




Departmental Business Plan and Outlook

Miami Dade Aviation Department

**Fiscal Years:
2005-2006
&
2006-2007**



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EXECUTIVE SUMMARY

The Miami-Dade Aviation Department (MDAD) operates a system of airports for Miami-Dade County, with policy guidance from the Mayor, the Board of County Commissioners, and the County Manager.

The Miami-Dade Aviation Department operates as an enterprise fund of Miami-Dade County. As such MDAD operates the Miami-Dade County Airport System as a financially self-sufficient entity, without property tax support from the County.

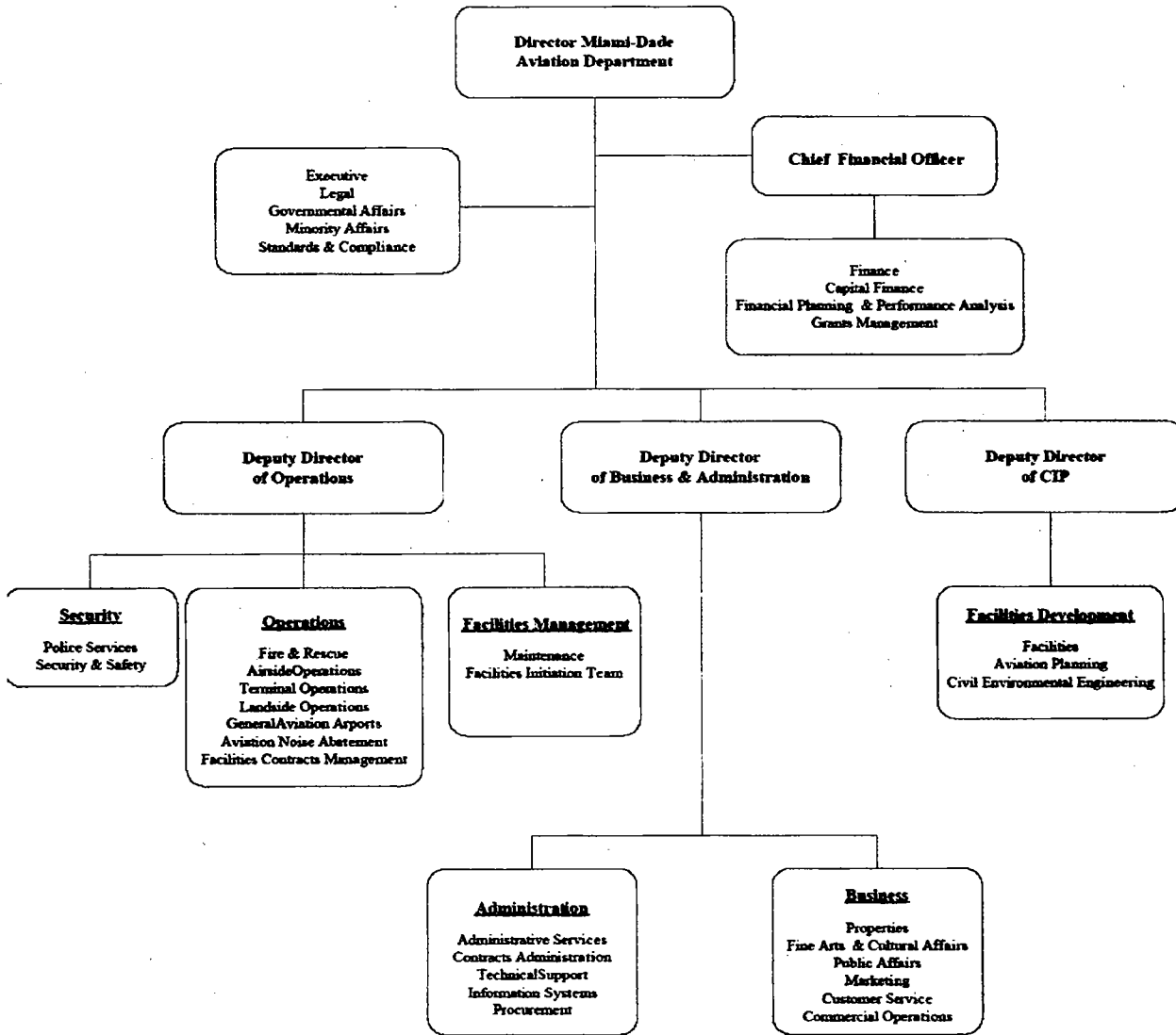
The Airport System consists of Miami International Airport (MIA) and five general aviation and training airports, namely: Opa-locka Airport, Opa-locka West Airport, Kendall-Tamiami Executive Airport, Homestead General Aviation Airport, and Dade-Collier Training & Transition Airport.

The Airport System is considered the number one economic engine for Miami-Dade County as well as for South Florida. Over 37,000 people are employed in the Miami-Dade County System of Airports, 1,600 of whom are County employees. Overall, in 2004, the passenger and air cargo activity at the Airport System generated directly and indirectly over 242,387 jobs in the region earning \$8.1 billion direct, induced and indirect personal income. Additionally, the airport system contributed \$19.1 billion in business revenue to South Florida businesses and \$737.8 million in state and local taxes and \$404.4 million of federal aviation specific taxes.

In international trade, MIA is the major air cargo trans-shipment point between Latin America and the Caribbean, and other global markets primarily in the USA and Europe, ranking number one in the USA for international freight. And in international air travel, MIA's geographical location also makes it a natural connecting point and consequently MIA ranks third in the USA for international passenger traffic.



ORGANIZATIONAL CHART
FY 2006



MAJOR ACCOMPLISHMENTS ANTICIPATED FOR THIS BUSINESS PLAN

Maintain the safe and secure operations of our airport system by:

- Enhancing security through quick response to door alarms, unattended bags, canine unit calls, and emergency responses;
- Maintaining high compliance rates on federal security requirements on access to secured areas at MIA,
- Reducing overall crimes at MIA and adjacent areas,
- Establishing an airport security plan for general aviation airports,
- Reducing the number of job related injuries and illnesses,
- Continue to achieve zero discrepancy rating on annual FAA Part 139 inspection,
- Maintaining safe and secure airfield operations areas at the General Aviation Airports.

Enhance the Airport System's competitive position with other airports to attract more airlines as well as increase existing volume by:

- Taking actions necessary to enhance passenger experience and satisfaction
 - Through implementing valet parking and creating a public parking overflow lot,
 - Opening new concession locations, and
 - Implementing a Quality Assurance Program for janitorial services.
- Taking actions necessary to increase commercial revenues and market rentals in the near-term and long-term by:
 - Awarding contracts for additional new and improved concession offerings,
 - Reducing the vacancies within our non-terminal buildings at MIA,
 - Facilitating development at General Aviation Airports through additional leases, and approvals of environmental assessments for Opa-locka Airport Air Traffic Control Tower and runway extension at Kendall-Tamiami Executive Airport,
 - Increasing ground transportation and parking revenues, and
 - Continuing to conduct small business/community outreach meetings to maximize awareness of contracting opportunities at MDAD
- Developing and commencing implementation of a plan to reduce the operating costs in the near-term and long-term in an effort to bring MIA's airport charges to airlines at a more affordable level including:
 - Maintaining revenues and controlling operating expenses so as to stay within the targeted "effective" cost per enplaned" during the fiscal years covered by this business plan,
 - Reviewing the Department's processes and procedures for opportunities to achieve greater efficiencies and expediency in accomplishing purposes by:
 - Department-wide implementation of Enterprise Resource Planning,

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- Improving productivity in the janitorial program,
- Developing a program to reduce the cost of international waste disposal,
- Improving our existing Fleet Management Program and reducing the purchase of vehicles,
- Containing airport-wide energy consumption,
- Speeding the repair and renovation of vacant spaces,
- Publishing welcome/orientation manuals for new airline station managers and providing ADA sensitivity training,
- Obtaining and maintaining ISO 14001 certification for Maintenance, Aviation Fuel Facility, Environmental Engineering, and Procurement Divisions,
- Enhancing our process for RFP/RFQ solicitations, hiring and payroll processes, purchase requisitions, technology service requests, and signage requests,
- Identification of best practices for debt service reduction and development of plans best suited for the Department's financial outlook and risk profile, and
- Timely processing and paying invoices.
- Reviewing the Department's staffing and organizational structure to identify redundancies and other opportunities for streamlining the organization in the near-term and long-term
- Managing the construction of the Airport System's capital program and repair of facilities so that the Airport System has the facilities required by its tenants, but also controlling costs by:
 - Controlling change order costs,
 - Containing building code interpretation related changes,
 - Containing design errors & omissions related changes, and
 - Maintaining CIP Construction Safety Incident Rates at or below National Construction Industry Incident Rates.
- Marketing the airfield and terminal capacity at MIA while reevaluating business arrangements with airlines and restructuring as needed to attract additional airlines or additional activity by existing airlines including our leasing policy and airline rates and charges methodology with the goals of:
 - Obtaining additional international routes, low-fare carriers, and cargo carriers.
 - Achieving at least 2% growth in passenger and cargo activity levels at MIA.

SIGNIFICANT FACTORS CRITICAL TO THE DEPARTMENT'S SUCCESSFUL IMPLEMENTATION OF THE BUSINESS PLAN

- Critical to the Business Plan is the willingness of all levels of the Department to truly reevaluate the Department's current operating and business model and maintaining an open mind toward new approaches that will allow the Department to fulfill its business plan objectives.

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- Continued recovery of the aviation industry while recognizing that the industry is expected to continue to experience a great deal of financial turmoil and continue to evolve toward a new business model.
- Cooperation by federal agencies to develop solutions that facilitate faster and smoother passenger processing, particularly foreign visitors to the United States.
- Creative solutions to addressing growing unfunded federal security mandates.
- The Department will continue to obtain feedback from its customer base and incorporate that input into the action plans developed for these objectives.
- All Department Divisions will be proactive in anticipating problems and finding solutions to problems as they arise.

INTRODUCTION

DEPARTMENT PURPOSE/MISSION STATEMENT

To operate a system of airports that provides for the safe and comfortable movement of people and goods in efficient and attractive facilities while offering competitive prices to all users.

GUIDING PRINCIPLES

Safety and Security

Ensuring the safe and efficient movement of people, aircraft, ground vehicles, and goods through our airports is paramount to the operation and survival of the Miami-Dade County System of Airports.

Making Airport System Competitive

Constant attention to being competitive is necessary in order for the Miami-Dade County System of Airports to thrive. Thriving requires focus on maximizing the ability of the airports to meet their customers' needs, keeping abreast with the dynamic aviation industry, and maintaining the economic health of the airport system.

Investment in Our Future – Capital Improvements and Facilities Maintenance

A major challenge is to make sure that the airport system remains economically viable and competitive. But of equal importance is that the Program truly meets the needs of its current and future users. Critical to the achievement of the Department's goals is the investment in our facilities at MIA and the general aviation and reliever airports through pursuit of the Capital Improvement Program (CIP) for the Airports System and the reserve maintenance and repair program. The CIP includes projects that will enhance safety and security, improve customer service, improve environmental standards and provide economic value to the region. The program also strategically positions MIA for maintaining its role as a major international gateway. The repair and renovation of our facilities has become critical as the replacement of aging facilities has been deferred in order to keep our costs competitive.

Investing in our Human Capital

Our employees represent the Department's most valuable asset, our Human Capital. We must continue to attract, develop and retain quality employees to the fullest extent possible and provide the support and leadership needed to ensure that they are able to perform at high levels. Our Human Capital investment must continue to be a priority, supporting the growth and development of our employees. We must also insure that we maintain systems, policies and procedures that allow our employees to efficiently and effectively discharge their responsibilities and allow us to maintain a competitive edge.

Providing Excellent Customer Service

Customer service is a major key to the success of the Airport System. Customers choose to use our airports and have very viable alternatives. Therefore, the Aviation Department cannot merely operate a transportation system but must provide excellent Customer service if it desires to attract and retain its Customers. The term "Customers" is a broad concept including not only airlines passengers but also airlines, cargo handlers, federal agencies, concessionaires, FBO's vendors, service operators, developers, and employees. Each of these groups represent stakeholders whose interest must be balanced to make our airports truly effective.

DEPARTMENT DESCRIPTION

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The Airport System is considered the number one economic engine for Miami-Dade County as well as for South Florida. Over 39,000 people are employed in the Miami-Dade County System of Airports, 2,000 of whom are County employees. Overall, in 2004, the passenger and air cargo activity at the Airport System generated directly and indirectly over 242,000 jobs in the region earning \$8.1 billion direct, induced and indirect personal income. Additionally, the airport system contributed \$19.1 billion in business revenue to South Florida businesses and \$738 million in state and local taxes and \$404.4 million of federal aviation specific taxes.

The Airport is the major trans-shipment point between the Americas, the Caribbean, and Europe. MIA is served by 98 scheduled and charter airlines with routes to 150 cities on four continents, and provides more flights to Latin America and the Caribbean than any other U.S. airport. The Airport ranks number one in the U.S. for international freight and third for international passenger traffic.

MIA's yearly trade activity represents approximately 94 percent of the dollar value of the entire state of Florida's air trade figure, and 33 percent of the state's total trade activity, which includes both air and sea trade. At the hemispheric level, MIA handles 77 percent of all air export trade between the United States and Latin America and the Caribbean, while 82 percent of all air imports from the same region into the United States arrive through the Airport. Combined with the area's cultural, business, and social ties to Latin America, MIA is the predominant gateway airport for U.S.-South American passenger traffic with a 54 percent market share, U.S.-Central American traffic with a 38 percent share, and U.S.-Caribbean passenger traffic market with a 28 percent share.

From the standpoint of international air travel, MIA's location at the southeast tip of the U.S. gives it closer proximity to the Caribbean, Central America, and South America than any other major U.S. airport and makes it a natural connecting point. The Airport's

geographic position has been a significant factor in making MIA a major connecting point for passengers traveling between Europe and Latin America as well.

The airport industry, like the aviation industry as a whole, is facing turbulent times. Post 9/11 airport security regulations, the growth of low cost carriers (LCC) and other permanent changes in airline business models, the growth of the cruise destinations, and the emergence of passenger trends, and unprecedented high fuel prices, have provided a new paradigm for airport management.

MIAMI-DADE COUNTY SYSTEM OF AIRPORTS – FACILITIES OVERVIEW

MIAMI INTERNATIONAL AIRPORT (MIA)

MIA's horseshoe-shaped terminal is located on the east side of the airport property between the parallel east-west runways. It has eight concourses extending from the outside of the horseshoe, including an international satellite and two commuter terminals. The terminal building complex also includes a hotel, a heliport, and six parking structures. Originally constructed in the late 1950s, the terminal has grown to over 3.5 million square feet, but is old and inefficient. A \$5.2 billion Capital Improvement Program is underway to rebuild and modernize the facility as further discussed below.

OPA-LOCKA AND OPA-LOCKA WEST AIRPORTS

Opa-locka Airport serves as a major general aviation reliever airport facility to MIA and is located approximately twelve miles northwest of downtown Miami, seven miles north of MIA. The 1,810-acre airport has a total of approximately 313-based aircraft, an Air Traffic Control Tower operated by RVA Corp., under the FAA Contract Program, from 7:00 a.m. to 9:00 p.m., a U.S. Customs facility operated from 9:00 a.m. to 9:00 p.m. daily, and a County-maintained and staffed Airport Rescue and Fire-fighting Facility (ARFF).

KENDALL-TAMIAMI EXECUTIVE AIRPORT

In 1967, the New Tamiami Airport, located south of Kendall Drive and west of the Florida Turnpike Extension, replaced the old Tamiami Airport located on Tamiami Trail (U.S. 41). In the fall of 1989, the Airport name was changed to Kendall-Tamiami Executive Airport. This airport is located in the southwestern portion of the Miami Metropolitan Area and serves as a major general aviation reliever facility to MIA. There are approximately 425 aircraft based at this 1,380-acre facility. The airport has an Air Traffic Control Tower operated by FAA from 7:00 a.m. to 9:00 p.m. and a U.S. Customs facility that operates from 9:00 a.m. to 5:00 p.m. daily. An FAA operated Miami International Automated Flight Service Station, from which various flight informational services are provided to pilots operating in the South Florida and Caribbean areas, is also located on the airport.

