

Memorandum



Date: April 4, 2011

Supplement to
Agenda Item No.
6(B)2

To: Honorable Joe A. Martinez, Chairman
and Members, Board of County Commissioners

From: Alina T. Hudak
County Manager

A handwritten signature in black ink, appearing to read "Alina T. Hudak". The signature is written in a cursive, flowing style.

Subject: Status Report on Miami International Aerospace Show (MIAS)

I am pleased to provide a status report on the Miami International Aerospace Show (MIAS) as requested by the Board at its March 15, 2011 meeting.

BACKGROUND

The Beacon Council (Beacon) has been leading an initiative to bring to Miami-Dade County an air show similar to the Paris Air Show. The Beacon Council also believes that Miami-Dade County has the necessary community resources to host a major international aerospace trade show that will have a significant economic impact for county businesses and residents. The MIAS will take place during alternating even numbered years and will be patterned after the successful Paris Air Show that is held on odd numbered years. The Beacon Council proposes to hold the inaugural MIAS in November of 2012 when it will not directly compete with the Paris Air Show and market conditions for this event are expected to be favorable. No major air shows are currently held in North America, and MIAS will be the largest show of its kind in the Americas. The proposed MIAS will be held on County-owned land at the Homestead Air Reserve Base (HARB), while the display of aircraft and aerial shows will use the HARB apron and runways.

The Board of County Commissioners (BCC) at its October 5, 2010 meeting pledged its support for the MIAS initiative and authorized the Mayor or Mayor's designee to set aside 54 acres at the HARB for the MIAS events and to provide staff support to the Beacon Council. It also authorized the Mayor or Mayor's designee to identify funds for public infrastructure improvement space to support the event. The Board subsequently at its February 15, 2011 meeting reaffirmed its commitment to the MIAS.

The County Manager assigned the responsibility to coordinate the County's efforts to support the MIAS to the Office of Economic Development and International Trade (OEDIT) in October 2010. OEDIT quickly convened an internal task force comprised of representatives from various departments that would be involved in the preparation of event site. The County principal departments involved in this effort, in addition to OEDIT, include: General Services Administration, Public Works, Capital Improvements, Environmental Resource Management, Aviation, and Planning and Zoning. The Beacon

Council was also represented at every meeting of the task force, and had direct meetings with individual County departments as needed. On February 18th Mr. Jose Perez, Division Director from GSA's Design and Construction Services, was appointed as the County's Project Manager of the MIAS site development working group that includes key departments of the County, and since then he has worked closely with representatives of the Beacon Council.

PROJECT STATUS REPORT

Site Evaluation and Preparation

The site development working group from the County and representatives of the Beacon Council evaluated the proposed event site to determine the infrastructure improvements that would be necessary to host the MIAS in 2012 and in subsequent years. Public Works Department staff has estimated that road resurfacing, removal of overgrown vegetation, new landscaping, temporary lighting, demolition of unsafe or obsolete buildings, parking lots, drainage improvements, platforms to support temporary exhibition structures, other miscellaneous improvements and maintenance will cost up to \$9 million to prepare the site for the 2012 aerospace show. Additional infrastructure costs for site enhancements will be required for the 2014 show. The County's Project Manager for development of the MIAS site will coordinate site development activity using existing County contracts once the Board gives final approval to this project.

Funding Sources

The Building Better Communities General Obligation Bonds, Project 124: Economic Development Fund (EDF) has been identified as the funding source for the capital infrastructure improvements necessary to prepare the County-owned land at the HARB. The public infrastructure expenditures associated with the project will make the event possible and will help attract new businesses and create jobs. Thus this project meets the GOB administrative rules for EDF. However, the allocation of EDF funds for this project must be approved by the BCC.

Air Force Approval

The Beacon Council is seeking formal approval from the United States Air Force to use the site. At this time the Beacon Council has not received formal approval from USAF to use HARB for the 2012 aerospace show, but Beacon Council staff is continuing to hold meetings with high level USAF and other federal government appointed and elected officials and is confident that approval will be granted.

Exhibitors

The Beacon Council reports that it continues to have meetings and discussions with high level representatives of aerospace companies and industry associations regarding their participation at MIAS 2012, but as of this time it has not yet obtained signed commitments from exhibitors/participants. The Beacon Council, however, feels confident that it can obtain commitments from the major aerospace companies and, that once these companies are signed, the smaller companies in the industry will also decide to participate. The Beacon Council is also in the process of finalizing the MIAS marketing materials.

Economic Impact

OEDIT has been working with the Beacon Council to determine the economic impact of the project since January, and it will have a final economic impact statement for the April 13th meeting of the Economic Development and Social Services Committee when the project is brought to that committee for review and preliminary approval.

The Beacon Council estimates that 25,000 individuals will attend the 2012 event, and nearly all of these attendees will come from outside Miami-Dade County. The average out-of-town attendee is expected to spend 4 nights in Miami-Dade or South Florida. While spending by out-of-town attendees will be the most important determinant of recurring economic impacts, additional impacts will occur from the operations of the MIAS event, including the construction of temporary structures necessary to host the event.

Lease Agreement

The Beacon Council proposes that it or an affiliated not-for-profit entity created for the sole purpose of operating the MIAS receive a long-term lease of the County owned site and will hire a company to run the operations of the event. While the terms of a lease have not yet been determined, a lease agreement similar to those for other County owned sites is anticipated. The lease payment will likely have a fixed component based on the acreage of the site and a component representing a share of the gross revenues generated at the MIAS. Once that lease agreement is finalized, the administration will request the BCC's approval.

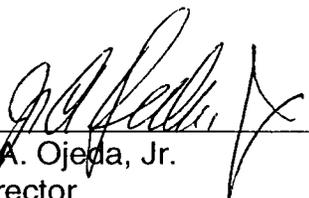
Next Steps

1. Finalize the infrastructure improvement plan for the site based on the cost estimates developed by County staff and any expenditure constraints that the BCC may set.
2. Receive BCC approval to allocate funding from the BBC-GOB Economic Development Fund, Project 124 to the MIAS project.

3. Receive BCC approval for staff to expend funds and begin preparation of the County owned site identified for the MIAS.
4. Develop and seek BCC approval for a lease agreement with the Beacon Council or an affiliated not-for-profit entity created for the sole purpose of operating the MIAS.

Conclusions

The Miami International Aerospace Show proposed by the Beacon Council would have a significant economic impact not only for the South Dade community but for the entire County as well. This would be the most important show of its kind in the Americas, and it would attract both visitors as well as major representatives of the aerospace industry and, therefore, further strengthen our aviation sector with the possibility of increasing business opportunities by attracting new business and creating new jobs. The project's potential for the future of this community warrants the investment of County development funds.



J. A. Ojeda, Jr.
Director
Office of Economic Development and
International Trade