


Memorandum



Date: December 1, 2021

Agenda Item No. 2(B)(6)

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor 

Subject: Report on Parking Management Agreements at US Airports Similar to Miami International Airport, Directive No. 211774

At the September 13, 2021 Airports and Economic Development Committee (AEDC) meeting, committee members directed the County Mayor or County Mayor’s designee to prepare a report for placement on the AEDC agenda that compares the contents of the current parking management agreement in place at Miami International Airport (MIA) to other US airports that are similar to MIA in size, type of operations and passenger loads. These parking management agreements typically provide for a parking operator that manages all aspects of the day-to-day operations of a parking facility or parking facilities and is compensated through a base management fee plus agreed upon reimbursable expenses.

In response to the directive issued, the Miami-Dade Aviation Department (MDAD or Aviation Department) performed a 30-day survey during which time data was requested from 50 airports nationwide with passenger volumes and parking operations similar to MIA’s operations. As a result of the survey, information was successfully obtained from 17 US airports that has been documented in the chart attached as Exhibit A. The data in Exhibit A describes the key components of the parking management agreements including the fee structures and the scope of management services, and furthermore, displays the principal differences between MIA’s parking management agreement and the other agreements. The findings of the survey show that the fee structures and the scope of management services are not standardized and vary from airport to airport. Also, although these airports responded to most of the questions asked in the survey, in certain cases, as noted in Exhibit A, certain information was not provided. Of the 17 airports that responded, all but two airports have parking management agreements in place as Boston-Logan International Airport (BOS) and Tallahassee International Airport (TLH) self-manage their own parking operations. The remaining 15 airports have management companies that provide services similar to MIA.

Parking Fee Structures

Some airports pay a monthly fee with no additional reimbursements, others pay a monthly fee with partial reimbursement or a monthly fee with full reimbursement. The compensation methods provided to the management companies for the remaining 15 airports are as follows:

Monthly Fee with No Reimbursement

LAX – Los Angeles International Airport

Monthly Fee with Partial Reimbursement

DEN – Denver International Airport

FLL - Fort Lauderdale/Hollywood International Airport

JAX - Jacksonville International Airport

MCO - Orlando International Airport

STL - St Louis Lambert International Airport

Monthly Fee with Full Reimbursement

MIA - Miami International Airport

CLT – Charlotte/Douglas International Airport

IAH/HOU – George Bush Intercontinental Airport/William P. Hobby Airport

MEM – Memphis International Airport

SFO – San Francisco International Airport

TPA – Tampa International Airport

Other airports including Chicago O’Hare International Airport (ORD), Port Authority of New York and New Jersey (EWR/JFK/LGA) and Portland International Airport (PDX) did not provide sufficient documentation to make an assessment as to the type of reimbursement that is included in their parking management agreements.

Scope of Management Services

The most common services provided by the management companies to the 15 airports that do not self-manage include:

- Valet services (10 airports) - MIA, ORD, FLL, IAH/HOU, MEM, PDX, MCO, TPA, and LAX.
- Parking facility maintenance including full janitorial services (9 airports) - FLL, IAH/HOU, JAX, SFO, LAX, STL, TPA, and MEM.
- Issuance of Employee Parking Decals, Permits and Collection of Fees, (8 airports) - TPA, FLL, IAH/HOU, SFO, JFK, LGA, and EWR.
- Vehicle/Shuttle Detailing (2 airports) – TPA and JAX.
- Customer service and/or emergency support (11 airports) - MIA, JAX, SFO, CLT, MEM, JFK, LGA, EWR, MCO, DEN, and TPA.
- Janitorial services (5 airports)- IAH/HOU, SFO, JAX, and TPA.
- Employee parking (8 airports) - FLL, IAH/HOU, SFO, JFK, LGA, EWR, and TPA.
- Shuttle services (5 airports) – IAH/HOU, JAX, PDX, and STL.
- Security services (2 airports) - MEM and SFO.
- Parking reservations (3 airports) - ORD, LAX, and MEM.
- Miscellaneous services – There are some services unique to some airports based on their facilities and/or circumstances, such as: Parking Dispatch Room at CLT; Frequent Parker

Program at MEM; Snow Removal at EWR, JFK, and LGA; and Compressed Natural Gas Sales at STL.

In addition to the services mentioned above and in Exhibit A, other services are provided at these airports through their parking management agreements including: (i) management of the multimodal facility at ORD, (ii) port, personnel, and revenue management at CLT, (iii) traffic control services at DEN, and (iv) operation and maintenance of a Compressed Natural Gas filling station at STL. As can be seen, due to the varied nature of the survey results, there is no common thread that can be drawn from the data.

The survey results suggest that every airport's situation is unique based on their specific business model and their specific scope of services. The results also suggest that the associated costs vary greatly due to the scope of management services provided and the economic conditions that exist in each location, that is, in each city and state. Moreover, the wide variety of management fees could be attributed to the procurement process as is the case with the management fees in MIA’s present-day parking management agreement which was awarded to the operator because of the “Best and Final Offer” made in 2019.

- c: Geri Bonzon-Keenan, County Attorney
- Gerald Sanchez, First Assistant County Attorney
- Jess McCarty, Executive Assistant County Attorney
- Office of the Mayor Senior Staff
- Ralph Cutié, Director, Miami-Dade Aviation Department
- Melissa Adames, Director, Clerk of the Board
- Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
- Yinka Majekodunmi, CPA, Commission Auditor
- Eugene Love, Agenda Coordinator

Exhibit A - Miami-Dade Aviation Department
Survey of Parking Management Agreements at US Airports

Airport	Code	Contract Type	Number of Enplanements	Current Annual Management Fee	Annual Parking Gross Revenue	Fee as % of Revenue	Number of Parking Spaces	Number of Employees	Services Provided	Reimbursable Expenses
Miami	MIA	Management Agreement	22,685,074	\$72,497	\$46,000,000	0.16%	8,344	90	Customer Service and/or Emergency Support (Jumpstart) Valet Operation of Parking Garages Overseeing PARCS Maintenance	<u>Full Reimbursement</u> Credit Card Processing Fees Employee Training Insurance (Automobile, Worker's Compensation, General Liability) License and Permit Fees Office Supplies Operating Expenses and Miscellaneous Expenses Salaries, Benefits, & Associated Taxes Uniforms
Charlotte Douglas	CLT	Management Agreement	25,038,417	\$159,963	\$63,030,000	0.25%	22,418	56	Customer Service and/or Emergency Support Operation of Parking Garages PARCS Maintenance Staffing of Parking Dispatch Room	<u>Full Reimbursement</u> Credit Card Processing Fees Drug Screening/Background Checks Insurance (Automobile, Worker's Compensation, General Liability) Mystery Shopper Program Operating Expenses and Miscellaneous Expenses Salaries, Benefits, & Associated Taxes Uniforms
Chicago O'Hare	ORD	Management Agreement	42,235,687	\$625,000	\$170,000,000	0.37%	19,531	318	Parking Reservations Valet Management of Multimodal Facility Operation of Parking Garages	* Not Provided
Denver	DEN	Management Agreement	34,532,058	\$10,000,000	\$194,500,000	5.14%	45,000	150	Customer Service and/or Emergency Support Operation of Parking Garages	<u>Partial Reimbursement</u> (Reviewed annually based on performance.) Airport Badge Fees Credit Card Processing Fees Operating Expenses and Miscellaneous Expenses Uniforms
Fort Lauderdale-Hollywood	FLL	Management Agreement	18,164,427	\$990,617	\$55,935,550	1.77%	11,002	210	Employee Parking Issuance of Employee Parking Decals, Permits, and Collection of Fees Parking Facility Maintenance Valet Operation of Parking Garages Towing	<u>Partial Reimbursement</u> Armored Car Credit Card Processing Fees Custodial Services Marketing Operating Expenses and Miscellaneous Expenses Salaries, Benefits, & Associated Taxes Towing Costs
Houston	IAH/HOU	Management Agreement	22,695,455	\$2,057,795	\$115,000,000	1.79%	35,734	375+	Employee Parking Issuance of Employee Parking Decals, Permits, and Collection of Fees Janitorial Services Parking Facility Maintenance (PARCS R&M, Pressure Washing, Painting of facilities, Repair of Facilities) Shuttle Services Valet Operation of Parking Garages PARCS Maintenance	<u>Full Reimbursement</u> Airport Badging APGS equipment, parts, and supplies Armored Car Background Checks CNG for Shuttle Buses Communication Equipment Employee Training Facility Maintenance and Repair Fuel for Service Vehicles Garage and Parking Lot Supplies Maintenance and Repair of vehicles Marketing Operating Expenses and Miscellaneous Expenses PRCS equipment, parts, and supplies Salaries, Benefits, & Associated Taxes Sales and Use Taxes Uniforms
Jacksonville	JAX	Management Agreement	3,543,189	\$612,359	\$27,545,000	2.22%	9,416	80	Customer Service and/or Emergency Support Janitorial Services Parking Facility Maintenance Shuttle Services Operation of Parking Garages Shuttle Bus Detailing	<u>Partial Reimbursement</u> Airport Badging Approved Subcontractor Services Background Checks Cleaning Supplies and Maintenance of Parking Facilities Cost of Necessary and Reasonable Equipment Operating Expenses and Miscellaneous Expenses Repair of Gate Arms Salaries, Benefits, & Associated Taxes Uniforms Shuttle Bus Detailing
Los Angeles & Van Nuys	LAX/VNY	Management Agreement	42,814,355	Reviewed Annually/Fee not Provided	\$108,000,000	* Not Provided	13,941	175	Parking Facility Maintenance Parking Reservations Valet Electric Vehicle Charging Operation of Parking Garages	<u>No Reimbursement</u>

Exhibit A - Miami-Dade Aviation Department
Survey of Parking Management Agreements at US Airports

Airport	Code	Contract Type	Number of Enplanements	Current Annual Management Fee	Annual Parking Gross Revenue (2019)	Fee as % of Revenue	Number of Parking Spaces	Number of Employees	Services Provided	Reimbursable Expenses
Memphis	MEM	Management Agreement	1,704,553	\$218,545	\$10,100,000	2.16%	8,054	25	Customer Service and/or Emergency Support Parking Reservations Parking Facility Maintenance Security Services Valet Frequent Parker Program Operation of Parking Garages	<u>Full Reimbursement</u> Administrative Services Armored Car Human Resource Services Insurance (Automobile, Worker's Compensation, General Liability) Operating Expenses and Miscellaneous Expenses Non-Capital Equipment Salaries, Benefits, & Associated Taxes
Orlando	MCO	Management Agreement	24,846,842	\$1,999,866	\$70,258,495	2.85%	26,874	120	Customer Service and/or Emergency Support Valet Computer Room Operation Operation of Parking Garages	<u>Partial Reimbursement</u> Armored Car Credit Card Processing Fees Salaries, Benefits, & Associated Taxes Ticket Stock and Credit Card receipt paper Uniforms
Port Authority of NY/NJ - 3 Airports	EWR/JFK /LGA	Management Agreement	69,961,346	\$3,800,000	\$200,000,000	1.90%	40,000	212	Customer Service and/or Emergency Support Employee Parking Issuance of Employee Parking Decals, Permits, and Collection of Fees Operation of Parking Garages Snow Removal	* Not Provided
Portland	PDX	Management Agreement	9,946,422	Fee Not Provided	\$72,000,000	* Not Provided	14,200	200	Shuttle Services Valet Operation of Parking Garages	* Not Provided
San Francisco	SFO	Management Agreement	28,665,071	\$115,000	\$93,095,784	0.12%	23,373	209	Customer Service and/or Emergency Support Employee Parking Issuance of Employee Parking Decals, Permits, and Collection of Fees Janitorial Services Parking Facility Maintenance Security Services Operation of Parking Garages	<u>Full Reimbursement</u> Credit Card Processing Fees Operating Expenses and Miscellaneous Expenses Salaries, Benefits, & Associated Taxes Subcontracted Janitorial Services Subcontracted Security Services
St. Louis	STL	Management Agreement	7,946,986	\$755,000	\$27,000,000	2.80%	9,000	60	Parking Facility Maintenance Shuttle Services CNG Sales Fleet Maintenance Luggage Cart Retrieval Operation of Parking Garages	<u>Partial Reimbursement</u> Airport Badging Advertising Armored Car CNG Contract DOT Testing Employee Training Gas & Oil Operating Expenses and Miscellaneous Expenses Rental Equipment Salaries, Benefits, & Associated Taxes Snow Removal Uniforms
Tampa	TPA	Management Agreement	11,085,290	\$346,080	\$72,048,679	0.48%	23,350	96	Customer Service and/or Emergency Support Employee Parking Issuance of Employee Parking Decals, Permits, and Collection of Fees Janitorial Services Parking Facility Maintenance Valet Vehicle Detailing Operation of Parking Garages	<u>Full Reimbursement</u> Advertising and Promotional Costs Armored Car Background Checks Capital Expenses Cost of Repairs and Maintenance Credit Card Processing Fees Employee Training Marketing Services Operating Expenses and Miscellaneous Expenses Salaries, Benefits, & Associated Taxes Uniforms
Boston Logan	BOS	Self Managed	21,160,354	N/A	\$169,000,000	N/A	18,282	N/A	N/A	N/A
Tallahassee	TLH	Self Managed	425,676	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Note: Bolded text represents services MDAD has contracted out to a vendor other than the MIA Operator at a cost or services being provided by MDAD employees.										
* - Data was not provided by the airport.										
N/A = Not Applicable										