

Memorandum



Date: May 8, 2019

Agenda Item No. 2B1
June 4, 2019

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over the "From:" line.

Subject: Miami-Dade Aviation Department's Capital Improvement Program

The Miami-Dade Aviation Department (MDAD) prepared a presentation of the Department's proposed Capital Improvement Program (CIP Program) for review and consideration by the Board of County Commissioners (Board), which, if endorsed by Board members today, will be placed on the full Board agenda for approval. The CIP Program constructs a series of capital projects that will enable Miami International Airport (MIA) to maintain its Global Gateway status and further elevate its competitive edge over other large gateway airports nationwide. Currently, MIA is served by 34 domestic and 68 foreign airlines and is recognized as the country's primary gateway to Latin America and the Caribbean. In 2018, MIA surpassed the 45 million passenger mark and set a new record for international freight, handling 79 percent of America's air imports and 77 percent of its air exports. In order for the County to continue to effectively grow MIA's cargo volumes as well as its number of new international passenger airlines, domestic and international trade routes, it is necessary to construct improvements throughout the County's airport system, but predominantly to MIA's terminals, cargo operations, airside and landside facilities. Without these improvements, the County will not be able to pave the way for future growth and compete with other large gateway airports in the decades to come.

Additionally, an Ordinance is being finalized (similar to that of Port Miami) delegating authority to the County Mayor or County Mayor's designee to accelerate the processing, procurement, award and administration of any contract or agreement required for the successful completion of this CIP Program. The authorities granted in the proposed Ordinance will 1) provide MDAD with the flexibility to accommodate the changing needs of the airlines and the traveling public, 2) mitigate any service interruptions to our business partners, and 3) avoid operational interruptions throughout the airport system, in particular, at MIA, which is the County's busiest airport.

CIP Program

The current estimate for MDAD's proposed CIP Program ranges between \$4 billion and \$5 billion, depending on business revenues received from future development (cargo) projects and federal grants awarded to MDAD. This CIP Program will fund five sub-programs that will be built during a period of five to 15 years through 2035 and beyond. An in-depth assessment was conducted by MDAD staff of the County's airport system that took into account factors such as demand for growth, need, and funding capability. Based on the results of the evaluation, MDAD combined MIA's previous Terminal Optimization Program (TOP) with a series of additional projects to develop the proposed CIP Program, which is all inclusive and comprehensive in that it addresses all of MIA's capacity and operational needs (airside, landside, cargo, and terminal) as well as those of the general aviation airports. This CIP Program has been structured to

facilitate the “phasing in” and “phasing out” of capital projects in order to adjust to emerging airline needs or changing conditions, and to allow for the utilization of MIA during construction. Furthermore, it provides a path for responding to MIA’s present and future growth needs, including the modernization of its existing assets and the erection of new facilities. As these capital projects are constructed, appropriate considerations for climate change and resiliency will be incorporated in order to position MIA for the future. The highlights of the proposed CIP Program are summarized below.

Central Terminal and South Terminal

Portions of the Central Terminal include older, outdated facilities that limit their efficient utilization and limit the enhancement of customer service levels. Once renovations are completed, passengers walking through MIA’s Central Terminal will immediately take notice of a partially raised roof structure that will allow more natural light to enter into the ticketing hall, in addition to more circulation space and queueing depth, similar to the North and South Terminals. After ticketing, passengers will walk into a larger security checkpoint serving Concourses E and F and exit the security checkpoint through new concession areas. Combined with the redevelopment of the Central Terminal, Concourse F will be modernized to provide for larger holdrooms, access to more post security concessions, and direct access to all of the gates and the terminal building through the departure level.

The South Terminal will be expanded to accommodate three new jumbo aircraft gates, including an apron expansion that will provide aircraft parking for an additional three widebody jets.

North Terminal

Gate Optimization Project – American Airlines (AA) existing aircraft gate configuration includes several gates designed for the Boeing B767 aircraft. AA has informed MDAD of their intent to upgrade their fleet and retire the Boeing B767 from its operations at MIA in the near future. The Gate Optimization Project will update the aircraft parking plan between Gates D14 and D37 to accept larger widebody aircraft, including the Boeing B777-300 (Jumbo Aircraft). The North Terminal frontage will be optimized for narrow-body and widebody aircraft, which are available in AA’s fleet beyond 2022.

Gate D60 Project – AA’s “American Eagle” commuter facility (located at Gate D60 in Concourse D) will be upgraded to house an increasing number of flights by larger regional jets. Currently, these aircraft create congestion inside the terminal and on the ramp. Gate D60 will be renovated to accommodate the largest regional jets, as well as narrow-body aircraft, and will also provide spacious holdrooms with new concession offerings.

New MIA Hotels

Through the County’s competitive process, solicitations will be issued to the development community to design and construct two new MIA hotels to supplement the existing hotel. The site for the first hotel is located directly east of the Dolphin Garage and across from the North Terminal. The site for the second hotel is located on the existing short-term parking deck and former heliport, which is central to all terminals and is a transit core for passengers accessing the MIA Mover and connects MIA to Metrorail, Tri-Rail, Metrobus and the Rental Car Center. The second hotel will also serve as a business and conference center with exhibition space, premium

meetings rooms and an auditorium. Both hotels will be accessible via the MIA Mover or other modes of ground transportation.

Cargo Expansion

The west side of MIA handles most of the cargo processed at the airport. With the recent rise of E-Commerce activities and the continued growth of cargo at MIA, modernizing and expanding the capacity of the cargo facilities is key for future growth. As a result of the ongoing extension of Taxiway R, new opportunities will be made available in the west cargo area. Through this CIP Program, MIA will continue to respond to the emergence of cargo sectors such as Pharma and E-Commerce and will provide essential aircraft parking positions and cargo warehouses.

These capital projects will be constructed through the implementation of five sub-programs, which include, but are not limited to, the projects listed below. A series of other capital projects (not mentioned below) will be constructed to improve and develop the general aviation airports.

1. North Terminal Program
 - a. Gate Optimization Project
 - b. D60 Redevelopment
2. Central Terminal Program
 - a. Central Terminal Redevelopment
 - b. Concourse F Modernization
 - c. Concourse G Demolition and Apron
3. South Terminal Program
 - a. South Terminal Expansion
 - b. Apron Expansion
4. Cargo Program
 - a. Taxiway R, Fuel Tender, and Ramp Expansion
 - b. Building 702 Expansion and Apron
 - c. Fumigation Facility
5. Miscellaneous Program
 - a. Roadway and Bridge Improvements
 - b. Bus Maintenance Facility
 - c. North Terminal GSE
 - d. South Terminal GSE and Auto Fueling Station
 - e. Park 6 Garage
 - f. New On-Airport Hotels

If the Board approves this CIP Program, in addition to the Ordinance delegating authorities to the County Mayor to implement the CIP Program, MDAD would place on the Board's agenda for approval two other related items referenced below.

- 1) Rejection of Proposals for ISD Project No. A16-MDAD-02: Terminal Optimization Program (TOP). The Notice to Professional Consultants was issued on June 30, 2016 (under the previous administration) for one program manager to implement improvements confined to MIA's terminals.
- 2) Request to Advertise A18-MDAD-01: Consultant Selection for the CIP Program Specialized Services. This Notice to Professional Consultants, upon Board approval, would retain two teams to assist with the implementation of the proposed CIP Program, which is thorough and wide-ranging as the proposed improvements go well beyond the terminal area, unlike TOP.

It is imperative that the County continue to invest in its airport system, particularly MIA, which is the County's number one economic engine. The proposed CIP Program will address short-term and long-term improvement needs to accommodate passenger and cargo volume growth rates, which are expected to continue to rise in 2019. More importantly, it will set the stage for an era of growth that will allow MIA to maintain its premier position as North America's global gateway and provide for an elevated, modern-day customer experience unique to Miami. For those reasons, the Department is recommending that Board members approve the proposed CIP Program, as well as the associated legislation, which will serve to jumpstart the CIP Program and initiate the renovation process of the County's airport system.

Should you have any questions or require additional information, please contact Lester Sola, Miami-Dade Aviation Department Director, at 305-876-7066.

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