

FIELD OFFICE3845 NW 25th Street
Miami, Florida 33142www.micdot.com
1 888 838 5355**Miami Intermodal Center****News Clip**

Miami Today, Thursday, March 22, 2007

Local Fleets Lose Battle For More Space At Car-Rental Hub*By Dan Dolan*

Small local car fleets' drive to control a big chunk of a \$311 million auto-rental center at Miami International Airport ran out of gas last week when Miami-Dade County commissioners embraced an existing agreement that divvies up space based on market share.

After key state and county officials said changing the existing deal could kill the rental center and the airport's \$1.3 billion mass-transit hub, Commissioner Dorrin Rolle spiked his plan to give seven small companies that hold a combined 1% of the market rights to 25% of the space.

Now, under the terms of a decade-old agreement, each local fleet will be limited to 10 rental-car slots and 10 feet of counter space in the customer-service area. The seven companies will share back-office space, a car-wash bay and a fueling station.

Florida Department of Transportation District 6 Secretary Johnny Martinez said he was "very happy" about the decision of the county commission's transit committee that ends a bitter six-year war over the state-financed auto-rental center. He said national car-rental firms — including Hertz, Alamo and Avis — were threatening to walk away from the project, which is under construction.

If that happened, Mr. Martinez said, the state wouldn't have the cash to finish the rental center or transit hub, known as the Miami Intermodal Center. The state would drop out of the project and the county would have to cough up the \$600 million that's already been spent on both jobs, he said.

Under a complex agreement negotiated 10 years ago, the state provides funding and supervises construction of both projects. The county's job is to manage the facilities and divide up space at the car-rental center.

Revenue generated by a special \$3.25-per-day surtax on cars rented in Miami-Dade is earmarked to repay state construction bonds. If the national fleets abandoned the car-rental center, there wouldn't be enough surtax revenue to repay construction loans, Mr. Martinez said.

"If two or more large companies opt out, all the financing falls apart," Commissioner Carlos Gimenez said. "I'm not willing to risk \$600 million of the county's money to call someone's bluff. The benefit of helping our local companies isn't worth the risk of this facility not being built, the Miami Intermodal Center not being built or the MIAMover not being built. We already have a signed concession agreement. We have to move on."

Mr. Rolle reluctantly agreed. He said he was trying to prevent the local firms from being pushed out of business. He said the existing deal "is a death to the small companies."

But he withdrew his plan, proposed in August 2005, so the projects could progress.

Mr. Martinez said he will award a \$300 million contract for the next phase of construction on the mass-transit hub. He stalled the agreement last month because the rental-car dispute was threatening funding.

But rental surtax revenues may still be in jeopardy. Miami attorney Robert Holland, who represents the small fleets, says his clients may pull out of the project.

"Based on the original agreement, it would be suicide for the small companies to go to the facility," said Mr. Holland, who said he is considering filing a lawsuit to overturn the deal. "It's a nightmare. I think that with only 10 spaces apiece, they may have no choice but to abandon the project."

County aviation director José Abreu said the rental-center project could survive even if the local fleets bail out. He said they've contributed 2.2%, about \$1.2 million, of the \$46 million in the surtax fund, created nearly two years ago. Consumers, not car companies, would get a refund that would result from a fleet abandoning the project, he said.

"Financially, we can survive without the small companies," Mr. Abreu said. "But we don't want them to leave. We'll try to work with them to make it better."

Under the terms of the agreement, Mr. Abreu said, he has two more years to try to modify the contract. He said national fleets and local firms have softened their positions in recent weeks. But he said the county can't force big companies to accept any change in the deal and that original terms are binding.

However, large and small companies may reduce their demands for space now that the state intends to charge rent at the center, officials said. The original agreement called for all companies to operate rent-free but included a provision to pass along increased construction costs. Bids for the car center came in \$100 million over original

estimates, which will force the state to charge rent, Mr. Martinez said.

Miami transit consultant Nick Serianni said the 16 car companies that have agreed to operate at the auto center will pay \$72 million in rent over 10 years. Exact charges would be based on the square-footage each firm uses, said Mr. Serianni, whom the state hired to make cost projections.

He said the consumer surtax would rise to \$4 if the rental center opens as scheduled in 2009. The surtax would increase every five years after that, he said.