

Memorandum



Date: June 3, 2010

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

Supplement to
Agenda Item No. 5B

From: George M. Burgess
County Manager

Subject: Supplemental Information Regarding the Issuance of Aviation Revenue
Bonds, Series 2010 – BPS Agenda Item 3D

The following provides supplemental information regarding the projects to be funded by the proposed bond issue to support the Aviation Department's Capital Improvement Program (CIP).

The Aviation CIP is an aggregation of projects required to implement the Airport System Master Plan and excludes projects such as tenant improvement projects, financed and managed by third parties. The CIP is funded through a combination of bond funds, equity contributions from federal and state grants, and passenger facilities charges. The proceeds from the proposed \$600 million Series 2010 Bond issue, combined with these other revenues, will be used primarily for the completion of North Terminal. The Series 2010 Bonds are expected to be the last bond issue to complete the CIP.

Legislative History

In 2002, the Board of County Commissioners (Board) approved a CIP with estimated expenditures of \$4.8 billion through 2015. The Board increased the CIP to \$5.237 billion in June 2005 and to \$6.2 billion in March 2007. The increases were primarily due to schedule delays and increased project costs. The Board-approved CIP budget effective October 2008 included an additional \$76 million in Florida Department of Transportation (FDOT) funding for costs associated with the Miami International Airport (MIA) Mover. In the fall of 2008, Transportation Security Administration (TSA) and the County executed an agreement whereby the TSA would reimburse the County an additional \$54 million for baggage screening requirements. The proposed fiscal year 2011 capital budget adds \$140 million to the CIP, of which \$40 million is funded by grants.

Program Summary

The CIP is categorized into the following programs.

- Airside Program
- Terminal Facilities Program
- Landside Programs (including MIA Mover)
- Airport Support Programs
- Cargo and Aircraft Maintenance Program
- General Aviation Airports Program

Each program consists of various capital projects (see Exhibit A attached). Completed projects represent approximately 56% of the total cost of the CIP. The major capital projects completed under each program and those remaining to be constructed are summarized below.

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Airside

The Airside Program was designed to expand airfield capacity, enhance the efficiency and safety of aircraft movement, reduce delays, and accommodate changes in aircraft fleets. Completed airside projects include:

- New fourth runway (8L/26R) and associated parallel taxiways
- New mid-field dual taxiway system and high-speed exits
- Runway 9/27 rehabilitation
- New Air-Traffic Control Tower (ATCT)
- Two new Aircraft Rescue and Fire Fighting (ARFF) facilities
- Re-construction of Midfield/Airfield
- Midfield Tunnel and Utility Corridor
- Various Navigational Aids (NAVAID) Improvements, Blast Fence and Drainage Improvements

The major project remaining is Runway 8R/26L pavement reconstruction (awarded in August 2009) which will extend the useful life of the runway.

Terminal and Concourse Facilities

This program includes the terminals, North, Central and South terminals. The CIP will increase the floor space from 4.8 million to approximately 7.4 million square feet. The North Terminal Development Program (NTD) area previously consisted of Concourses A, B, C and D in a pier configuration. This area is being transformed from a series of separate concourses into a linear terminal which will increase gate utilization and connection efficiencies for American Airlines and its OneWorld alliance partners. The program eliminates Concourses B and C and widens the Terminal Building area between Concourses A and D. As part of the program, the Aviation Department is renovating 1.7 million square feet of the existing Terminal Building and adding 1.8 million square feet of new terminal/concourse space. Upon completion, the terminal will have 48 international/domestic swing gates, two regional jet gates, a Federal Inspection Service facility capable of processing 3,600 international passengers per hour, 278 ticketing positions (including 126 self-service units), a new baggage handling system (discussed below), and support systems to handle an international hub operation of 250 flights per day or more. The terminal is expected to serve 70% to 73% of the of the passenger volume at the Airport.

The South Terminal Program (STP) includes the terminal expansion from Concourse H to Concourse J, construction of a new Concourse J, internationalization of Concourse H, apron construction between Concourses H and J and related utilities infrastructure. The core STP is fully operational and only minor corrective work remains to be completed. The completed STP will provide 1.5 million square feet of new, and 0.2 million square feet of renovated terminal and concourse space. The terminal has a total of 28 gates, on Concourses H and J, of which 19 are international/domestic including one which will be designated for Airbus A-380 airplane operations. The design for the A-380 Gate is complete, and the Aviation Department expects to bid this project in the fourth quarter of 2009. The South Terminal is expected to handle 20% to 22% of the passenger volume at the Airport.

Other Terminal Projects consist of expanding Concourse A from 11 to 20 gates and making improvements to the existing Central Terminal. The major project remaining is the construction of

life-safety improvements. Central Terminal includes the terminal and concourse areas between Concourses E, F and G and will serve domestic and international non-aligned airlines. When completed, the Central Terminal is anticipated to handle 5% to 10% of the passenger volume at the Airport. Other Central Terminal improvements yet to be completed include building code upgrades, tenant relocations to and from the renovated areas, and procurement of new passenger loading bridges.

Terminal projects completed to date include:

- South Terminal Program, including the terminal expansion from Concourse H to Concourse J, construction of a new Concourse J, internationalization of Concourse H, apron construction between Concourses H and J, and related utilities infrastructure
- North Terminal – Extension of Concourse D (added 11 international/domestic swing gates)
- Concourse A expansion (added 9 international/domestic swing gates)
- Renovation projects in Concourses E, F and G
- Relocation of Security Checkpoint to Concourse E
- New baggage handling systems
- Explosive Detection System (EDS) for baggage screening
- Upgrades relating to life safety systems, utilities, building code requirements and requirements of the Americans with Disabilities Act
- Phase II retail transition space preparation
- Terminal 2nd floor carpeting
- Concourse H glass protection

Landside

Landside Programs will improve ground access to the Airport, primarily by relocating the perimeter roadway, extending the upper and lower drives of the Terminal Building's to accommodate South Terminal expansion while also increasing parking capacity. Significant projects yet to be completed include improvements to the Perimeter Road North and an upgrade of the Airport's Upper and Lower Vehicle Drive Accessibility Improvements. The Perimeter Road North project will expand the lanes of the intersection at NW 36th Street, NW 67th Avenue and Perimeter Road, thus allowing this intersection to serve as a second major entry/exit to the west side and north-west cargo areas of the Airport.

Projects completed to date include;

- New 1,540-space parking garage
- Various renovation and expansion projects for parking facilities
- Central revenue collection plaza for long-term parking garages
- Upper and Lower Terminal Vehicular Drives extension
- Perimeter fence for the aircraft operating area

Support Programs

Support Programs to be funded in the CIP include environmental remediation and utility infrastructure, security and business systems. The majority of the environmental remediation and utility infrastructure projects are complete; security and business systems projects are ongoing.

- Premise Distribution System (PDS): Data and communications infrastructure throughout the Terminal

- Common Use Terminal Equipment (CUTE): allows flexible ticket counter and gate assignments to maximize usage
- Central Chiller Plant expansion
- Various security systems improvements throughout the Terminal and at general aviation airports
- Environmental remediation projects including remediation of groundwater and soil contamination, and removing asbestos

Cargo and Aircraft Maintenance

The Cargo and Aircraft Maintenance Program primarily upgrades and expands cargo processing and aircraft maintenance facilities located on the west and north sides of the Airport. Projects include new and upgraded cargo processing buildings, facilities to support the cargo processing function (a new facility for clearing arriving international cargo and private flights), a new facility for clearing international arriving animals, and improved drainage in an area used by aircraft maintenance businesses.

- Six new cargo facilities totaling 1.09 million square feet of space
- New GAC (General Aviation Center) Building

General Aviation Airports

The General Aviation Airports Program includes runway and taxiway improvements, security improvements and support facilities at the County's three general aviation airports (Opa-locka, Kendall-Tamiami and Homestead). The Kendall-Tamiami (TMB) Runway is being extended to allow aircraft to increase their fuel and/or cargo load. This extends their range and allows them to fly to more distant airports without refueling.

The only projects not yet completed in this program are the clearing facility for international arriving animals and the drainage projects. The clearing facility will consist of a 64,000 square feet including an import and export barn area, animal holding quarantine stalls for 102 animals, and an aviary. To date, the following projects have been completed.

- Opa-locka Airport (OPF) Runway 12/30 improvements
- OPF Rescue and Fire Fighting Facility
- Signage and Lighting Improvements at Kendall-Tamiami and Opa-locka airports

Summary

The aggregate expenditures and forecasted cost of the CIP are detailed below. The proceeds from the proposed \$600 million bond issue, combined with other revenues, will be used to fund the remainder of the CIP.

Program	Aviation CIP Expenditure (in Million Dollars)		Total Forecasted Program Cost	Percentage of Program Cost Expended
	Expenditure As of February 28, 2010	Remaining Program Expenditure		
Airside Program	309.7	48.1	357.8	86.6
Terminal Facilities Program:				
North Terminal	2,354.2	649.0	3,003.2	78.4
South Terminal	1,080.2	45.9	1,126.1	95.9
Other Terminal Projects	454.5	68.5	523.0	86.9
Landside Program:				
Roadways & Parking	147.1	18.5	165.6	88.8
MIA Mover	94.9	204.5	299.4	31.7
Support Programs	640.8	86.3	727.1	88.1
Cargo and Aircraft Maintenance Program	76.2	5.9	182.1	96.7
General Aviation Airports Program	<u>52.9</u>	<u>9.6</u>	<u>62.5</u>	<u>84.6</u>
Total CIP Budget	<u>5,310.5</u>	<u>1,136.4</u>	<u>6,446.9</u>	<u>82.4</u>


 Assistant County Manager

EXHIBIT "A"
CIP PROJECTS

The CIP Projects consist of those Improvements to Port Authority Properties comprising a portion of the Aviation Department's capital improvement program and which are a part of the 1995 Authorization, the 1996 Authorization, the 1997 Authorization or the 2008 Authorization. Such CIP Projects include, but are not limited to:

1. **Airside: Runway pavement reconstruction. Approximately 94% complete.**
2. **Terminal and Concourse Improvements:**
 - North Terminal – Reconfigure the terminal and concourses between Concourses A and D to create a 48-gate linear facility to support the international gateway operations of American Airlines and its partners. Includes utility infrastructure expansion. Approximately 80% complete.
 - South Terminal – Renovation of existing terminal space in and adjacent to Concourse H and improving the corresponding taxiway. Approximately 97% complete.
 - Other Terminal Projects – Life safety and building code upgrades, remodel and reconstruction of commercial facilities in the Central Terminal. Approximately 91% complete.
3. **Landside:**
 - Roadways & Parking – Improvements to Perimeter Road and an upgrade of the Airport's accessibility facilities. Approximately 93% complete.
 - MIA Mover – Construction of an elevated automated people mover system connecting the Terminal Building to remote ground transportation facilities at an inter-modal hub to be built by FDOT. Approximately 32% complete.
4. **Support Programs: Replacement or upgrade of security, business systems and maintenance facilities. Approximately 75% complete.**
5. **Cargo and Aircraft Maintenance: Improving drainage in the area of aircraft maintenance facilities. Approximately 97% complete.**
6. **General Aviation Airports: Airfield improvements. Approximately 91% complete.**

Note: Approximate completion percentages are as of February 28, 2010.

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