MEMORANDUM

TTC
Agenda Item No. 6A

TO: Honorable Chairman Jose "Pepe" Diaz and Members, Trade and Tourism Committee

DATE: July 09, 2015

FROM: Christopher Agrippa
Director, Clerk of the Board Division

SUBJECT: Approval of Commission Committee Minutes

The Clerk of the Board's office is submitting the following Clerk's Summary of Minutes for approval by the Trade and Tourism Committee:

May 14, 2015

CA/tp
Attachment

Stephen P. Clark
Government Center
111 N.W. 1st Street
Miami, FL 33128

CLERK'S SUMMARY OF
Meeting Minutes
Trade and Tourism Committee

Jose "Pepe" Diaz (12), Chair; Bruno A. Barreiro (5), Vice Chair; Commissioners Audrey M. Edmonson (3), Dennis C. Moss (9), Rebeca Sosa (6), and Xavier L. Suarez (7)

Thursday, May 14, 2015 | **9:30 AM** | **Commission Chambers**

Members Present: Jose "Pepe" Diaz, Audrey M. Edmonson, Dennis C. Moss, Xavier L. Suarez.

Members Absent: Bruno A. Barreiro, Rebeca Sosa.

Members Late: None.

Members Excused: None.

Members Absent County Business: None.

1 MINUTES PREPARED BY:

Report: *Tawana Parker, Commission Reporter (305) 375-5146*

1A INVOCATION AS PROVIDED IN RULE 5.05 (H)

Report: *Invocation was presented by Mr. Michael Roan, Sergeant- at- Arms, followed by the Pledge of Allegiance.*

Assistant County Attorney Bruce Libhaber advised there were no requested changes to the agenda.

It was moved by Commissioner Suarez that the May 14, 2015 Trade and Tourism Committee Agenda be approved. This motion was seconded by Commissioner Edmonson and upon being put to a vote, passed by a vote of 4-0, (Commissioners Barreiro and Sosa were absent).

1B ROLL CALL

Report: *The following staff members were present: Deputy Mayor Jack Osterholt; Assistant County Attorneys Bruce Libhaber and David Murray; and Deputy Clerks Tawana Parker and Jovel Shaw.*

1C PLEDGE OF ALLEGIANCE

1D REASONABLE OPPORTUNITY FOR THE PUBLIC TO BE HEARD AS PROVIDED IN RULE 6.06

Report: *Chairman Diaz called for individuals who would like to speak on any public hearing items on today's (5/14) agenda.*

Ms. Carol Ann Taylor 1717 N. Bayshore Drive; Miami Concepts LLC, appeared before the Committee regarding item 2 A. Ms. Taylor stated she has worked at Miami International Airport (MIA) for many years and has witnessed the airport staff work with concessionaires that encounter financial issues. She felt this item was very restrictive without any leeway for extenuating circumstances and noted during the term of the lease agreement, there were many companies that suffer financial difficulties. Ms. Taylor explained in 2010, MIA granted rent relief to the concessionaires in the South Terminal, but unfortunately MIA staff came across an accounting error, and some concessionaires were required to pay back funds. Ms. Taylor stated she was also required to payback money and she did so in installments, which left her in good standing, but indicated this was an example of an extenuating circumstance. She commented the resolution should be viewed in a way that allows flexibility for the airport due to varying situations.

Chairman Diaz asked if anyone else would like to be heard, there being no other persons to appear before the committee, the public hearing was closed.

1E SPECIAL PRESENTATION(S)

1F DISCUSSION ITEM(S)

1G PUBLIC HEARING

2 COUNTY COMMISSION

2A

150838 **Resolution** **Rebeca Sosa, Sally A. Heyman**

RESOLUTION DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TAKE IMMEDIATE ACTION TO RECOVER ALL OUTSTANDING MONIES OWED BY ALL PERSONS OR ENTITIES DOING BUSINESS AT OR WITH THE COUNTY AT MIAMI INTERNATIONAL AIRPORT AND THE COUNTY'S GENERAL AVIATION AIRPORTS; LIMITING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE'S ABILITY TO TOLL CURE PERIODS; REQUIRING PROVISION OF QUARTERLY REPORTS ON ALL AMOUNTS DUE FROM BUSINESSES AT MIAMI INTERNATIONAL AIRPORT AND THE COUNTY'S GENERAL AVIATION AIRPORTS

Forwarded to BCC without a recommendation
Mover: Moss
Seconder: Edmonson
Vote: 4-0
Absent: Barreiro, Sosa

Report: *Assistant County Attorney Bruce Libhaber read the foregoing proposed resolution into the record.*

It was moved by Commissioner Moss that the foregoing proposed resolution be forwarded to the Board of County Commissioners without a recommendation. This motion was seconded by Commissioner Edmonson followed by discussion.

Chairman Diaz advised Commissioner Sosa was absent from today's (5/14) meeting due to a death in the family and she requested this item be moved forward without recommendation in case an issue surfaced.

Responding to Commissioner Moss ' inquiry regarding how this item would or would not provide flexibility, Assistant County Attorney David Murray stated this resolution provides flexibility in one of two ways; first to the extent that attempts to collect an outstanding debt would cost hardship, there was a mechanism in which the Mayor can file a resolution with the Clerk and come before the Board to receive authorization not to proceed to collect the debt and secondly, another mechanism was provided whereas if a concessionaire needs additional time to comply, again the Mayor can submit a resolution and gain approval from this Board.

Commissioner Moss asked Ms. Taylor if she felt the provisions mentioned by Assistant County Attorney Murray would allow the flexibility needed by the concessionaires to create a payment plan and remedy any other issues.

Ms. Taylor stated the provision presumes the debt was the result of the tenant or the concessionaire instead of an oversight on behalf of the County. She explained this turns out to be a debt the tenant did not incur and the resolution does not address that aspect. She indicated the airport usually works with the tenants, but felt this item would take the flexibility away from the airport, not allowing them to work out terms with the tenant and it also prevents the concessionaire from receiving an extension until the debt has been paid, although they did generate said debt. Ms. Taylor suggested those circumstances and situations needed to be properly addressed.

Commissioner Moss explained it was beneficial to have comments on the record, so the sponsor of the resolution could take all things into consideration. He also stated as the previous chairman of the Committee which MIA was a part of; he convened a meeting which included The Office of The Inspector General, Audit and Management Department and other agencies to discuss various issues. He advised they investigated an issue where $2,000,000.00 was stolen from MIA and he stated these agencies were working on a plan to look at all of these particular areas to prevent this type of activity from occurring in the future. Commissioner Moss indicated the agencies would come back and he asked Chairman Diaz to invite them back to a Committee meeting so they can discuss their recommendations for honing in on emerging issues. He also expressed concern regarding issues of oversight and accountability that tend to appear from time to time within the department. Commissioner Moss pointed out that staff would bring these issues to the forefront, but would ultimately be ignored. He stressed the importance of recognizing those employees trying to do the right thing by bringing awareness to the department when an issue was apparent.

Chairman Diaz stated he agreed with Commissioner Moss and advised he would also like to schedule a meeting for this Committee at the airport. His noted his intentions were to allow the vendors the opportunity to come forward with any issues or concerns they may have, since it was the goal of our county government as well as this Committee to have transparency. Chairman Diaz explained this item would be moved forward without recommendation as a courtesy to the sponsor, and he commented that he was not totally sold on all aspects of this item and he wanted to

ensure it was made part of the record.

Ms. Ann Lee, Chief Financial Officer, Miami-Dade Aviation Department (MDAD), stated the MIA collects about 98-99 % of all of their receivable accounts. She advised they work closely with vendors when they face difficulties. Ms. Lee noted they currently have eleven (11) people in the credit and collections department and they plan on adding a twelfth (12th) person to speed up the collection process. Ms. Lee explained the trend to collect debts has improved steadily in the past five (5) years, and commented their trade receivables, which include the vendors and the airlines, were collected in the normal business cycle. She noted MIA has a large and complex debt collection organization that has been audited by the Commission Auditor as well as the department of Audit and Management Services; and indicated they have good solid procedures in place, which allowed them the flexibility to deal with tenants and vendors and be fair to all parties that utilize the airport.

Chairman Diaz indicated he believed the statements made by Ms. Lee regarding the procedures that were currently in place at MIA, but reiterated he wanted to ensure certain statements were placed on the record in light of the sponsor of this item being absent. He noted the item has been moved and second without recommendation.

Upon being put to a vote, the motion passed by a vote of 4-0, (Commissioners Sosa and Barreiro were absent).

3 DEPARTMENT

3A

151037 **Resolution**

RESOLUTION APPROVING AWARD OF NON-EXCLUSIVE OPERATOR AGREEMENT FOR BAGGAGE HANDLING SYSTEM OPERATION & MAINTENANCE AT MIAMI INTERNATIONAL AIRPORT, RFP NO. MDAD-11-14, TO JOHN BEAN TECHNOLOGIES CORPORATION – JBT AIRPORT SERVICES, IN THE AMOUNT OF UP TO $163,280,939.00 FOR A TERM OF FIVE YEARS WITH FIVE ONE-YEAR RENEWAL OPTIONS; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE THE AGREEMENT AND TO EXERCISE ALL PROVISIONS CONTAINED THEREIN, INCLUDING BUT NOT LIMITED TO TERMINATION AND EXTENSION PROVISIONS
(Aviation Department)

Forwarded to BCC with a favorable recommendation
Mover: Edmonson
Seconder: Suarez
Vote: 4-0
Absent: Barreiro, Sosa

Report: *Assistant County Attorney Bruce Libhaber read the foregoing proposed resolution into the record.*

Responding to Commissioner Moss' comments regarding the responsibilities of John Bean Technologies Corporation (JBT), Mr. Carlos Jose, Assistant Director for Facilities Management, Miami-Dade Aviation Department (MDAD), clarified that JBT was the operator of the vendor and they were responsible for everything that dealt with the South Terminal central baggage handling system, but did not include personnel removing baggage from the plane.

In response to Commissioner Moss' question regarding who the Small Business Enterprise (SBE) firms were, Mr. Jose advised those firms were:

Systems Integration & Maintenance, Inc.

Safety Source International, Inc.

Sirely Uniforms Inc.

A&B Hardware Inc. d/b/a A&B Hardware – Lumber Inc.

Cenoffi Inc. d/b/a Best Office Products

Commissioner Moss asked Deputy Mayor Jack Osterholt along with staff to provide addresses for the Community Small Business Enterprise (CSBE) and Small Business Enterprise (SBE) sub-contractors, and requested the information be submitted prior to this item being considered by

the Board of County Commissioners.

In response to Commissioner Suarez' inquiry whether there was a system in place to track all baggage to prevent them from being lost, Mr. Ken Pyatt , Deputy Director, Miami-Dade Aviation Department (MDAD) noted in the South Terminal there was an automatic encoding system that sorts the baggage to the correct pier and it was read automatically. Mr. Pyatt noted this system was built prior to September 11, 2001 (9/11) and he advised the technology was not as current as the North Terminal; but indicated the new baggage system projects would be more robust. He advised there was a system that did not have the latest technology and there were also encoders to manually read the bag tags and sort them to the right pier, in case it was missed by the system. Mr. Pyatt commented that all of the bags that were not read go to a default a pier and there were personnel to manually take those bags to the correct pier.

Responding to comments from Commissioner Suarez, Mr. Jose commented it was the goal of MDAD to reduce lost bags, and stated the newer technology would help to reduce the amount of lost baggage. He also stated he would provide statistics to substantiate his responses.

Commissioner Moss asked if there were there any metrics in the contract to measure how well the company takes care of the baggage issue. He expressed concern for passengers being able to retrieve their bags intact without any unexpected incidents. Commissioner Moss advised he raised this issue because he wanted clarification on who was responsible for moving baggage off of the plane and onto the baggage system. He suggested there should be something built into the contract to keep the company at a standard and he also recommended the Committee look into conducting a sting operation, because these concerns are where our airport gets the service ranking from the customer's point of view.

Mr. Jose advised there were built in components to the contract, which state they have to operate at a certain percentage, he noted 98% of the time the system should be operational, if not the department gets a relief on the monthly billing for operation and maintenance. He explained JBT was responsible for the baggage handling system, which did not include the full wait time for the bag arrival. Mr. Jose stated the airlines were

responsible for transporting the bags to the system.

Commissioner Moss wanted to ensure it was clarified, that JBT was only responsible for the baggage once it landed on the baggage system.

Mr. Pyatt clarified that in the past several years that JBT has had the contract they have taken great efforts to get the bags to the aircraft in a timely fashion. He previously mentioned that this was an older system and when bags were lost in the system, JBT would manually run the bags to the aircraft to guarantee it made the flight. He commented that they work very well with Miami International Airport (MIA) and did a great job in that area.

In response to Commissioner Moss' inquiry regarding bags being taken from loitering individuals, Mr. Pyatt noted that MIA did not have positive bag match, which was eliminated by the airlines due to the cost and advised there were no longer any airports within the United States with that system. He stated MIA's security consortium met with police once a month and performed sting operations. Mr. Pyatt explained plain clothes officers were stationed around the carousels and based on prior alerts they were able to identify three or four suspicious people on a monthly basis. He noted the police have been able to keep this type of activity to a minimum.

In response to Chairman Diaz' comment regarding the adaptability of future systems, Mr. Pyatt stated from the security screening standpoint, United States Department of Homeland Security, Transportation Security Administration (TSA) puts out a standard that the airport must comply with. He noted the grant received for building the new system was administered and tested under their systems to make certain the security requirements were met. Mr. Pyatt commented they were at 30 % design and would be moving to 100% once the contracts have been awarded. He advised they would be working with the baggage companies to make sure a system is designed with the flexibility to be modified going forward, and he indicated they were looking forward to possibly adapting part of the South Terminal to the Central and North Terminals.

Chairman Diaz asked about the frequency of programming updates and also if there was a

certain amount of years built into the contract.

Mr. Jose advised Chairman Diaz the programming updates for these systems were completed as they appeared and he stated there was a five (5) year contract, but if the need arises for modifications to the system, they have the ability to do that within the specifications of the contract.

Chairman Diaz clarified that his question referred specifically to any additional cost for programming changes and asked if there was a set price that has been included in the contract.

Mr. Jose explained there was a rate charged for programming that was previously built into the contract.

Chairman Diaz expressed concern regarding proprietary programming systems and stated he would like to avoid having extremely high cost in the future.

Mr. Jose indicated the industry was very dynamic and changed constantly, which made it difficult to modify and determine what system would be needed in the future. He commented the intention with this contract was to narrow it down and avoid that from happening, but explained that it could not be narrowed down so much that the contract could not be utilized for future programming.

Responding to comments from Chairman Diaz, Mr. Jose stated this was a proprietary system that was used in several airports around the world.

Chairman Diaz stated in the past they have encountered enormous cost, which has been a complaint of the Board of County Commissioners (BCC) for a very long time. He advised staff to speak with the vendor and be proactive in finding ways to reduce cost between now and the time this item comes before the full BCC.

Mr. Pyatt clarified the entity that makes the most changes was often the TSA and not the baggage system. He indicated as they move forward with security requirements, TSA imposes changes on the system that have to be done for security purposes. Mr. Pyatt stated they have an allowance account in this contract that permits this action to be done through this vendor, which they have done that in the past. Some of the lost

and tracking issues we encountered earlier, He commented they have worked with the manufacturer Jarvis Webb to complete changes for improvements to the system and noted there were some built in stop gaps, but going forward with the new system, they would ensure they have the flexibility to make changes at a rate that would be absorbent.

Chairman Diaz stated he looked forward to hearing more about and the regulations from TSA and advised he was having meetings with that agency and asked his colleagues to get briefed on that information as well. He stated the past was a good teacher and he wanted to make sure the vendor heard today's (5/14) discussion, since this will be a key point when it goes before the BCC.

Upon being put to a vote the motion passed by a vote of 4-0, (Commissioners Barreiro and Sosa were absent).

3B

150960 **Resolution** **Trade and Tourism Committee**

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO ISSUE STEVEDORE LICENSES TO TIMOTHY TOUZET AND JAMES J. PELLICCIO IN ACCORDANCE WITH CHAPTER 28A, SECTION 28A-6 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA (Port of Miami)

Forwarded to BCC with a favorable recommendation
Mover: Moss
Seconder: Edmonson
Vote: 4-0
Absent: Sosa, Barreiro

Report: *Assistant County Attorney Bruce Libhaber read the foregoing proposed resolution into the record.*

Hearing no comments or questions, the Committee members proceeded to vote on the foregoing resolution, as presented.

4 COUNTY MAYOR

5 COUNTY ATTORNEY

6 CLERK OF THE BOARD

7 REPORT(S)

7A

150847 **Report** **Jose "Pepe" Diaz**

ORAL REPORT BY BILL TALBERT PRESIDENT AND CEO OF GREATER MIAMI CONVENTION AND VISITORS BUREAU

Report Received
Mover: Moss
Seconder: Edmonson
Vote: 4-0
Absent: Barreiro, Sosa

Report: *Mr. Rolando Aedo, Executive Vice President, Greater Miami Convention and Visitors Bureau advised Mr. Talbert was a keynote speaker at a meeting being held today (05/14) with more than three hundred (300) industry representatives and noted he would be unveiling the official 2014 numbers. Mr. Aedo stated 2014 was another record year for overall tourism; bringing in 14.6 million visitors, with an economic impact of over $26,000,000.000 generating sales and tourism taxes. He commented that the tourism industry continues to be the foundation for other great industries such as real estate and technology. Mr. Aedo was proud to announce that they have been able to add jobs in the hospitality sector for sixty-three (63) straight months which equates to more than five (5) years. He also noted that the first quarter of 2015 was still on record pace and fueling the overall growth were the main programs that were launched last year, with the support of the Board of County Commissioners (BCC) and other partners. Mr. Aedo commented they were very proud of their marketing program "It's So Miami People in Places and Neighborhood Campaign"; which was an endeavor to ensure the visitors explore and celebrate all that Miami has to offer. He advised a campaign was developed to showcase each one of the unique neighborhoods; each having their own dedicated advertising and videos, and this was a part of a broader program under the efforts of the Heritage Tourism, chaired by board member Carol Ann Taylor. He indicated the strategy involves opening more visitor centers within the community to create greater connectivity for the visitors. Mr. Aedo stated they were very pleased with the distribution of wealth of tourism in the community and was very thankful for all of their supporters and various partners. He announced that Turkish Airlines would be calling Miami International Airport (MIA) home, which brings more customers from key markets and explained these types of partnerships were critical to the continued success of tourism in Miami, given that fifty percent of the visitors are*

international and ninety-six percent travel here on airplanes. He indicated supporting investments at MIA enhance the visitor experience and continue to ensure long-lasting success for tourism. Mr. Aedo commented the future was looking very bright, due to the amount of investments, infrastructure, the 8,000 tracked hotel rooms, more visitors, added jobs, and additional taxes being generated that support various projects within the community. He thanked the Committee for their daily support and noted it was truly appreciated.

Commissioner Moss commented that Ms. Taylor and her group had done a great job with promoting Heritage tourism and asked her to provide a brief update on their activities.

Ms. Taylor stated over the last year the Greater Miami Convention and Visitors Bureau created the Multi-Cultural Tourism department. She noted it came into existence as a result of the Black Hospitality Initiative (BHI) that has been providing scholarships and working in the community to bring awareness to various neighborhoods. Ms. Taylor advised BHI has been in existence for twenty-two (22) years and continues to give scholarships in the hospitality field to people of color. She stated they recently had a golf tournament and raised $176,000 for scholarships in this industry. Ms. Taylor also noted they have recently conducted a national search and have hired one of the most outstanding African Americans in the industry from Nashville, Tennessee and announced that she will be the head of the multi-cultural department. She advised they were creating the department, developing the strategies, the budget etc. in efforts to bring more conventions to Miami to make it a truly multicultural city. Ms. Taylor indicated they have done a phenomenal job and stated this would help to create economic development in neighborhoods such as Little Haiti, Little Havana, and Overtown.

Commissioner Moss congratulated Ms. Taylor for her work and also recognized the Bureau for being receptive and open to moving forward with this department.

In response to Commissioner Moss' inquiry regarding the next course of action, Mr. Aedo commented they were going into the planning cycle and the key was for that department to work closely with all of the other departments within the

Bureau. Commissioner Moss asked to be informed about the progression of this newly developed department.

Commissioner Moss asked Mr. Aedo to provide his perspective on the potential impact of Airbnb on hotel room occupancy and other related concerns.

Mr. Aedo advised they were a part of the process and supporting the study by doing research in Miami and other destinations where Airbnb was more saturated. He expressed concern regarding the legality of the actual accommodations themselves as well as lost revenue that supports critical programs in the community. Mr. Aedo indicated they were able to use the research that has been used in similar bodies around the country and working with the Mayor's Office to support that research. Mr. Aedo stated the demand for the Miami brand was stronger than ever and he pointed out that Miami was a premium brand, but the typical Airbnb customer would not be that type of patron.

Commissioner Edmonson recommended adding the Historic Hampton House to the heritage tour.

Chairman Diaz stated that he was proud of the work accomplished by Ms. Taylor and noted there was a lack of understanding regarding the major impact of tourism in Miami. He also thanked Mr. Aedo and Mr. Talbert for their efforts to ensure Miami was recognized in the tourism industry and possessed the ability to compete with other great destination locations. Chairman Diaz commented this Committee was focused on guaranteeing that status continued and improved and was willing to assist in any way possible.

Commissioner Moss requested a presentation from the Bureau once the new director started; describing how well multicultural heritage tourism was functioning in other places as well as in Miami. He also asked the chairman to give Ms. Taylor the opportunity in the future to discuss that matter as well as what could be done to make improvements in relation to the Caribbean. Commissioner Moss indicated those reports and discussions would give the public an opportunity to obtain a better understanding of some of the events the Heritage Tourism organized.

7B

150954 **Report**

MONTHLY REPORT ON TRAFFIC AT MIAMI INTERNATIONAL AIRPORT -- FEBRUARY 2015 (Mayor)

Report Received
Mover: Moss
Seconder: Edmonson
Vote: 4-0
Absent: Barreiro, Sosa

Report: *Assistant County Attorney Bruce Libhaber read the foregoing report into the record.*

Hearing no comments or questions, the Committee members proceeded to vote on the foregoing report, as presented.

7C

150968 **Report**

SUNSET REVIEW OF COUNTY BOARDS FOR 2015 - TOURIST DEVELOPMENT COUNCIL

Report Received
Mover: Moss
Seconder: Edmonson
Vote: 4-0
Absent: Barreiro, Sosa

Report: *Assistant County Attorney Bruce Libhaber read the foregoing report into the record.*

Hearing no comments or questions, the Committee members proceeded to vote on the foregoing report, as presented.