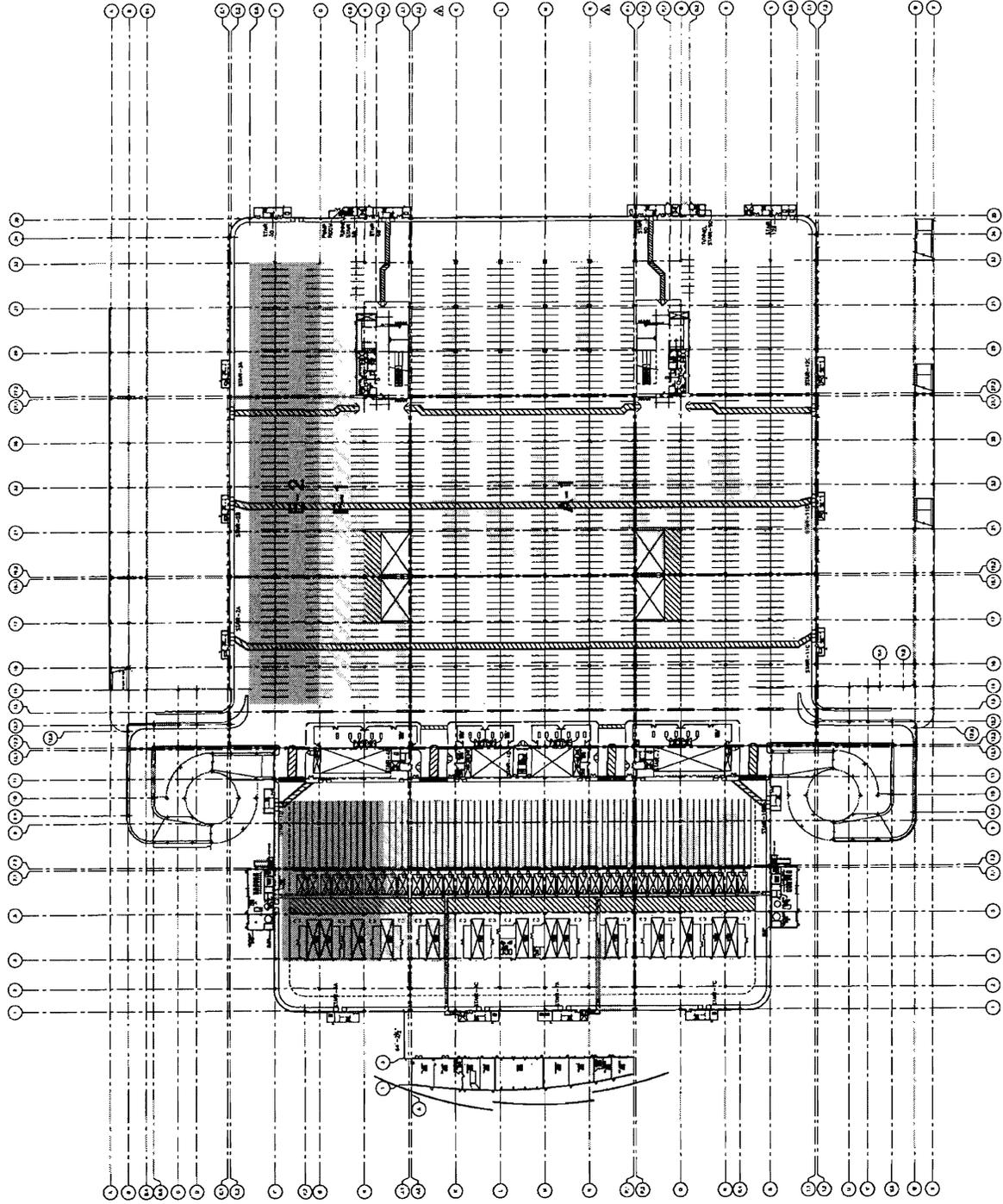
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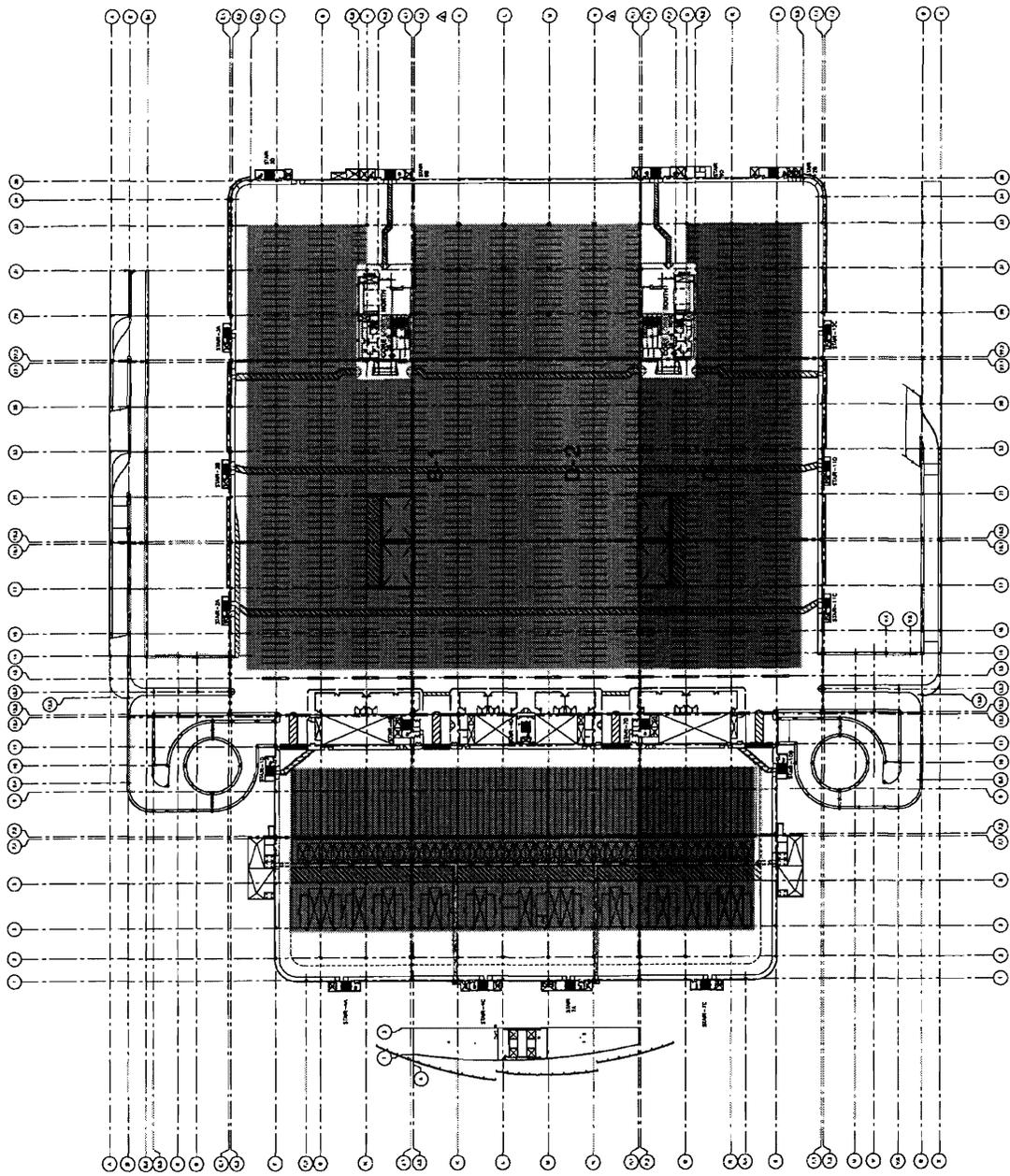
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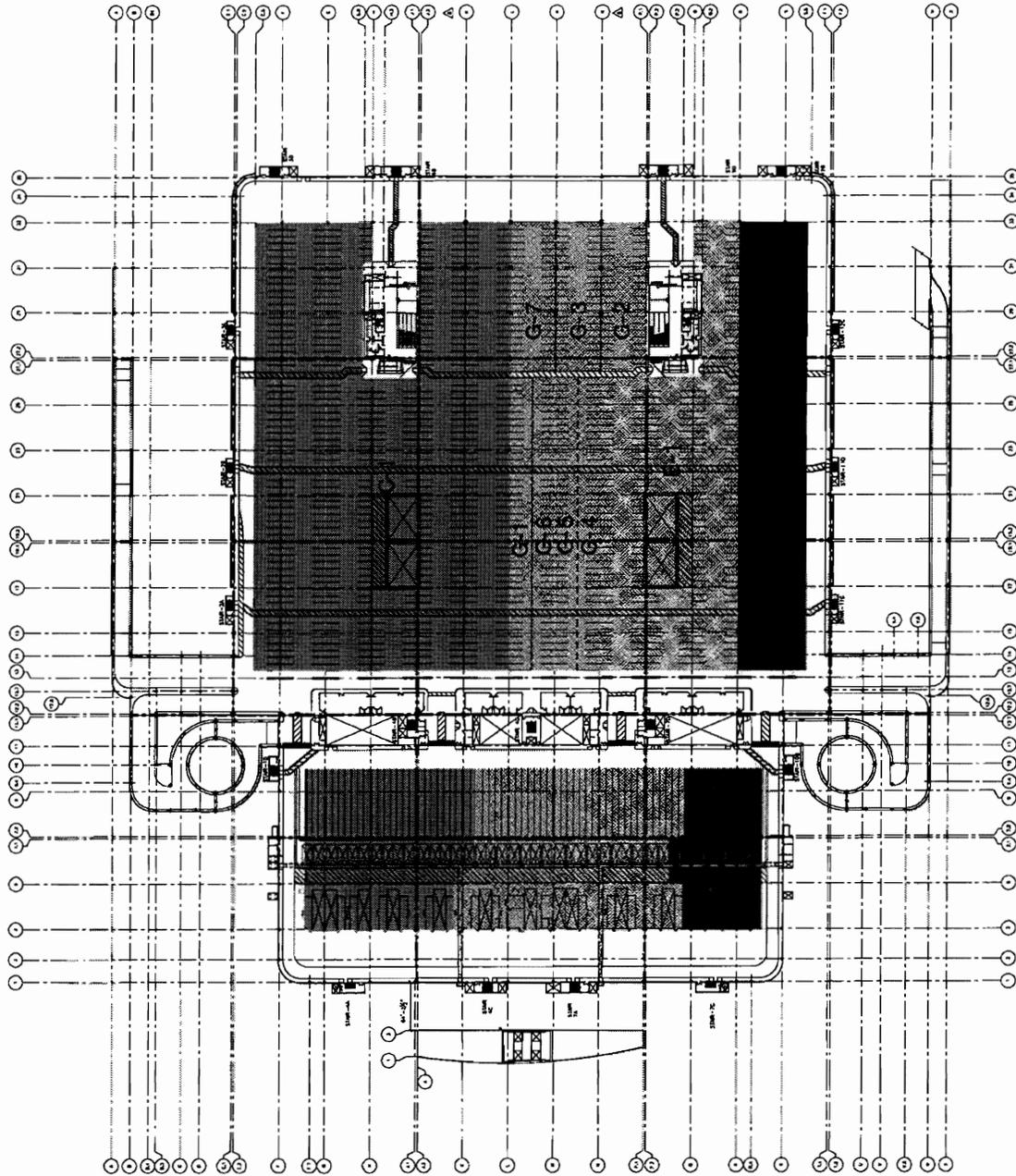
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FINAL ALLOCATION-LEVEL 1  
SCALE: 1" = 60'-0"



FINAL ALLOCATION-LEVEL\_2  
SCALE: 1" = 32'-0"



FINAL ALLOCATION-LEVEL 3  
 SCALE 1" = 60'-0"