Memorandum

MIAMI-DADE COUNTY

Date: November 3, 2009

Agenda Item No. 8(A)(1)(L)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Ratifying the Miami-Dade Aviation Department's Application for Quarter Horse Racing Permit; urging the Florida Department of Business & Professional Regulation to approve the quarter horse permit application, and opposing any effort by the Florida Legislature to preempt or prohibit Miami-Dade County from securing the quarter horse racing permit or slot machines at Miami International Airport

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Recommendation

It is recommended that the Board approve the attached resolution ratifying the Miami-Dade Aviation Department's (MDAD) application for a quarter horse racing permit at Miami International Airport (MIA), a copy of which is on file with the Clerk, with personal information redacted, and is incorporated herein by reference. The resolution also urges the Florida Department of Business & Professional Regulation to approve the quarter horse permit application. It further authorizes the Mayor or designee to accept the permit if approved by the State of Florida and execute the permit and any amendments and any other agreements necessary to complete the application process. The resolution also officially goes on record as opposing any efforts, whether in the Legislature or elsewhere, to preempt or prohibit Miami-Dade County from securing the quarter horse racing permit or slot machines at Miami International Airport.

Scope

Miami International Airport (MIA) is located primarily within District Six; however, the impact of this item is county-wide in nature as MIA is a regional asset.

Fiscal Impact/Funding Source

These activities could generate upwards of $17 million per year in non-aeronautical revenue.

Track Record/Monitor

Track record is not applicable in this item. Gregory C. Owens, MDAD Division Director for Real Estate Management and Development, will monitor this project.

Delegated Authority

The attached resolution authorizes the Mayor or the Mayor's designee to accept the permit if approved by the State of Florida and execute the permit and any amendments and any other agreements necessary to complete the application process.

Background

On June 30, 2009, MDAD informed this Board that over the last few years, the annual cost of operating MIA, including debt service, has risen approximately $600 million. By the year 2015, that number will increase to an estimated $1.1 billion due to the increased debt associated with the current airport construction, and rising operating costs. This increase will demand that MDAD raise a staggering $500 million more each year.

Already, MIA is challenged to remain competitive due to these high costs. Competitively, it costs an airline approximately $4 to board a passenger in Fort Lauderdale - MIA's key competitor for domestic traffic -- and similarly $4 in Atlanta, which is contesting MIA's dominance in its lucrative "bread and butter" Latin American and Caribbean market. By comparison, currently it costs an airline approximately $17 to board a passenger at MIA, and that number is estimated to grow to $25.74 by 2015. Although these numbers are not an apples-to-apples comparison because MIA directly provides many services that are provided by the airlines at FTL and ATL, it is undisputed that MIA is a high-cost airport.

For MIA to be competitive, in addition to tightly controlling costs, it is crucial that MDAD grow non-aeronautical revenue (revenue derived from sources other than airlines), to substantially reduce the burden of these high costs upon the airlines. While measures are being taken to build the traditional sources of non-aeronautical – parking, concessions etc., MDAD must find non-traditional sources of revenue, a task that it has been exploring over the last two years, primarily by examining what other airports around the country and indeed the world, may be doing . One of these identified sources is the possibility of adding quarter horse racing, which is a prerequisite for providing slot machines, beyond the security checkpoints, at MIA. These activities could generate upwards of $17 million per year in non-aeronautical revenue.

Therefore, it is recommended that the Board ratify MDAD's actions in filing an application for a quarter horse racing permit, which was submitted to the Florida Department of Business & Professional Regulation on July 9, 2009, and urges the Florida Department of Business & Professional Regulation to approve the County's quarter horse permit application. Approval of this resolution will also authorize the Mayor or the Mayor's designee to accept, if approved, the racing permit and execute any additionally required documents to secure the permit. Finally, the resolution officially goes on record as opposing any efforts, whether in the Legislature or elsewhere, to preempt or prohibit Miami-Dade County from securing the quarter horse racing permit or slot machines at MIA.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: November 3, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(A)(1)(L)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(1)(L)
11-3-09

RESOLUTION NO. _____

RESOLUTION RATIFYING MIAMI-DADE AVIATION DEPARTMENT'S APPLICATION FOR A PERMIT TO CONDUCT QUARTER HORSE RACING; URGING THE FLORIDA DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION TO APPROVE THE COUNTY'S QUARTER HORSE PERMIT APPLICATION; AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO ACCEPT ANY SUCH PERMIT ISSUED BY THE STATE OF FLORIDA, AND AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO EXECUTE ANY AMENDMENTS TO THAT PERMIT APPLICATION, OR ANY AGREEMENTS NECESSARY TO COMPLETE THAT PERMIT APPLICATION; OPPOSING ANY EFFORT, WHETHER IN THE FLORIDA LEGISLATURE OR ELSEWHERE, TO PREEMPT OR PROHIBIT QUARTER HORSE RACING OR SLOT MACHINES AT MIAMI INTERNATIONAL AIRPORT

WHEREAS, on June 30, 2009, the Miami-Dade Aviation Department (MDAD) informed the Board of County Commissioners that MDAD was applying for a permit to conduct quarter horse racing, so as to be allowed to install slot machines at Miami International Airport; and

WHEREAS, MDAD does not intend to actually conduct horse-racing at MIA, but instead intends to lease an existing race-track for the conduct of these races; and

WHEREAS, MDAD is required to indicate as a condition of permit application that it could, if necessary, construct a race-track at MIA; and

WHEREAS, if issued a permit for horseracing, and later, authorization to install slot-machines, MIA could reap upwards of $17 million in revenue on a yearly basis; and

WHEREAS on July 9, 2009, MDAD filed an application for a quarter horse permit, a copy of which is on file with the Clerk, with personal information redacted, and is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Board hereby:

Section 1. Ratifies and approves the application previously filed for permission to conduct quarter horse racing, authorizes the County Mayor or designee to accept any permit for quarter horse racing issued by the State of Florida, and authorizes the County Mayor or designee, subject to the existing limitations of the County Code, to execute any amendments to that application, or to execute any agreements necessary to finalize that application, without need for prior approval of the Board of County Commissioners. Notwithstanding the preceding, the County Mayor or designee may not execute any agreement with an existing horse-track or with a gaming provider without the approval of the Board of County Commissioners.

Section 2. Urges the Florida Department of Business & Professional Regulation to approve the County's quarter horse permit application.

Section 3. Opposes any effort, whether in the Florida Legislature or elsewhere, to preempt or prohibit quarter horse racing or slot machines at Miami International Airport.

The foregoing resolution was offered by Commissioner ,

who moved its adoption. The motion was seconded by Commissioner

and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of November, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. DM

Deborah Bovarnick Mastin